



CRESSET®

CRESSET ASSET MANAGEMENT, LLC

# Form ADV 2A Disclosure Brochure

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September 26, 2023

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**CRESSET ASSET MANAGEMENT, LLC**  
**FORM ADV 2A – DISCLOSURE BROCHURE**

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This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Cresset Asset Management, LLC, also conducting advisory business under the names of Cresset, Meristem | Cresset, TRUE Cresset, and TRUE Cresset | Sports + Entertainment, (“Cresset”, “we”, “our” and/or the “Adviser”). If you have any questions about the content of this Disclosure Brochure, please contact us at (312) 429-2400 or by email at [info@cressetcapital.com](mailto:info@cressetcapital.com).

Cresset is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration as an investment adviser does not imply any specific level of skill or training. This Disclosure Brochure provides information about Cresset to assist you in determining whether to retain the Adviser.

Additional information about Cresset and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 288566.

## **Item 2: Material Changes**

This Disclosure Brochure is the disclosure document for Cresset Asset Management, LLC prepared according to regulatory requirements and rules.

No material changes were made to this Disclosure Brochure or within the last twelve months with this filing.

We will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days of the close of our fiscal year. We will also provide you with other interim disclosures about material changes to the information provided in this Disclosure Brochure as necessary or required.

Whenever you would like to receive a complete copy of the current Disclosure Brochure, please contact us at (312) 429-2400 or [info@cressetcapital.com](mailto:info@cressetcapital.com). We will be happy to provide you with a complete copy.

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## Item 4: Advisory Business

### A. Firm Information

Cresset Asset Management, LLC (“Cresset”) has the following active subsidiaries, CAM RE Access Fund I Manager, LLC, Cresset True Fund Management Services, LLC, CAM TAMPCo LLC, CAM GrowthCo LLC, and Cresset Asset Management Acquisition, LLC. CAM RE Access Fund I, LLC is a subsidiary of CAM RE Access Fund I Manager, LLC. Cresset Asset Management Acquisition, LLC has the following subsidiaries, Cresset Management Services, LLC, Cresset Business Management Services, LLC, Cresset TRUE Capital, LLC, Cresset Evanston Advisors, LLC, CSKJV, LLC, Cresset BC, LLC, Cresset MB, LLC, Cresset Tax Services, LLC, Cresset Cypress Wealth Advisors, LLC, Cresset PKP, LLC, Cresset SDTR Holdings, LLC, Cresset Constellation, LLC, Cresset MFW, LLC, Cresset AMA, LLC, and Cresset BCA, LLC. PagnatoKarp Tax Services, LLC, is a subsidiary of Cresset Tax Services, LLC; Cresset TC Management, LLC is a subsidiary of Cresset Trust Company, LLC which is a subsidiary of Cresset SDTR Holdings, LLC; ASSM, LLC is a subsidiary of Cresset MFW, LLC, . All investment advisory and family office services are provided through Cresset Asset Management, LLC, a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Cresset Asset Management, LLC also conducts business under the names of Cresset, Meristem | Cresset, TRUE Cresset, and TRUE Cresset | Sports + Entertainment. Cresset was founded in March 2017 and is organized as a limited liability company under the laws of the State of Delaware. Cresset is a majority owned subsidiary of Cresset Capital Management, LLC. Cresset Capital Management, LLC is a subsidiary of Cresset Manager, LLC, which was founded by Avy Stein and Eric Becker. Cresset is operated by Doug Regan, Co-Chairman, William Rudnick, Executive Managing Director, Chief legal Officer, Jack Ablin, Chief Investment Officer, Michael Costabile, Chief Financial Officer, Randall Conte, Chief Operating Officer, Jessica Malkin, Chief Marketing Officer, and Robert Pagliuco, Chief Compliance Officer.

### B. Advisory Services Offered

Cresset offers investment advisory and family office services to individuals, high net worth individuals, trusts, estates, retirement plans, charitable organizations, corporations, other business entities, and pooled investment vehicles (each referred to as a “Client”).

The Adviser serves as a fiduciary to clients, as defined hereinafter. As a fiduciary, the Adviser upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Additionally, Cresset is proud to commit to using best efforts to abide by the following ten principles, referred to as the True Fiduciary® Standards\*.

