

**Brochure**

Tolleson Private Wealth Management

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This Brochure provides information about the qualifications and business practices of Tolleson Private Wealth Management. If you have any questions about the contents of this Brochure, please contact us at (214) 252-3250. 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.

Tolleson Private Wealth Management is a registered investment adviser. Registration of an investment adviser does not imply any certain level of skill or training.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering memoranda, account documents and/or other similar materials that contain descriptions of the material terms relating to such investments, products or services.

Additional information about Tolleson Private Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

The date of the last annual update to our firm brochure was March 31, 2022. A summary of the material changes that have been made to our firm brochure since our last annual update will be provided as part of 2023 annual amendment.

The information set forth in this brochure is qualified in its entirety by the applicable offering materials and/or governing/account documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable governing, account and/or offering documents, the governing, account and/or offering documents shall control.

Tolleson Private Wealth Management, LP encourages all clients to carefully review this brochure and/or any other applicable disclosure documents in their entirety.

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**Item 4 – Advisory Business**

Tolleson Private Wealth Management, LP (“TPWM”) is an SEC-registered investment advisory firm located in Dallas, Texas that was formed in 2000. TPWM is a wholly owned subsidiary of Tolleson Wealth Management (“TWM”) and TWM is majority owned and controlled by the John Tolleson family.

Based on a client’s goals, objectives and risk tolerance, TPWM provides investment strategy, asset allocation analysis, third-party investment manager analysis and performance monitoring and consulting services. TPWM provides clients with information and research on various investments and assists its clients in selecting investment products that best fit their individual investment objectives, strategy and investment criteria. As part of the advisory services provided to clients, TPWM also provides discretionary management of fixed income portfolios. Clients may impose restrictions on investing in certain types of securities or strategies. TPWM manages client investments on either a discretionary or non-discretionary basis as set forth in the client’s individual financial management agreements.

TPWM provides advice to one or more of its clients regarding the advisability of an investment in one or more private investment funds as a means to implement our investment advisory services. These funds include, among others, Tolleson Core Bond, LP, Tolleson High Yield Credit, LP, Tolleson US Equity, LP, Tolleson International Equity, LP, Tolleson 2022 Alternative Income, LP, Tolleson 2022 Private Investments, LP, Tolleson 2021 Private Investment, LP, Tolleson 2020 Private Investment, LP, Tolleson 2019 Private Investment, LP, Tolleson 2018 Private Investment, LP, Tolleson 2017 Private Investment, LP, Tolleson 2016 Private Investment, LP, Tolleson 2015 Private Investment, LP, Tolleson 2015 Goff, LP, Tolleson 2015 Energy, LP, Tolleson 2012 Energy, LP, and Tolleson 2012 Technology, LP (collectively, the “Funds”). Each Fund generally is structured as a limited partnership that invests a substantial portion of its assets in other pooled investment vehicles (including mutual funds) and separately managed accounts managed and operated by third-party investment managers. As part of its role as adviser to the Funds, TPWM exercises discretionary power and authority to invest and reinvest the assets of the Funds in accordance with the investment objectives and guidelines set forth in the applicable offering and governing documents. TPWM believes that these Funds provide many benefits for clients, including, lower volatility through diversification, improved liquidity management and access to a greater number of third-party funds.

In addition to investment advisory services, TPWM, as a multifamily office, provides financial planning, tax, bookkeeping, bill pay, cash management, estate planning, philanthropy, family learning and other services to our high net-worth clients. Trust services are also made available to clients through Tolleson Private Bank, an affiliate of TPWM. See Item 10 for further disclosure.

As of December 31, 2021, TPWM had a total of approximately \$8,181 million in regulatory assets under management. Of its total regulatory assets under management, approximately \$7,756 million were managed by TPWM on a discretionary basis and approximately \$425 million were managed on a non-discretionary basis.

**Item 5 – Fees and Compensation**

In consideration of its advisory services, TPWM generally receives management or advisory fees from its clients. While the fees applicable to each client are described in detail in the investment advisory agreement and the fees applicable to each Fund are described in detail in the offering and governing documents, a brief summary of TPWM's fee schedule is set forth below.

The basic fee schedule applicable to each advisory client is summarized below:

<b><u>Type of Services</u></b>	<b><u>Basic Fees</u></b>
Financial Advisory Services	.40 % - 1.00% per annum of client assets under management, payable monthly or quarterly or  Annual fixed fees, payable monthly or quarterly
Discretionary Fixed Income Portfolio Management	.15% -.20% per annum of client assets under management, payable monthly or quarterly

However, fees are negotiable with each client on a case-by-case basis, taking into consideration various factors such as (among other things) a client's situation and net worth, the size of the client relationship and the type and number of services requested, complexity of the client's financial plan and special service needs. Accordingly, advisory fees will and do vary in certain instances from the basic fee schedule set forth above. The specific fees for services rendered are established in each client's written advisory agreement with TPWM. All legacy clients who executed a financial management agreement with the firm prior to January 1, 2022, currently have ongoing asset-based fees assessed quarterly in advance based on the account value at the end of the prior quarter. Effective July 1, 2022, legacy clients ongoing asset-based fees will be based on the average daily balance methodology. All new clients who executed a financial management agreement with the firm on or after January 1, 2022, have ongoing asset-based fees assessed quarterly in arrears based on an average daily balance methodology. Effective July 1, 2022, new clients will transition from quarterly to monthly billing. Clients may instruct their custodians to deduct fees directly from their accounts. For those clients billed quarterly in advance, no fee adjustment will be made during any billing period for withdrawals or deposits. Upon termination of the investment advisory or other similar agreement, TPWM will refund to the applicable client a pro-rata portion of any advisory fees paid in advance based on the average daily balance through the date of termination. For those clients billed monthly in arrears, the final advisory fees due will be prorated based on the average daily balance through the date of termination.

In most cases, clients receiving both financial advisory services and discretionary fixed income portfolio management are charged, and pay to TPWM, a comprehensive financial advisory fee plus a separate supplemental fee for discretionary fixed income portfolio management (as disclosed above).

Certain financial planning, tax, bookkeeping, bill pay, cash management, estate planning, philanthropy, family learning and other services are or may be provided to or performed for clients for an additional agreed upon fee. More information regarding such fees is set forth in the applicable account documents with a client, as applicable.

With respect to investments and related services provided through TPWM, if a client were independently to select such investments and services separately without the aid of TPWM, it may find its costs to be more or less than if the investments and services were received as a program through TPWM.

TPWM provides investment advisory, administrative and other services to the Funds. With respect to each advisory client of TPWM who invests in a Fund, no investment advisory fee is charged with respect to such client at the Fund level.

In consideration of the administrative and other non-advisory services provided or performed by TPWM with respect to each Fund, such Fund pays TPWM an administrative fee payable monthly in arrears equal to 0.30% per annum of the aggregate capital account balance of that Fund. Each investor in a Fund will bear its pro rata or allocable share of the administrative fee payable by the Fund.

Such administrative fee is intended and designed to compensate TPWM for the internal operation and administration of the Funds, including all accounting, administration, compliance and monitoring and other administrative costs and expenses incurred by TPWM in connection with its management and operation of such Funds. TPWM has not hired or engaged a third-party administrator for the Funds, therefore all administrative responsibilities are conducted internally by TPWM. No third-party administrator fee is incurred by the Funds. It is possible that amounts received by TPWM in respect of the administrative fee will exceed the accounting, administration, compliance and monitoring, and other administrative costs and expenses actually incurred or borne by TPWM with respect to a Fund.