1. Embrace the legal fiduciary obligation to place Clients’ interests first.
2. Deliver comprehensive financial planning.
3. Provide fee-only advice.
4. Do not accept commissions.
5. Be Transparent on Client Costs, Fees, and Terms
6. Provide transparency on portfolios and investments.
7. Remain independent from any bank, broker dealer, insurance company or custodian.
8. Measure Client performance returns using independent third parties.
9. Do not create products to sell or price any public securities.
10. Do not physically hold or possess any Client assets, securities, or money.

\* Please note that the Adviser has affiliations, through common ownership and/or control, with other registered investment advisers, registered financial service institutions, and pooled investment vehicles. Adviser may recommend its affiliates’ products and services to Clients. The above Standards have been adopted by the

Adviser and not its affiliated entities. In no event is a Client obligated to use affiliates' services or purchase products. Additionally, certain legacy transactions from product offerings placed by an advisor who has subsequently transferred to Cresset, may have legacy trailing economics that may benefit an affiliate or an investment advisor representative of the Adviser. These legacy situations are isolated occurrences and will not affect any client or the Adviser's current commitment to these Standards. Please see Item 10 for other financial industry affiliations.

#### Wealth Management Services

Cresset provides Clients with wealth management services, which generally includes a broad range of comprehensive financial planning and consulting strategies as well as discretionary and non-discretionary investment advisory services. These services are described below:

#### Investment Advisory Services

Cresset offers continuous and ongoing investment advice and portfolio management services pursuant to the client engagement/management/advisory agreement. Our advice and services are tailored to meet our Client's individual needs, life circumstances and investment goals. We have discussions with the Client to determine the Client's investment objectives, risk tolerance, time horizons and liquidity needs.

Clients may impose reasonable restrictions and guidelines on investing in certain securities, types of securities or industry sectors. We expect all such restrictions to be timely communicated to us. Client restrictions and guidelines may negatively affect investment performance. We also expect Clients to inform us of any changes to their financial circumstances, investment objectives or risk tolerance, or of any modifications or restrictions that should be imposed on the management of the Client's assets. In this manner, Cresset can better serve our Clients' needs.

Account management and supervision is guided by the Client's needs and objectives and market conditions. We manage Clients' investment accounts on a discretionary and non-discretionary basis. We will monitor the portfolio's performance on an ongoing and continuous basis, unless otherwise agreed, and make adjustments and reallocations as necessary due to changes in market conditions and the Client's circumstances as communicated to us.

For our discretionary asset management services, Cresset will receive a limited power of attorney to effect securities transactions on behalf of a Client. The Client may limit our discretionary authority by providing us with a written communication that details restrictions and other guidelines.

Unless otherwise agreed to by the Client and Cresset, if we manage a Client's account[s] on a non-discretionary basis, we will have the ongoing responsibility to make investment recommendations based on the Client's individualized investment strategy or we will develop and implement an asset allocation strategy, which we will continuously monitor and supervise. We would first obtain a Client's approval before executing transactions in a non-discretionary account. Requests for approval will be communicated via electronic mail to an authorized account or via a telephone call to an authorized phone number. The Client will be responsible for responding in a timely manner.

We explore different types of investment options and strategies in the design of a Client's needs and objectives. Our investment recommendations are not limited by any specific product or service offered by a broker-dealer or custodian. These recommendations will generally include, but not necessarily be limited to, security types from the following list:

- Money market funds and other cash instruments
- Exchange listed securities, and securities traded over-the-counter
- Mutual fund shares and exchange traded fund shares – passive and actively managed
- Separately managed accounts

- Corporate debt securities
- Hedge funds and private equity shares
- Municipal securities
- U.S. governmental securities
- Real estate investment trust shares/interests
- Structured products and derivatives
- Options and warrants
- Alternative non-traded private investments

Each type of security has its own unique set of risks associated with it, and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary greatly. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it. Because some types of investments involve certain additional degrees of risk, they will only be recommended and implemented when consistent with the Client's needs and objectives.

All client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client's agreement. For additional information, please see Item 12 – Brokerage Practices and Item 15 – Custody.

*Retirement Accounts* – When the Adviser provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Adviser is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the Client's best interest, the Adviser will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Adviser will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Adviser.

*Non-Purpose Loans* – When deemed to be in the Client's best interest, the Adviser will introduce certain Clients to non-purpose loan programs made available through certain Custodians or other banking relationships (“Lending Program”). In such instances, the Client's assets in their account[s] at the Custodian will be utilized as collateral for the non-purpose loan. The recommendation of a Lending Program presents a conflict of interest as the Adviser will continue to receive investment advisory fees for managing the collateralized assets in the Client's account[s]. Clients are not obligated to engage the Adviser for the Lending Program. For additional information related to the risks involved in non-purpose loans and lines of credit, please see Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.

*Use of Independent Managers* – When deemed to be in the Client's best interest, we may recommend one or more third-party money managers to manage all or a portion of the Client's investment portfolio. Factors we take into consideration when making our recommendation include, but are not limited to, the money managers' performance, their investment strategies, methods or analysis, advisory fees, other fees, assets under management, and the Client's financial objectives and risk tolerance.

We would generally retain authority to hire/fire the third-party money manager, and we regularly monitor the performance of the money manager to ensure its management and investment style remain aligned with the Client's objectives and risk tolerance. Cresset continuously manages third-party money manager relationships and continuously monitors the Client's account[s] for performance metrics and adherence to the Client's goals and objectives.

Each third-party money manager maintains a separate disclosure document that will either be provided directly to the Client from the third-party money manager or by Cresset based on the terms of our agreement with the

third-party manager. The Client should carefully review the third-party money manager's disclosure document for information regarding fees, risks, investment strategies, and conflicts of interest. The third-party money manager will charge fees to the Client, which fees will be in addition to the fees charged by Cresset.

#### Private Fund Investment Adviser

The Adviser also serves as the investment adviser to a number of pooled investment vehicles (referred to herein as "Funds"). The Funds make investments across a variety of asset classes, including public equities of various types (for example, small-cap, large-cap and non-U.S. securities), specialized fixed income, hedge funds, private real estate holdings and private equity investments. In some cases, the Funds may be sub-managed by specialty professional investment managers that we research and recommend.

Fund investors have no opportunity to select or evaluate any Fund investments or strategies. Each Fund is managed according to its stated strategy and does not tailor Fund strategies to the individual needs of Fund investors. Certain Funds provide access to investment opportunities through aggregate client investments in order to meet the minimum investment requirements of investments in underlying funds in the Fund's portfolio. The specifics, costs, and risks related to our Fund offerings are outlined in the subscription and disclosure documents provided to each potential investor.

For purposes of relying upon an exemption from securities registration under the Securities Act of 1933, as amended (the "Securities Act"), each Fund is only available to "accredited investors" as defined in the Securities Act. Generally, the term "accredited investor" includes individuals who have a net worth of at least, \$1 million or who have individual income of at least \$200,000 each year for the last two years (or joint income of \$300,000 with his or her spouse) and expect to earn the same amount in the current year.

**For additional information on each Fund please consult the private placement memorandum.**

#### Financial Planning Services

Cresset may also provide financial planning services as a component of wealth management services or pursuant to a financial planning or consulting agreement. Such services may include a comprehensive evaluation of the Client's financial situation by using currently known facts and variables. We create a financial plan for the Client, which is designed to assist the Client to achieve financial goals and objectives. We may also prepare reports at the Client's request.

A financial plan may address one or more of the following areas:

- **Financial Position:** Understanding a Client's current financial situation. Sources of evaluation include income, expenses, assets, liabilities, etc.
- **Investment Planning:** Determining the most suitable way to structure investments to meet financial goals, and determine the appropriate account type (*e.g.*, joint tenants, IRA, Roth IRA, etc.)
- **Income Tax Planning:** Evaluating the current tax situation to help minimize the Client's taxes and find more profitable ways to use the extra income generated.
- **Retirement Planning:** Assessing retirement needs to help the Client determine how much to accumulate, as well as distribution strategies designed to create a source of income during retirement years.
- **Credit Planning:** Evaluating the Client's credit needs.
- **Insurance Planning and Risk Management:** Evaluating the Client's insurance needs and reviewing insurance policies and the like.
- **Estate Planning:** Reviewing the Client's cash needs at death; income needs of surviving dependents; and estate planning goals.
- **Education Planning:** Reviewing the educational needs for the Client and his/her family, along with planning for educational expenses.