Any such administrative fee borne by a client in connection with its investment in a Fund will be in addition to the individual investment advisory fees payable by such client to TPWM pursuant to its advisory agreement.

Each investor in a Fund, who has terminated their advisory contract with TPWM, generally will be required to pay (and will become subject to) a management fee at the Fund level in an amount equal to a percentage of the balance of its capital account in such Fund (as determined by the Fund's general partner in its discretion).

#### **OTHER FEES AND EXPENSES**

In addition to the administrative fees paid to TPWM (and any other applicable fees, as described in the applicable offering documents), each Fund also bears the direct third party costs and expenses

relating to the Fund's formation and operation, including third party legal costs incurred to review and evaluate the legal documents of underlying managers, costs incurred by independent public accounting firms for the audit of the Fund's financial statements, preparation of the tax returns, and IRS Forms K-1, third party costs for background checks of underlying managers, expenses of the meetings of the limited partners, if any, and extraordinary expenses, such as litigation.

In addition to advisory fees charged by TPWM, each client generally bears fees and expenses charged by outside firms such as custodians, brokers, mutual fund companies, outside money managers, private investment funds and other pooled investment vehicles invested in by the Funds. See Item 12 below.

The foregoing disclosures regarding costs and expenses are not and are not intended to be exhaustive or comprehensive or complete with respect to any client or Funds and are qualified in their entirety by the applicable governing, account and offering documents of each Fund or client.

#### **TERMINATION**

Pursuant to each investment advisory agreement with a client, any party may terminate the agreement upon 30 days' prior written notice. TPWM may waive the notice requirement in its discretion. Upon notice of termination, TPWM requests instructions from the client as to the liquidation and/or transfer of the client's portfolio.



**Item 6 – Performance-Based Fees and Side-By-Side Management****TPWM ADVISORY SERVICES**

Neither TPWM nor the Funds charge performance-based fees to clients or investors. TPWM does not charge or receive any commissions or trail fees on any client transactions. Employees are compensated via salary and bonus, neither of which are tied to client portfolio performance or recommendations.

**UNDERLYING FUND MANAGERS**

Certain of the underlying funds and underlying managers charge performance-based allocations or fees, which are indirectly paid and borne by the applicable Funds and, indirectly, the investors in such Funds. Performance-based fees and/or allocations could motivate the underlying managers to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. In addition, because many performance-based fees or allocations are calculated on a basis that includes both realized and unrealized appreciation in portfolios based upon values assigned by the underlying managers, the underlying managers could face a conflict of interest in valuing such portfolios. TPWM generally attempts to ensure that these conflicts are addressed by underlying managers in a fair and equitable manner. TPWM attempts to address these conflicts through disclosure in this brochure and the applicable offering documents of each Fund.

TPWM identified instances where underlying fund managers and/or their employees are also clients of TPWM or Tolleson Private Bank (“TPB”). To ensure that TPWM does not give preferential treatment to specific fund managers because of individual client relationships maintained with TPWM and/or TPB, the firm evaluates all underlying managers in a consistent, fair and equitable manner. TPWM attempts to address these conflicts further through disclosures in this brochure.

**Item 7 – Types of Clients****DESCRIPTION**

TPWM provides investment advisory services to high-net-worth individuals, estates, trusts, foundations, the Funds, trust accounts at Tolleson Private Bank and National Philanthropic Trust. See Item 10 below. TPWM may from time to time in the future provide or perform advisory and other services for various other types of clients or persons.

**ACCOUNT REQUIREMENTS**

Generally, the minimum account size for an advisory client is \$20 million (subject to waiver by TPWM).

Among other things, advisory clients are required to sign financial management agreements that set forth the nature and scope of TPWM's advisory services and the investment objectives, guidelines and restrictions applicable to the management of advisory accounts. In addition, advisory clients generally must meet certain net worth, net asset and/or other eligibility requirements.

Each investor in a Fund generally is required to represent that it is, among other things, (i) an accredited investor, as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, and (ii) a qualified purchaser, as such term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

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

Investment strategies are evaluated based on each client's individual investment goals, risk tolerance and income needs. With the aid of TPWM, each client creates an investment policy statement to direct TPWM in its advisory services and recommendations. A separate fixed income investment policy statement is developed in the event a client desires discretionary bond management services. TPWM then researches and evaluates investment alternatives that are consistent with the client's investment policy. Investments are evaluated using one or more of the following: quantitative data, qualitative information and interviews with investment managers. Decisions to select or change investment managers and/or asset allocation strategies are approved by TPWM's Investment Committee. Additionally, for purposes of fixed income securities, particular attention is paid to the following factors (among others): issuer ratings (which are provided by nationally recognized rating agencies), liquidity of securities, and sector and geographic diversification.

TPWM does not engage in classic security analysis in the sense of evaluating the expected performance of a particular security or type of investment; rather, it serves as an overall portfolio manager. TPWM's advisory services focus on helping its clients set investment goals and objectives and formulate an asset allocation strategy. Once a decision has been made with respect to a client, TPWM implements that client's investment policy and reports periodically (no less than quarterly) on the results of its portfolio. When managing concentrated equity positions, TPWM may advise clients with respect to transactions in derivative instruments such as collars, swaps, contingent forward sales, prepaid forward contracts, covered call options, among others.

Each Fund is structured as a limited partnership that invests a substantial portion of its assets in other pooled investment vehicles (including mutual funds) and separately managed accounts managed and operated by third-party investment managers. TPWM targets underlying fund managers that have experience in investments, however, such managers may or may not have available historical operating performance. TPWM's objective is to invest with a diversified group of underlying managers who have resources to conduct fundamental research and financial modeling of investments, or quantitative research and factor-based modeling of investments. In most cases, TPWM utilizes underlying fund managers that also conduct considerable research into qualitative factors for the investments, as well as industry and market conditions. The underlying fund managers selected by TPWM may invest in a broad range of equity securities, debt securities or other financial instruments (including derivative and commodity interests), and may employ leverage, arbitrage, short-selling and other speculative investment techniques in order to seek enhanced returns.

TPWM utilizes processes to monitor existing performance of underlying fund managers, portfolio composition and portfolio diversification, which is limited only by the level of transparency granted by each underlying fund manager. Some underlying fund managers may provide estimated performance data, while some provide deeper portfolio composition, exposures and performance

data on a periodic basis. TPWM's investment team generally intends to review all reports and data provided by underlying fund managers.

There is no guarantee that the advisory services offered will result in the clients' goals and objectives being met. Nor is there any guarantee of profit or protection from loss.

## **CERTAIN RISK FACTORS**

*There can be no assurance that clients will achieve their investment objectives and goals or that TPWM's investment recommendations or advice (or investments recommended or made by TPWM) will be successful. All investments involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that TPWM's investment strategies are low risk or risk free. TPWM's investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. The following is a summary of certain of the material or principal risks that are or may be associated with our investment advisory services and investments made by clients. The various risks outlined below are not the only risks associated with TPWM's investment strategies and processes and certain risks may not apply to all TPWM strategies. With respect to the Funds, the following risks are qualified in their entirety by the risks set forth in the applicable offering documents.*

### General Strategy and Investment Risks

*General Investment Risks.* All investments risk the loss of capital. No guarantee or representation is made that TPWM's investment strategies and recommendations will be successful or profitable or that any client will achieve its investment objectives. Certain investment techniques of TPWM can, in certain circumstances, substantially increase the impact of adverse market movements to which clients may be subject. In addition, investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where TPWM or its clients invest. TPWM and the Funds will continue to be subject to complex and stringent federal, state and local laws and regulations.