We gather information through interviews and review of documents provided by the Client, including questionnaires. Information gathered includes the Client's current financial status, future goals, investment objectives, risk tolerance and family circumstances.

Typical financial planning services include one or more of each of the aforementioned service components. A financial plan may require the services of a specialist such as an insurance specialist, attorney, or tax accountant. We may recommend third-party service providers, but the Client is under no obligation to use any service provider recommended by us. Likewise, the Client is under no obligation to act on our financial planning recommendations.

Financial plans are based on the Client's financial situation at the time we present the financial plan to the Client, and on the information provided to us. The Client must promptly notify us if his/her financial situation, goals, objectives or needs change. Certain assumptions may be made with respect to interest rates, inflation rates, and use of past trends and performance of the market and economy. Past performance is not indicative of future performance. We cannot offer any guarantees or promises that the Client's financial goals will be met.

#### Family Office Services

Cresset may also offer comprehensive family office services which encompasses both strategic and tactical advisory consulting including but not limited to:

- Culture, Values, and Vision Alignment
- Wealth Strategy, Asset Protection & Portfolio Implementation
- Family Governance & Decision Making
- Liquidity and Exit Planning
- Learning and Development
- Philanthropic Consulting
- Tax Planning & Projections
- Cash and Liquidity Management
- Estate Planning
- Banking and Credit Consulting
- Lifestyle Services

#### Retirement Plan Advisory Services

Cresset may provide retirement plan advisory services to retirement plans (each a “Plan”) and their respective company sponsors (the “Plan Sponsor”). The Adviser’s retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement (“IPS”) Design and Monitoring
- Investment Monitoring Services (ERISA 3(21))
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance
- Benchmarking Services

Certain of these services are provided by Cresset serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Cresset’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Adviser reasonably expects under the engagement.

### Trust Services

Trust services may be offered to clients through Cresset Trust Company, LLC (“CTC”) an affiliate of the Adviser. CTC received its Certificate of Authority to transact business as a South Dakota-chartered public trust company effective March 30, 2015. All account administration and trust company operations are performed in South Dakota through services agreements with South Dakota Trust Company, LLC, and SDTC Services, LLC. Fees paid to the Adviser are separate from and in addition to the trustee fees payable to CTC. No client of the Adviser is required to use the services of CTC and may engage in the services of a non-affiliated trust company.

### Other Advisory Services

Cresset may engage a third party to provide the Client with class action related services. Clients may opt out on a security specific basis or in its entirety by providing written notice to Cresset.

### **C. Client Account Management**

Prior to engaging Cresset to provide investment advisory services, each Client is required to enter into one or more agreements with the Adviser that define the terms, conditions, authority, and responsibilities of the Adviser and the Client. These services may include:

- Establishing an Investment Strategy – Cresset, in connection with the Client, will develop a strategy that seeks to achieve the Client’s goals and destinations.
- Asset Allocation – Cresset will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation, and tolerance for risk for each Client.
- Portfolio Construction – Cresset will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Cresset will provide investment management and ongoing oversight of the Client’s investment portfolio.

### **D. Wrap Fee Programs**

As of 10/01/2023 Cresset’s Wrap Fee Program will generally no longer be offered to new clients. The program will continue only for the benefit of clients currently in the program, closely affiliated relationships to those clients, and in extraordinary circumstances. Under Cresset’s Wrap Fee Program, Cresset combines brokerage execution services, administrative expenses, and other fees and expenses together with its investment advisory fees. Combining fees into a single asset-based fee is considered a “Wrap Fee Program”. Cresset is the sponsor and sole portfolio manager of the “Cresset One Fee Program”. Clients that are included in the Wrap Fee Program may pay a higher or lower overall fee than if these services were paid for separately, depending on the volume of trading and other fees associated with the Client’s account[s] during the year. Please see Appendix 1 – Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

### **E. Client Assets under Management**

As of September 8, 2023, Cresset manages \$40,730,067,238 in Client assets, \$40,371,149,166 of which are managed on a discretionary basis, and \$358,918,072 on a non-discretionary basis. Clients may request more current information at any time by contacting the Adviser.

### **F. Client Assets under Supervision**

An asset under supervision (“AUS”) is one that does not qualify as Assets Under Management, but on which the Adviser would otherwise touch the asset in some manner on behalf of the Client. Examples include:

1. Provides analysis or includes the asset in reports to the Client,
2. Includes or considers the asset in the client’s financial, tax, estate plan, or as part of another provided service or other arrangement,
3. Considers the asset for purposes of overall portfolio allocation, or

4. Reviews the asset on an intermittent basis or at the client's request.

Note: AUS can include assets that are non-securities, such as artwork, real estate, collections, jewelry, other income producing property, etc. Additionally, the absolute value of a loan or other liability could be considered AUS under similar circumstances.

AUS will be reported based on the current known values of the asset as of the date of reporting. As of September 8, 2023, the Adviser has AUS of \$15,474,129,494. Clients may request more current information at any time by contacting the Adviser.

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

The following paragraphs detail the fee structure and compensation methodology for services provided by the Adviser. Each client engaging the Adviser for the services described herein shall be required to enter into a written agreement with the Adviser.

### Investment Advisory Fees

Investment advisory fees are paid either monthly or quarterly (the "billing period"), in advance or in arrears, pursuant to the terms of the Client agreement. Investment advisory fees may be a flat annual fee, fixed with respect to the type of account or advisory management provided, or based on the market value of assets held in accounts under management at the beginning, end, or average value during the billing period, including a combination of such methodologies as may be required to reflect the proper fee for the period. The investment advisory fee in the first billing period of services is prorated and billed in arrears from the date the assets are transferred into the Adviser's management to the last day of the billing period.

Investment advisory fees are based on the market value of managed assets and may be subject to a minimum annual fee of \$20,000 (not to exceed 2.00% annually) in certain circumstances. Fees may be negotiable at the sole discretion of the Adviser. Client fees will take into consideration several factors, including aggregate assets under management, the complexity of the services to be provided, and the overall relationship with the Adviser. Certain legacy Clients who transferred to Cresset from an unrelated third-party adviser may have billing processes that differ from the above.

Securities held in accounts managed by Cresset will be independently valued by the Custodian, or for investments which do not have readily available prices from pricing services, Cresset will report the most recently received information.

The Client may make additions to and withdrawals from their account[s] at any time, subject to the Adviser's right to terminate the account[s]. Additions may be in cash or securities provided that the Adviser reserves the right to liquidate any transferred securities or decline to accept securities into a client's account. When the investment advisory fee is billed in advance, if there are significant managed assets deposited into or withdrawn from an account after the beginning of a billing period, the fee payable with respect to such managed assets may be adjusted in the next billing period to reflect the fee difference for which those managed assets were under the Adviser's management. Note, the Adviser's methodology for determining the fee adjustment is on a per account basis and netting all billable securities and cash deposits/withdrawals that settle in the account on a daily basis of \$100,000 or more. Additionally, the unused pro rata portion of any fee paid in advance will be promptly refunded in the event of the termination of the Client Agreement prior to the end of the billing period.

Investment advisory fees are calculated by the Adviser or its delegate and deducted from the Client's account[s] at the Custodian. The Adviser or its delegate shall send an invoice, file, or other acceptable form of request to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning or end of the respective billing period. The amount due is calculated by applying the annual billing rate to the total assets under management multiplied by the percentage of time in the billing period over the calendar year. Clients will

be provided with a statement, at least quarterly, from the Custodian reflecting the deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by Cresset directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

The Advisory fee is how Cresset is compensated for the advisory services it provides and is exclusive of, and in addition to, the costs of holding the investment, independent manager fees, brokerage fees, applicable transaction fees, and other related costs and expenses, which may be incurred by the Client. The Adviser does not receive any portion of these costs or fees.