*Fixed Income Securities.* TPWM may invest or recommend investments in bonds or other fixed income securities of issuers including, without limitation, bonds, notes and debentures issued by corporations, debt securities and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities changes in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

*Equity Risks.* TPWM may invest or recommend investments in equity and equity-linked securities. The value of these securities generally varies with the performance of the issuer and movements in

the equity markets. As a result, clients may suffer losses if they invest in equity securities of issuers whose performance diverges from TPWM's expectations or if equity markets generally move in a single direction and the client has not hedged against such a general move. Clients also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

*Private Equity Investments.* Certain of the Funds invest and may invest in underlying funds that make private equity investments or pursue private equity or similar strategies. Private equity funds typically make investments primarily in private portfolio companies. Investments in private portfolio companies and other private equity assets or investments are generally illiquid and involve a significant degree of financial and/or business risk. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. The profitability and survival of portfolio companies may depend on various factors including: their ability to access sufficient sources of debt and/or financing at attractive rates, competition, changing business or economic conditions or other developments, stage of development, management team, ability to generate cash flow to meet expenses and working capital requirements, make principal and interest payments on indebtedness, or make other required payments on commitments.

*Derivatives.* TPWM may use derivative instruments, including (among others) convertible bonds, convertible preferred stock, options (including speculative positions such as buying and writing call options and put options on either a covered or an uncovered basis), futures, forward contracts, repurchase agreements, reverse repurchase agreements and many different types of swaps involving payments based on a wide range of risks. In many cases, derivatives provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment in much the same way that incurring indebtedness would. Many derivatives provide exposure to potential gain or loss from a change in the market price of a financial instrument (or a basket or index) or other event or circumstance in a notional amount that greatly exceeds the amount of cash or assets required to establish or maintain the derivative contract. Accordingly, relatively small price movements in the underlying financial instruments or other events or circumstances may result in immediate and substantial losses to clients who invest in such instruments. In some cases, a client's exposure under a derivative contract will be limited to the amount invested. In other cases, the derivative contract will create an open-ended obligation. Many derivatives, particularly those negotiated over-the-counter, are substantially illiquid or could become illiquid under certain market conditions. As a result, it may be difficult or impossible to determine the fair value of a client's interest in such contracts. Many derivative contracts involve exposure to the credit risk of the counterparty, because TPWM or a client acquires no direct interest in the underlying financial instrument, but instead depends on the counterparty's ability to perform under the contract. Further, if and when TPWM or a client takes economic exposure through a derivative, it generally will not have any voting rights and

may not be able to pursue legal remedies that would be available if it invested directly in the underlying financial instrument.

Many derivatives also involve substantial legal risk and uncertainty, because the terms of the contract may be difficult to draft, apply, interpret and enforce, particularly in the context of unforeseen market conditions or events. In many cases, the counterparty has discretion (either pursuant to the express terms of the contract or in practice) to interpret the contract, make required calculations and demand or withhold payments in the manner most favorable to the counterparty. An adverse interpretation or calculation under one derivative contract could trigger cross-defaults with other contracts and could have a materially adverse effect on liquidity and performance. Any dispute concerning a derivative contract could be expensive and time consuming to resolve, particularly given the potential for complex and novel legal issues and the involvement of multiple legal jurisdictions. Even a favorable resolution could come too late to prevent cross-defaults, trading losses and material liquidity problems.

*Risks Associated with Commodity Futures, Forwards and Related Instruments.* Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” These limits could prevent TPWM and the underlying funds from promptly liquidating unfavorable positions and subject TPWM and the underlying funds to substantial losses or from entering into desired trades. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

The prices of commodities contracts and all derivative instruments, including futures and options prices, can be highly volatile. Price movements of forward, futures and other derivative contracts in which TPWM clients’ or the underlying fund’s assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. TPWM and the underlying funds also will be subject to the risk of the failure of any of the exchanges on which TPWM or the underlying funds’ positions trade or of our or the underlying funds’ clearinghouses.

Trading options on futures involves a high degree of risk. An option on a futures contract is a right to either buy or sell the underlying futures contract at a specific price. The risks of trading options on futures are similar to the risks of trading securities options. In addition, if the purchaser of an option on a futures contract exercises the option, the holder will, in effect, be buying or selling the

underlying futures contract, and will then be subject to the same risks as are attendant to futures trading.

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements, and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually widespread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which TPWM or underlying funds would otherwise recommend, to our and the underlying funds’ possible detriment. Market illiquidity or disruption could result in significant losses.

*Distressed Securities Risk.* Investments in distressed securities may be exposed to greater risks than investments in higher-grade securities. Distressed securities are issued by companies that are, or might be, involved in reorganizations or financial restructurings, either out of court or in bankruptcy. As a result, it is often difficult to obtain information as to the true condition of financially distressed securities.

*Non-U.S. Investments.* Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, that may include political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in some countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. Non-U.S. jurisdictions also may impose taxes on a client and/or the partners in a Fund. If a Fund invests in a private foreign investment company (“PFIC”) for U.S. income tax purposes and does not make a qualifying electing fund election with respect to such PFIC, such Fund and its partners may be subject to certain adverse tax consequences.

*Energy Risks.* Companies operating in the energy sector may be affected by fluctuations in the prices of energy commodities, including, for example, natural gas, natural gas liquids, crude oil and coal, in the short- and long-term. Fluctuations in energy commodity prices would directly impact companies that own such energy commodities and could indirectly impact companies that engage in transportation, storage, processing, distribution or marketing of such energy commodities. Fluctuations in energy commodity prices can result from changes in general economic conditions or political circumstances (especially of key energy-consuming countries), market conditions, weather patterns, domestic production levels, volume of imports, energy conservation, domestic and foreign governmental regulation, international politics, policies of the Organization of Petroleum Exporting Countries (“OPEC”), taxation, tariffs, and the availability and costs of local, intrastate and interstate transportation methods.

*Real Estate Risks.* Generally, a client that invests directly or indirectly in real estate will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, the supply and demand for properties and/or real estate values generally, changes in environmental and zoning laws, casualty or condemnation losses, regulatory limitations on rents, decreases in property values, changes in the appeal of neighborhoods as well as particular properties to tenants or potential purchasers of such properties, changes in supply of and demand for competing properties in an area (as a result, for instance, of overbuilding), energy and supply shortages, fluctuations in real estate fundamentals (including the average occupancy and room rates for hotel properties), the financial resources of tenants, changes in availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in building, environmental and other laws and/or regulations, zoning laws, changes in real property tax rates and operating expenses, changes in interest rates, the availability of debt financing and/or mortgage funds which may render the sale or refinancing of properties difficult or impracticable, increased mortgage defaults, increase in borrowing rates, negative developments in the economy that depress travel or leasing activity, environmental liabilities, contingent liabilities on disposition of assets, various uninsured or uninsurable risks, natural disasters, changes in government regulations (such as rent control), casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of TPWM. There can be no assurance that there will be a ready market for resale of investments because investments will generally not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by clients.