The Advisory fee stated in the Client Agreement may be terminated by either party at any time, by providing advance written notice to the other party. The Client may terminate the agreement within five (5) business days of signing the Adviser's agreement at no cost to the Client if the Client first received this Brochure at the time of signing. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Any pre-paid unearned advisory fees will be returned to the Client on a pro-rata basis. The Client's agreement with the Adviser is non-transferable without the Client's prior consent.

*Use of Independent Managers* – Clients who use a third-party money manager may also be charged fees by the third-party money manager. Clients should refer directly to the disclosure document provided by the third-party money manager for its fee schedule. Access to certain third-party money managers may be limited to certain types of accounts and may be subject to account minimums as determined by the third-party money manager. The Client may be able to access certain third-party money managers directly. As such, Clients may be able to access such managers at a lower cost through other channels.

*Unaffiliated Private Fund Investments* – For unaffiliated non-custodial partnership/private fund investments, the Client shall be required to complete the applicable private placement and/or account opening documents to establish these investments. The Adviser will debit its fee for providing investment advisory services with respect to these relationships directly from a brokerage account designated by the Client held at the Primary Custodian. For certain non-custodial partnership/private fund investments, the Adviser may not receive updated investment valuations prior to its fee billing calculation. In such instances, the Adviser will bill the annual rate as defined above based on the most recent valuation available for the calculation of investment advisory fees.

*Affiliated Private Fund Investments* – Cresset may also provide investment advisory services with respect to affiliated private fund investments held at custodians and non-custodial partnership/private fund investments, which are not held at the primary Custodian. In such instances, the Client shall be required to complete the applicable private placement and/or account opening documents to establish these investments. The Adviser will debit its fee for providing investment advisory services with respect to these relationships directly from an account designated by the Client held at the Custodian. For affiliated non-custodial private fund investments, the Adviser will bill the annual rate as defined above based on (i) the fair market value of the investment as determined no less than annually, or (ii) gross invested capital value if the fair market value of the investment has not yet been determined.

Since fund managers generally charge fees, a Cresset Client invested in this type of investment may incur fees, in total, more than the annual rate as defined above.

#### Private Fund Investment Adviser

As the investment adviser to pooled investment vehicles, Cresset's advisory fee will be billed in advance as defined above based on each Fund's most current net asset value. The limited partnership is charged a flat 0.75% per annum fee across all limited partnership assets.

If an investor withdraws from the Fund, the advisory fee will be billed on a pro rata basis for the portion of the billing period completed and the Adviser will refund any unearned portion of any advance payment back to the fund.

Certain legacy relationships may exist where the fees may differ from those described above. The Adviser may, in its sole discretion, charge a lesser fee based upon certain criteria, such as historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, value of assets under management, related accounts, account composition, negotiations, and other factors.

Clients should refer to the offering documents for each Fund for detailed information about fees and expenses.

#### Financial Planning Services

Cresset's financial planning may be offered as a component of wealth management services or pursuant to a financial planning or consulting agreement. Cresset offers stand-alone financial planning services for a fixed agreed upon fee based on the nature and complexity of the services to be provided and the overall relationship with the Adviser. Fees are negotiable at the sole discretion of the Adviser. An estimate of overall costs will be provided to the Client prior to engaging for these services. If it is determined that the estimate is materially incorrect, we will provide the Client with an updated estimate as soon as reasonably determined. Financial planning fees may be invoiced up to fifty percent (50%) of the expected total fee upon execution of the financial planning agreement. The balance shall be invoiced upon completion of the agreed upon deliverable[s].

In some circumstances, the financial plan may require the services of a specialist such as an accounting, insurance, trust provider, attorney, or tax accountant. Cresset may recommend affiliated or third-party service providers, but the Client is under no obligation to use any service provider recommended by Cresset. Fees for specialists will be negotiated between the Client and the service provider directly.

Cresset may require an advance deposit as described above. Either party may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the Adviser's agreement at no cost to the Client if Client first received this Brochure at the time of signing. After the five-day period, the Client will incur charges for bona fide services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for the actual services rendered on the planning project based on the percentage of the engagement scope completed by the Adviser. The Client's financial planning agreement with the Adviser is non-transferable without the Client's prior consent.