*Short Selling.* Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the underlying fund to profit from a decline in the price of a particular security to the extent that such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the underlying funds engage in short sales will depend upon our and the underlying managers’ investment strategies and opportunities. A short sale creates



the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the underlying funds of buying those securities to cover the short position. There can be no assurance that the underlying funds will be able to maintain the ability to borrow securities sold short. In such cases, an underlying fund can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the security necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

*Private/Illiquid Investment Considerations.* Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises are difficult tasks. There generally is little or no publicly available information regarding the status and prospects of companies in which the Funds may invest. Many investment decisions are dependent upon the ability of TPWM’s members and agents to obtain relevant information, and TPWM often is required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment depends upon many factors beyond TPWM’s control. The underlying managers may have substantial variations in operating results from period to period, face intense competition and experience failures or substantial declines in value at any stage. The underlying managers may need substantial additional equity or debt capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or may not be available at all. A Fund’s capital is limited and may not be adequate to protect the Fund from dilution in multiple rounds of financing of portfolio companies. An otherwise successful investment in a business may yield poor investment returns if we are unable to consummate and execute a timely exit strategy. The receptiveness of potential acquirers of portfolio companies will vary over time and, even if an investment in a portfolio company is disposed of via a merger, consolidation or similar transaction, a Fund’s securities or other interests in the surviving entity may not be marketable. Generally, the investments made by a Fund in such portfolio investments are illiquid and difficult to value, and there is little or no collateral to protect an investment once made. In most cases, the Funds’ investments are long-term in nature and may require many years from the date of initial investment before disposition.

*Hedging Policies and Risk.* TPWM or the underlying managers may employ hedging techniques, which involve the risk of unanticipated changes in interest rates, securities prices or currency exchange rates. These risks may result in a partnership’s or investment fund’s poorer overall performance.

*Default and Credit Risks.* Debt obligations of corporate and government issuers involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. We, underlying managers, our clients and the underlying funds will assume credit risk to their brokers, custodians and other counterparties in connection with brokerage arrangements, derivatives and other contractual relationships. In evaluating credit risk, we and the underlying managers will

often be dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on our clients.

*Interest Rate Risks.* Debt securities and various other assets, as well as our clients' and the underlying funds' borrowings, will subject such persons to risks associated with movements in interest rates.

*Leverage Risks.* Underlying funds generally have the power to borrow funds and employ leverage as and when they deem appropriate, including, without limitation, entering into credit facilities with respect to underlying funds. The use of such leverage by underlying funds and others can, in certain circumstances, increase the volatility of client performance and the risk of loss.

*Counterparty Risks.* Our clients are exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, we or they deal in connection with the investment of assets, whether engaged in exchange-traded or privately negotiated transactions.

*Unlimited Range of Strategies.* Our investment activities are not limited to the strategies or types of strategies described herein. Rather, we may pursue any investment strategy determined by us to be appropriate from time to time, in our sole discretion, without any notice to investors or clients (in accordance with the applicable offering and governing documents). This unlimited range of potential investments may include substantial investments in strategies not previously pursued by us and with which we and our personnel have limited experience. New strategies, assets and markets are likely to involve material and as-yet unanticipated risks. Furthermore, since our clients invest a substantial portion of their assets in the underlying funds, our clients' performance depends to a significant degree on the strategies and activities of the underlying funds and underlying managers (which will change from time to time). There can be no assurance that any of the investment strategies pursued by or on behalf of our clients will be successful.

*Future Investment Techniques and Instruments.* A client may employ investment techniques and invest in other instruments that TPWM believes will help achieve such client's investment objective. Such new investment techniques and instruments may not be specifically described in this brochure or applicable governing, account or offering documents. Such investments may also entail risks not described herein or in the applicable governing, account or offering documents. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings, which could result in unsuccessful investments and, ultimately, losses to a client. In addition, any new investment strategy or technique developed by TPWM or an underlying manager may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risks to a client.

*Risk of Limited Number of Investments.* A client may participate in a limited number of investments and, as a consequence, the aggregate return of such client may be substantially adversely affected by the

unfavorable performance of even a single investment. In addition, other than as set forth in the applicable governing, account and offering documents, investors in the Funds have no assurance as to the degree of diversification of such Fund's or any underlying fund's investments, either by geographic region, industry or transaction type.

*Material Risk Relating to Methods of Investment Analysis.* TPWM seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment and, in the case of private equity, infrastructure and certain power, energy and natural resources investments, to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence and making an assessment regarding an investment, TPWM relies on available resources, including information provided by the target of the investment and, in some circumstances, third-party investigations. As a result, the due diligence process may at times be subjective. Accordingly, TPWM cannot be certain that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts (including irregular accounting, employee misconduct and other fraudulent practices) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities. In the event of fraud by any underlying manager, any issuer or portfolio company or any affiliates thereof, a client may suffer a partial or total loss of capital invested in such underlying fund or portfolio company, and there can be no assurance that any such losses will be offset by gains (if any) realized on a client's other investments. TPWM will generally negotiate the pricing of transactions, establish the capital structure of an investment and the terms and targeted returns of such investment on the basis of financial, macroeconomic, and other applicable projections. Estimated operating results will normally be based primarily on investment professional or management judgments, or third-party advice and reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the assumptions will be accurate or that the estimated results will be achieved, and actual results may vary significantly from the projections. General economic, political and market conditions, which are difficult to predict, can have an adverse impact on the reliability of such projections. Assumptions or projections about asset lives; the stability, growth, or predictability of costs; demand; or revenues generated by an investment or other factors associated therewith may, due to various risks and uncertainties including those described herein, differ materially from actual results.

*Highly Volatile Markets.* The prices of financial instruments in which clients may invest can be volatile. Price movements of the financial instruments in which client assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. Clients are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses. In addition,

governments from time to time intervene in certain markets, directly and by regulation, particularly in currencies, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert.

*No Assurance of Investment Return.* TPWM cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. There can be no assurance that a Fund will be able to generate returns for investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described in the offering documents. At the time of a Fund's investment, a portfolio company may lack one or more key attributes (e.g., marketable product, complete management team or strategic alliances) necessary for success. There is no assurance that the investments of a Fund will be profitable or that any distribution will be made to investors. Any return on investment to investors depends on successful investment being made by a Fund. The marketability and value of any such investment depends upon many factors beyond the control of the applicable Fund.

#### Risks Related to Underlying Funds and Underlying Fund Managers

*Investment Risks in General.* In making investments, the underlying fund managers may utilize highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts, junior securities positions, control positions and illiquid investments. In addition, some of the underlying funds may be invested in derivative instruments. Such investments may expose the assets of such underlying funds to the risks of material financial loss, which may in turn adversely affect TPWM's financial results. Furthermore, the underlying funds may be invested in new and esoteric strategies that could have unforeseen risks and cause the fund to have substantial losses. To the extent the underlying funds invest in private equity investments, the market for attractive private equity investment opportunities has become highly competitive, and the increasing number of private equity investors in any given market may lead to the reduction of suitable investment opportunities and could adversely affect the terms upon which investments can be made.