#### Family Office Services

Cresset offers family office services for an annual or project-based fee. Fees are generally payable quarterly at the beginning or end of each quarter and/or as agreed upon with the Client. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Adviser. Family office fees are invoiced by the Adviser and due upon receipt of the invoice or as otherwise agreed upon between the Client and Cresset. Either party may terminate the family office services agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the family office services agreement within five (5) business days of signing the Adviser's agreement at no cost to the Client if the Client first received this Brochure at the time of signing. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's family office services agreement with the Adviser is non-transferable without the Client's prior consent.

#### Retirement Plan Advisory Services

Fees for retirement plan advisory services are billed in the same manner as all investment advisory services as explained above pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees range up to 2.00% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Adviser. Fees are negotiable

depending on the size and complexity of the Plan.

Fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement. Either party may terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the retirement plan advisory agreement within five (5) business days of signing the Adviser's agreement at no cost to the Client if the Client first received this Brochure at the time of signing. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's retirement plan services agreement with the Adviser is non-transferable without the Client's prior consent.

#### Other Fees and Expenses

Except as provided in Item 4 above under "Wrap Fee Programs", Clients may incur certain fees or charges imposed by third parties, other than Cresset, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. Certain of the Adviser's recommended Custodians do not charge securities transaction fees for ETF and equity trades in a client's account provided that the account meets the terms and conditions of the Custodian's brokerage requirements. The fees charged by Cresset are separate and distinct from these custody and execution fees.

In addition, all fees paid to Cresset for investment advisory services or part of the Wrap Fee Program are separate and distinct from the expenses, if applicable, charged by registered and unregistered funds to their shareholders, whether affiliated or unaffiliated with Cresset. These fees and expenses are described in each fund's prospectus and will generally be used to pay management fees of the fund, other fund expenses, account administration (e.g., custody, brokerage, and account reporting), and a possible distribution fee. The Client may be able to invest in these products directly, without the services of Cresset, but would not receive the services provided by Cresset which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Cresset to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

#### Compensation for Sale of Securities

Cresset does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

### **Item 6: Performance-Based Fees and Side-by-Side Management**

Performance-based fees are fees, which are based on the share of capital gain or capital appreciation of a client's account.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged a performance-based fee. Cresset provides certain types of investment accounts, investment advisory consulting services, portfolio analyses, monitoring, and investment guidance on certain investment strategies. As predetermined in the Client Engagement Agreement along with calculation methodology, in addition to the quarterly consulting fee for these services, Client may pay Adviser an annual fee ("Performance Fee") based on a percentage of the annualized return rate of the Strategy Account in excess of certain adjustments.

### **Item 7: Types of Clients**

Cresset offers investment advisory and family office services to its clients. Cresset may offer its services to individuals, high and ultra-high net worth individuals, trusts, estates, retirement plans, charitable organizations,

corporations, other business entities and pooled investment vehicles. The amount of each type of Client is available on the Adviser's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Adviser. Cresset generally does not impose a minimum size for establishing a relationship.

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

In addition to a specific or stand-alone method of analysis, Cresset may use one or more of the following methods of analyses or investment strategies for evaluating different types of investments or third-party managers when providing investment advice to Clients, subject to the Clients' investment objectives, risk tolerance, time horizons and stated guidelines:

- ***Fundamental Analysis.*** This type of analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). This analysis looks at historical and present financial statements of the company, annual reports, governmental filings, and business activities. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Individualized analysis of underlying documentation can vary.
- ***Technical Analysis.*** This type of analysis attempts to analyze past market movements and apply that analysis to the present to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not necessarily consider the underlying financial condition of a company. This presents a risk that a poorly managed or financially unsound company may underperform regardless of market movement. In this regard, past performance is not a guarantee of future performance.
- ***Quantitative Analysis.*** This type of analysis attempts to use mathematical models and statistical modeling to obtain more accurate measurements of a company's quantifiable data, such as the value or price per share or earnings per share and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect. Quantitative analysis does not necessarily factor in all variables.
- ***Qualitative Analysis.*** This type of analysis attempts to subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

***Charting.*** This type of analysis attempts to display the performance of a security for review in a graphic version. It can be setup for any length of time and helps determine how the security will perform over time. Generally, it is used to predict trends within the security during certain time frames. This analysis looks at prospectuses, research materials, financial newspapers and magazines. There is no guarantee that past trends will reoccur.