*Valuation Risk.* Due to the illiquid nature of investments in underlying funds, any approximation of value or valuation determinations with respect to interests in such underlying funds (and other illiquid securities) will be based on a good faith determination as to the fair value of those interests or investments. There can be no assurance that these values will equal or approximate the price at which the investments may be sold or otherwise liquidated or disposed of. We generally expect to value investments and assets based upon information (including valuation determinations) provided by underlying managers, custodians and other third parties. TPWM may not have sufficient information in order to be able to confirm or review or contest the accuracy of valuation information and data provided by underlying managers and other third parties. As a result, there is a risk that an underlying manager may misprice a position, especially illiquid positions where there is

no established public market. The Funds could be subject to withdrawal restrictions relating to its investment in the underlying fund managers. In certain circumstances, these restrictions could adversely affect the liquidity of the Funds and therefore reduce the amounts initially payable to withdrawing investors of the Fund.

*Underlying Fund Management Risks.* Although TPWM will monitor the performance of underlying fund management teams, such teams will have day-to-day responsibility for conducting the business and affairs of their respective companies. Consequently, the value of any Fund's portfolio investments will be affected significantly by the efforts and decisions of operating management teams. Because of their size and historical needs, many lower middle market companies must rely heavily on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect future performance. However, lower middle market companies may not always be led by incumbent management teams/founders who possess a broad range of experience or professional managerial skills. Further, key executives/founders may be approaching the ends of their active business careers, requiring (upon retirement) the planned transition to professional management or a next generation of senior managers. In situations where incumbent managers or founders are supplemented with or replaced by professional management teams, operating cultures or key relationships with customers, suppliers, personnel or others might be adversely affected. While TPWM will attempt during the due diligence process to assess the relative capabilities and depth of company managers and will monitor performance over the course of an investment, no assurance is given that these efforts will be sufficient to overcome any decisions made or activities undertaken by underlying fund management teams or that the supplementation or replacement of operating managers will be successful.

#### Other Firm Level or General Risks

*General Economic Conditions.* Changes in general global, regional and U.S. economic and geopolitical conditions may affect TPWM's or its clients' activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by clients or the Funds or considered for prospective investment. Material changes and fluctuations in the economic environment, particularly of the type experienced since 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, may affect clients' or the Funds' ability to make investments and the value of investments held by clients or clients' ability to dispose of investments. The short-term and the longer-term impact of these events are uncertain, but they could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity. Any economic downturn resulting from a recurrence of such marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources of client investments (including underlying managers and underlying funds). Additionally, during, and following, the U.S. presidential election in 2016, there has been discussion and dialogue regarding potential significant changes to U.S. trade policies, legislation, treaties and tariffs, including the North American Free

Trade Agreement (“NAFTA”), as well as trade policies and tariffs affecting Canada, China, the European Union and other countries. Tariffs and other trade restrictions recently imposed by the U.S. and any further similar changes in U.S. trade policy have triggered some, and could trigger additional, retaliatory actions by affected countries, possibly resulting in “trade wars”. At this time, it is unknown whether and to what extent new legislation will be passed into law, pending or new regulatory proposals will be adopted, international trade agreements will be negotiated, or the effect that any such action would have, either positively or negatively, on clients or their investments. Investments can be expected to be sensitive to the performance of the overall economy. Moreover, a serious pandemic, natural disaster, armed conflict, threats of terrorism, terrorist attacks, global pandemics or outbreaks of disease and the impact of military or other action could severely disrupt global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer and business confidence may negatively impact market value, increase market volatility and reduce liquidity, all of which could have an adverse effect on the performance of investments (including underlying funds), client returns and clients’ ability to make and/or dispose of investments. No assurance can be given as to the effect of these events on clients or their investment objectives.

*Geopolitical Risks.* An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for oil and gasoline and could affect certain investments financial results. Further, the United States government has issued public warnings indicating that energy assets might be specific targets of terrorist organizations. As a result of such a terrorist attack or of terrorist activities in general, such investments may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default with respect to particular investments of a client, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have an adverse effect on a client’s or Fund’s returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for investments.

*Governmental Intervention.* In 2008, the global financial markets underwent disruptions that led to certain governmental intervention. The coronavirus (COVID-19) pandemic of 2020 has also led and will likely continue to lead to substantial governmental intervention (both in the United States and abroad). Such intervention, in certain cases, was or is being implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions were or are typically unclear in scope and application, resulting in confusion and uncertainty which in itself can be materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. If governmental intervention programs are unwound, there could

likewise be uncertainty and adverse effects on the markets. In the case of any future market disruptions, it is impossible to predict what interim or permanent governmental restrictions (or easing of restrictions) may be imposed on the markets or the effect of such restrictions on our investment strategies.

*Cybersecurity Risks.* TPWM and their and service providers depend on information technology systems and, notwithstanding the diligence that TPWM may perform on its (or any other clients) service providers, may not be in a position to verify the risks or reliability of such information technology systems. TPWM and their service providers are subject to risks associated with a breach in cybersecurity. “Cybersecurity” is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. TPWMs’, and their service providers information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although TPWM has implemented various measures designed or intended to manage key identified risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, TPWM may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the firm’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm TPWM’s reputation, subject any such entity to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the firm or individual investors by interfering with TPWM’s operations (or the operations of our service providers). TPWM may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose TPWM to civil, legal or regulatory liability as well as regulatory inquiry and/or action. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

*Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues.* Our business activities, operations and investments, could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as novel coronavirus, or COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues.

Specifically, novel coronavirus, or COVID-19, has spread (and is currently spreading) rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of novel coronavirus (or COVID-19) and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of TPWM. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), TPWM could be adversely affected by more stringent travel restrictions, additional limitations on the firm's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

*Terrorist Attacks, War and Natural Disasters.* Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent TPWM and the Funds from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, other acts of war or hostility and recent natural disasters have created many economic and political uncertainties in the past and may do so in the future, which may adversely affect the United States and world financial markets and TPWM for the short or long-term in ways that cannot presently be predicted.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH THE FUNDS' INVESTMENT STRATEGIES. INVESTORS ULTIMATELY WILL BE HEAVILY DEPENDENT UPON THE GOOD FAITH OF TPWM. DURING EACH FUND'S TERM, MANY DIFFERENT TYPES OF CONFLICTS OF INTEREST AND RISKS MAY ARISE (INCLUDING CHANGES TO CURRENT CONFLICTS OR RISKS). EACH FUND'S CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM CONTAINS A RISK FACTORS SECTION THAT SHOULD BE CAREFULLY READ WHEN INVESTING IN THE FUNDS.



**Item 9 – Disciplinary Information**

Neither we nor any of our employees have been involved in any material legal or disciplinary events related to past or present investment clients or investors.

**Item 10 – Other Financial Industry Activities and Affiliations****OTHER SERVICES**

In addition to investment advisory services, TPWM provides and may in the future provide financial planning, tax, bookkeeping, bill pay, cash management, estate planning, philanthropy, family learning and other services. TPWM is not a licensed CPA firm in the state of Texas. In fiscal year 2021, TPWM estimates that it spent approximately 40% of its time on services other than investment advisory services.

**AFFILIATION WITH TOLLESON PRIVATE BANK**

TPWM has an affiliated bank, Tolleson Private Bank (“TPB”). TPWM clients are under no obligation to be clients of TPB. In consideration of their relationships maintained with TPWM, TPWM clients are or may be able to access certain TPB products and services on more or less favorable terms than might otherwise be available. In 2006, TPB activated its trust powers and established a trust department. TPB has contracted with TPWM to provide investment advisory services to TPB trust customers and in consideration for these services, TPB compensates TPWM.

From time to time, TPB accepts a client’s investment in one or more of the Funds or other investment accounts as collateral for a loan. When an investment in the Funds or other investment accounts are pledged as collateral for a TPB loan, trading limitations could be imposed, creating possible liquidity risks to the client in addition to some limitations on the active management of these investment accounts. The investment used as collateral is subject to market risk and could lose value which could require the client to provide additional collateral to support the terms of the loan. The investment assets pledged to the TPB loan are charged a financial advisory fee by TPWM in accordance with the client’s investment advisory agreement. The interest rate and other fees charged on the loan could be more or less favorable than might otherwise be available, although typically TPB does not charge any fees associated with these loans.

Furthermore, TPB has a wholly owned subsidiary that acts as the general partner for each of the Funds. However, such subsidiary and TPB do not have any financial interest or receive any compensation relative to the role of the general partners. In order to address any potential conflicts of interest, TPWM provides full and fair disclosure to clients.

**FINANCIAL INCENTIVE TO RECOMMEND INVESTMENTS IN THE FUNDS**

TPWM offers investment advice to one or more of its advisory clients, including trust accounts at Tolleson Private Bank and National Philanthropic Trust regarding the advisability of a potential investment in one or more of the Funds (or other private investment funds formed and/or managed by TPWM or its affiliates in the future). Because TPWM receives a fee from the Funds for providing administrative services to the Funds, there is a financial incentive for TPWM to recommend investments in the Funds to clients (See Item 5). In order to address this potential conflict of interest, TPWM provides full and fair disclosure to clients.

**TOLLESON DONOR-ADVISED FUND**

TPWM offers a philanthropic option to its clients through the Tolleson Donor-Advised Fund. A donor-advised fund is a charitable giving vehicle that is created to manage charitable donations on behalf of families or individuals. This program is administered by National Philanthropic Trust (“NPT”). Each donor-advised fund is subject to a charitable administration fee, which is paid to NPT to cover operating expenses, such as grantmaking, recordkeeping, annual audits, tax filing, quarterly statements, and other legal and fiscal responsibilities. NPT has engaged TPWM to provide investment advisory services and manage the underlying assets in the donor-advised fund. There may be a financial incentive for TPWM to recommend the Tolleson Donor-Advised Fund. In order to address any potential conflicts of interest, TPWM provides full and fair disclosure to clients.

**INSURANCE DEDICATED FUND**

TPWM has been engaged and retained by a third-party investment manager to provide and perform sub-advisory and other services with respect to a newly formed insurance dedicated fund. Subject to the terms and conditions set forth in the offering and governing documents, this insurance dedicated fund may invest a portion of its assets in the Funds or separately managed accounts managed, operated and/or sponsored by TPWM and its affiliates. There may be a financial incentive for TPWM to recommend the insurance dedicated fund. In order to address any potential conflicts of interest, TPWM provides full and fair disclosure to clients.

**COMMODITY POOL OPERATOR AND COMMODITY TRADING ADVISOR REGISTRATION**

While TPWM is currently registered with the Commodity Futures Trading Commission (the “CFTC”) as a commodity pool operator (“CPO”) and is a member of the National Futures Association, we are in the process of deregistering and expect to be deregister by mid-2022. Certain of TPWM’s management persons currently are also registered with the CFTC as associated persons of TPWM. With respect to each of the Funds that invests directly or indirectly in commodity interests, TPWM operates such Funds as if it was exempt from registration as a CPO pursuant to the exemption set forth in CFTC Rule 4.13(a)(3).

**Item 11 – Code of Ethics****CODE OF ETHICS**

TPWM has adopted and implemented a Code of Ethics. The Code of Ethics is predicated on the principle that TPWM should pursue the best interests of its clients and, therefore, TPWM employees generally should avoid activities, interests and relationships that run contrary to the best interests of clients. Under the Code of Ethics, TPWM's policy is to place client interests ahead of TPWM interests. Employees must maintain independence in the investment decision-making process for their clients and maintain confidentiality regarding the investments or financial circumstances of a client. The Code of Ethics is designed to prevent the misuse of material, nonpublic information. Supervised persons are required to certify to their compliance with the Code on an annual basis. TPWM employees who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Employees are also required to promptly report any violations of the Code of Ethics which they become aware. A copy of the Code of Ethics will be provided to any client or prospective client upon request.

**PERSONAL TRADING**

As a firm, TPWM imposes no general prohibition on individual employees' security transactions other than those imposed by TPWM's Code of Ethics policies and applicable securities laws and regulations. TPWM prohibits employees from investing in public companies in which its clients maintain influential or controlling positions (the "restricted stock list"). TPWM's Code of Ethics also requires employees to pre-clear certain transactions in covered securities where clients may maintain concentrated stock positions. To facilitate the monitoring of employee personal transactions and to mitigate any additional risks in this area, employees are required to report holdings and transactions to TPWM on a minimum of a quarterly basis. Individual employees of TPWM are allowed to personally invest in a fund or place personal funds with an advisor that TPWM is recommending to its clients. Any such investments or arrangements are made at arms' length and on the same terms as are available at the time to any other client investors. A director, officer or employee of TPWM may not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information also is available to the investing public on reasonable inquiry. No employee of TPWM may place his or her own interest ahead of that of the advisory client.

**OUTSIDE BUSINESS ACTIVITIES**

TPWM employees are permitted to participate in outside business activities outside of their employment with the firm. Outside business activities include outside employment and volunteer positions where the employee may be a member of the board, hold a committee chair position or have other financial or investment related responsibilities. All outside business activities must be

reported and approved by TPWM prior to the employee participating in the activity. All activities are reviewed and monitored to mitigate any conflicts of interest in this regard.

### **GIFTS & BUSINESS ENTERTAINMENT**

It is recognized that employees may be offered gifts and other business entertainment from persons or entities transacting business or desiring to transact business with TPWM. Employees are prohibited from accepting inappropriate gifts, entertainment, or special accommodations that could influence their decision making; or are offered as an inducement to perform an act inconsistent with the best interests of TPWM or of the firm's clients. To facilitate the monitoring of gifts and other business entertainment received by employees and to mitigate any conflicts of interest in this area, all gifts and business entertainment must be reported to and approved by TPWM.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTION**

TPWM employees are allowed to invest in the same mutual funds and investment managers that are recommended to clients. Employees are also allowed to invest in the Funds if certain regulatory and other criteria are met. All employees invest with the same terms as clients and are not allowed favorable access or treatment that may result in a conflict of interest.

As part of TPWM's fixed income trading policies and procedures, the firm utilizes "cross trades" to address account funding issues when it deems the practice to be advantageous for each participant. All cross trades are sold out of the liquidating client's portfolio at the highest bid and bought back into another clients' portfolio (or set of portfolios) at the lowest transaction cost possible as determined by market participants and to maintain consistent portfolio characteristics across TPWM's account base. The firm is not incentivized, nor does it receive any compensation or commissions for engaging in cross trades. The firm only receives the fees outlined in Item 5 of this brochure.

As noted in Item 4, TPWM may provide advice to one or more of its clients regarding the advisability of an investment in one or more private investment funds for which TPWM provides advisory services, thus effecting a cross transaction. TPWM addresses any conflicts of interest in this regard by requiring the client to sign the Funds' Subscription Agreements, instead of allowing TPWM to have discretionary authority to sign on the client's behalf.

### **PRINCIPAL TRADING**

As a matter of policy and practice, TPWM does not generally engage in principal transactions.

## **Item 12 – Brokerage Practices**

### **SELECTING BROKERAGE FIRMS**

When selecting a brokerage firm, TPWM may consider the firm's reliability, integrity, financial condition and execution capability, among other items. In addition, TPWM considers the size of and difficulty in executing the order, block positioning and the best net price. This list does not purport to be a complete or exhaustive list of the factors considered when selecting brokerage firms. When transacting in the bond market, securities' transaction costs are inherently built into the bond's purchase or sale price, and as such, negotiations of commissions or other subjective measures are not applicable for these transactions. TPWM does not have the ability to exercise authority or influence over the selection of broker-dealers or other counterparties by underlying funds in which the Funds invest.

In some cases, for the convenience of the client, TPWM coordinates or may coordinate or assist in the execution of a trade in a non-discretionary account through a brokerage firm after approval from a client as to the specific security to be purchased or sold.

In general, TPWM recommends that advisory clients establish custodial accounts at, and receive custody, clearing, brokerage and other services from, Pershing Advisor Solutions, LLC ("Pershing"). Nevertheless, clients are ultimately responsible for deciding whether or not to open custodial accounts at Pershing. Pershing is considered a preferred custodian because custodial costs have been negotiated and may offset fees that otherwise would have been incurred by clients. TPWM is independently owned and operated and is not affiliated with, or controlled by, Pershing. Pershing makes available other services and assistance programs to TPWM that benefit the firm but may not directly benefit the firm's clients. These benefits extend to services related to back-office functions, client onboarding, technology and software required to connect to Pershing's system for client account data, pricing and market data, other order entry software, research, publications on regulatory compliance, administrative customer support, conferences, training and other educational events, marketing and business development, among others. During 2022, in connection with the custodial transition of TPB trust accounts (further addressed in Item 15), BNY Mellon N.A./Pershing will pay certain third-party transition, marketing and/or technology costs incurred by the firm. Generally, some of these services may be used to service all or a substantial number of the firm's clients, however other services may only benefit TPWM. In order to address this potential conflict of interest, TPWM provides full and fair disclosure to clients.

### **BEST EXECUTION**

TPWM generally negotiates transaction costs to be paid to broker/dealers by its clients while in the purchase/sale process of securities. Transactions are allocated to broker/dealers with the goal of best execution, considering such factors as price, bid/ask spread, brokerage research services (e.g., research ideas, investment strategies, special execution and block positioning capabilities, clearance, settlement and custodial services), financial stability, reputation and efficiency of such

broker/dealers. All transaction costs are based on, among other things, order size, liquidity of the bond and seasonal factors.

It is TPWM's intent to seek the most favorable net price and execution for brokerage orders under the circumstances. Most favorable execution is a combination of minimizing transaction costs and prompt, reliable execution.

### **SOFT DOLLAR PRACTICES**

The term "soft dollars" refers to the receipt by an investment manager of products and services (including research) provided by brokers without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker), as well as items acquired by the broker from third parties (such as quotation equipment).

Using soft dollars to obtain investment research and/or related services potentially creates a conflict of interest between TPWM and its clients. Soft dollars may be used to acquire products and services that are not exclusively for the benefit of clients which paid the commissions and that may primarily or exclusively benefit TPWM. If TPWM is able to acquire these products and services without expending its own resources (including management fees paid by clients), TPWM's use of soft dollars would tend to increase its profitability. Furthermore, TPWM may have an incentive to select or recommend brokers based on TPWM's interest in receiving research or other products or services, rather than on clients' interest in receiving most favorable execution. As a matter of practice, TPWM does not engage in traditional soft dollar arrangements (i.e., TPWM does not purposely direct client transactions and thus commissions to broker/dealers in return of research related products and services). However, TPWM may have on occasion during the last fiscal year, acquired the following types of products and services (i.e., soft dollar items) with client brokerage commissions:

- Printed or electronic delivery of company, industry market and economic research
- Availability of research analyst by telephone or personal meetings
- Conference calls from broker/dealers to TPWM
- Market quotation services and associated exchange fees

TPWM may participate in soft dollar arrangements of general availability through brokers that provide it with research and related services as described above. TPWM does not, however, negotiate higher rates on fees and expenses to be paid by client accounts in exchange for research products and services. Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a safe harbor to advisers who use soft dollars generated by client accounts to obtain investment research and brokerage services that provide lawful and appropriate

assistance to TPWM in the performance of investment decision-making responsibilities. TPWM expects that any soft dollars that it receives in connection with client-related matters would be within the limitations set forth in Section 28(e) of the Exchange Act.

### **BROKERAGE FOR CLIENT REFERRALS**

TPWM did not have any arrangements, including those considered soft-dollar arrangements, during the last fiscal year, which it used to direct client transactions to any particular broker in return for client referrals.

### **DIRECTED BROKERAGE**

TPWM generally selects and/or recommends broker/dealers to execute securities transactions on behalf of clients. Clients are permitted to direct brokerage if it is reasonable to do so in the opinion of TPWM. When brokerage is directed, the client may not receive best execution and in turn may pay more for the execution of the transaction. In a directed brokerage account, the client may pay higher brokerage commissions because the advisor may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

As described above, TPWM recommends that each client establish accounts at, and receive custody, clearing, brokerage and other services from Pershing.

### **AGGREGATION POLICY**

TPWM will purchase or sell the same securities or instruments for a number of client accounts simultaneously. Trades conducted as part of the firm's discretionary fixed income portfolio management and certain equity transactions that correspond to strategy recommendations made by the firm's investment committee with respect to multiple clients are routinely combined or "aggregated" to facilitate best execution and to reduce brokerage commissions or other costs. TPWM will give consideration to performing the transactions as a single block trade when it makes economic sense for its client.

Individual client directed transactions or those recommended by an advisor on an individual basis to a client generally will not be aggregated as the trades will be entered and executed upon receipt to meet our best execution obligations. In these instances, clients may receive pricing that is more or less favorable than other clients participating in the same security on the same day due to market movement and timing differences.

TPWM primarily utilizes two main custodians, Pershing and SEI, when executing equity trades both on an aggregate and individual basis for clients. Trades entered on the same date in the same security could experience pricing differences given that they are executed at different custodians at different times throughout the day.



**ALLOCATION POLICY**

TPWM generally attempts to affect aggregated transactions in a manner designed to ensure that no participating client is favored over any other client. TPWM may, however, increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd-lot or small numbers of securities for particular clients. Additionally, if TPWM is unable to fully execute an aggregated transaction and TPWM determines that it would be impractical or inappropriate to allocate such securities among the accounts participating in the transaction on a pro-rata basis, TPWM may allocate such securities in a manner in good faith deemed to be a fair allocation, taking into account such considerations, including, but not limited to, the assets of such accounts, the respective size of such accounts, the amount of securities proposed to be purchased or sold in the accounts, diversification within the respective accounts, the investment objectives of the accounts (including portfolio duration targets, sector allocation and structure relevant to client benchmarks), liquidity and cash available for investment in each account, and the availability of alternative securities which otherwise accomplish the investment objectives of the account.

TPWM is, from time to time, presented with private investment opportunities that fall within the investment objectives of multiple clients. TPWM is not expected to offer these investment opportunities to all clients. TPWM will allocate such opportunities in its sole discretion among the applicable clients on a basis that TPWM reasonably determines in good faith to be fair and reasonable taking into consideration the suitability of the investment opportunity within the client's overall portfolio, risk tolerance, liquidity needs, investment objectives, target return profile, time and strategy constraints, applicable law and other regulatory guidance and other considerations deemed relevant by TPWM.

**Item 13 – Review of Accounts**

TPWM provides or makes available to clients a written Consolidated Performance Report (“the Performance Report”) detailing client investments and account transactions. Performance Reports are provided by TPWM at a minimum on a quarterly basis. The majority of clients meet quarterly with their client advisory team director, although meeting may be more or less frequent as determined by the client. In addition, statements, confirmations and performance reports are furnished by various financial service institutions/firms with which the client transacts business. These firms may include, but are not limited to, broker/dealers, investment companies, trust companies, other registered investment advisers, banks and credit unions. TPWM may assist clients in interpreting and/or compiling statements/reports and transferring relevant information onto the appropriate place on the clients’ financial statements as part of the review process. TPWM has contracted with an unaffiliated third party to provide daily, weekly and monthly reconciliation services on client accounts. TPWM will provide annual written audited financial statements and annual written U.S. Income Tax information to investors in the Funds. All reports provided to clients typically are written. Clients are urged to compare any statements or notices they receive from TPWM with the statements or notices provided by their qualified custodian.

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

**THIRD-PARTY COMPENSATION**

TPWM does not receive any third-party compensation on behalf of TPWM clients.

**REFERRALS**

We currently do not compensate any third-party solicitor or marketer for client or investor referrals.

**Item 15 – Custody**

Advisory clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client’s cash and securities. TPWM urges clients to carefully review such statements and compare such official custodial records to the account statements that TPWM may provide to clients. TPWM statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies relating to certain securities.

TPWM is deemed to have “custody” of each Fund for purposes of Rule 206(4)-5 under the Advisers Act. TPWM has engaged an independent public accounting firm to conduct an annual audit of each Fund and written audited financial statements (prepared in accordance with generally accepted accounting principles) are provided annually to investors. TPWM attempts to provide (or cause one or more other persons to provide or furnish) such audited financial statements to investors within 120 or 180 days (as applicable) (or such other time period required by law) after the end of each Fund’s fiscal year, but there can be no assurance that we will meet such timeframe. Qualified custodians do not provide account statements directly to investors in the Funds.

TPB, a related person of TPWM, serves as trustee, co-trustee or as an agent for trust accounts custodied at SEI Private Trust Company. During the second quarter of 2022, it is anticipated that TPB will change custodians for all trust accounts from SEI Private Trust Company to BNY Mellon N.A. TPB has contracted with TPWM to provide investment advisory services to these accounts. As such, TPB and/or TPWM have “custody” of these accounts. In addition, TPWM has “custody” of certain TPB bank accounts that have been established in association with bill pay services offered to clients. TPWM has obtained and will continue to obtain on an annual basis a surprise exam by an independent public accountant. TPB has obtained and will continue to obtain on an annual basis a General Examination Report to satisfy the internal control report requirements under the rule.

Certain clients have granted TPWM the limited power in standing letters of authorization (SLOAs) to disburse funds from their accounts at qualified custodians to one or more persons specifically designated by such clients. With respect to certain client accounts, TPWM has the authority pursuant to SLOAs to transfer funds from their custodial accounts to the Funds in connection with their investments therein. Therefore, TPWM generally is deemed to have custody of client’s cash and securities as discussed above. To the extent that TPWM does not qualify for the relief from the surprise examination requirement set forth in the applicable SEC no-action letter, TPWM intends to cause each such client’s assets to be included within the scope of the annual surprise examination conducted by an independent public accounting firm.

**Item 16 – Investment Discretion**

TPWM renders investment advice and counseling on both a discretionary and non-discretionary basis. The precise nature of TPWM's relationship with its clients and the extent to which TPWM may exercise discretion granted to it pursuant to its management agreement is frequently a function of the personal relationship developed between client advisory team personnel of TPWM with whom the client deals and the client's investment needs, objectives and desires. TPWM will, with client approval, exercise limited discretionary authority over the individual client accounts. Should the client wish to grant TPWM limited discretion, the Adviser shall have full discretionary power and authority to invest, re-invest and engage in rebalancing transactions with respect to the investment portfolio managed by Advisor on behalf of the Client; provided, however Advisor shall not have discretionary power or authority to make an initial investment in any private fund or other entity managed by, established by or affiliated with Adviser and/or its affiliates on behalf of client.

TPWM provides discretionary investment advice to the Funds (in which TPWM clients may invest). In making its recommendations, TPWM also exercises the discretion with regard to implementing investment decisions and proposed investments by the Funds, including the ability to identify the investment, determine the amount of investment and when to terminate or sell an investment.

TPWM has discretion to determine the securities to be bought and sold, and the amount of securities to be bought or sold with respect to discretionary fixed income portfolio management. In exercising TPWM's discretion over the fixed income portfolio, TPWM is instructed to follow the guidelines provided in the client investment policy for fixed income management.

**Item 17 – Voting Client Securities**

As a matter of firm policy and practice, TPWM does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. TPWM provides or may provide advice or recommendations to clients regarding the voting of proxies. TPWM may also assist clients by working with the custodians to ensure that the clients receive proxies and other solicitations for securities owned in their accounts. Clients may obtain copies of the TPWM's proxy voting policy by contacting TPWM.

In accordance with the advisory agreements between TPWM and each Fund, the Funds retain the voting rights for any and all investments maintained by the Funds.

Underlying managers generally are responsible for voting and taking all other actions with respect to securities held or owned by the underlying funds.

**Item 18 – Financial Information**

TPWM does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, nor has TPWM been the subject of any bankruptcy proceeding

**General Information****PRIVACY POLICY**

TPWM provides a copy of its current privacy notice to each client at or before the time that an advisory relationship is established with such client. In accordance with its privacy policy, TPWM generally does not share a client's nonpublic personal information with any nonaffiliated third parties except as necessary to provide a service that the client has requested, as required by regulatory or law enforcement officials or as reasonably necessary to prevent fraud or unauthorized transactions. TPWM limits access to nonpublic information to those employees who need to know such information to provide services to our clients. TPWM also maintains policies regarding the confidentiality and security of client personal, non-public information (such as cybersecurity policies and procedures).

**LEGAL PROCEEDINGS**

We generally are responsible for filing claims or otherwise taking any action in connection with class action lawsuits, bankruptcy proceedings, or any other legal or administrative proceeding, in any such case on behalf of a client in connection with any client security holding.

**TRADE ERRORS**

In the event of a trade error, TPWM policy is to seek to identify and correct the trade error as promptly as possible without disadvantaging the client or benefiting TPWM. If the error is a result of the actions of TPWM, the transaction will be corrected and TPWM will be responsible for any client loss resulting from an erroneous order. Notwithstanding the foregoing, if a trade error occurs with respect to a Fund, the Fund generally is required to bear any costs and losses associated therewith unless such trade error was caused as a result of TPWM's gross negligence, willful misconduct or fraud. TPWM is not responsible or liable for any trade or investment that is directed by a client.