- ***Mutual Fund and/or ETF Analysis.*** This type of analysis attempts to look at the experience and track record of the manager of the mutual fund or exchange traded fund (ETF) in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. This analysis also looks at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund[s] in the Client's portfolio. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of

different funds held by the Client may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding[s] less suitable for the Client's portfolio.

Cresset has an investment team that periodically performs research and analysis of select investments and investment managers that we may use in making investment recommendations to their clients.

Cresset's analysis methods rely on the assumption that the investment vehicles which we recommend for our clients, the companies whose securities we purchase and sell on behalf of our clients, the rating agencies that review these securities, and other publicly or privately available sources of information about these securities, are providing accurate, timely and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate, misleading, or untimely information. This is an ongoing risk regarding all the strategies discussed below.

### **Investment Strategies**

Cresset uses the following strategies in managing Client accounts which may be subject to Custodial requirements. Additionally, investment strategies and advice may vary depending upon each Client's specific financial situation. As such, we determine investments and allocations based upon the Client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. The Client's direction, restrictions, and guidelines may affect the composition of his/her portfolio.

- **Asset Allocation.** Rather than focusing primarily on securities selection, asset allocation attempts to identify an appropriate ratio of securities, fixed income, and cash suitable to the Client's investment goals and risk tolerance. A risk of asset allocation is that the Client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be fully aligned with the Client's goals.
- **Long-term Purchases.** With this strategy we purchase securities with the idea of holding them in the Client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.
- **Short-term Purchases.** When utilizing this strategy, we purchase securities with the idea of selling them when they reach their price targets or passing its catalyst. We do this to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.
- **Margin Transactions.** If granted authority to do so, we may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings. Margin trading may be used if it is suitable given a client's stated investment objectives and tolerance for risk.
- **Option Writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset. We may also utilize structured notes, closed end funds or mutual funds that utilize options strategies. The two types of options are calls and puts. A call gives us the right to



buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires. We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. We use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors. Option writing is not a fundamental part of Cresset's overall investment strategy, but we may use this strategy very occasionally when given authority and we determine that it is suitable given a client's stated investment objectives and tolerance for risk.

- ***Lending/Collateral.*** Securities within a Client's account may be used as collateral for a loan or borrowing a security. In addition, there may be a fee/interest to pay to maintain the loan/borrow the security. Some securities may be "hard-to-borrow," and therefore there may not be a readily identifiable market, or the market will charge a higher fee for borrowing. In addition, collateral security is still exposed to credit, interest, and liquidity risks. If a client is borrowing against a security, the value of that security may shift, which would leave the Client in an unlimited risk position. This is for sophisticated investors with high net worth and liquid assets to cover losses if necessary.
- ***Alternative Non-traded Private Investments.*** With these types of investments, we will look to potential transactions sourced by offerors known to Cresset and its related persons that are aligned with the Client's objectives. All such offerors or their control persons will be experienced with a verifiable track record of prior transactions. Analysis will include evaluation and due diligence of the transaction, offerors and related persons, performance history and experience of offerors and related persons, liquidity of investment, current and future cash flow potential, and associated risks. Significant risk may be associated with private non-traded investments, and such risk may not necessarily be mitigated by our analysis. This is for sophisticated investors with large net worth and liquid assets to cover losses if necessary.

### **Risk of Loss**

Investing involves a risk of loss. Clients should be prepared to bear investment loss, including the loss of the original principal. Clients should never presume that the future performance of any specific investment or investment strategy will be profitable. Further, there may be varying degrees of risk depending on different types of investments. Clients should know that all investments carry a certain degree of risk ranging from the variability of market values to the possibility of permanent loss of capital. Although portfolios seek principal protection, asset allocation and investment decisions may not achieve this goal in all cases. There is no guarantee a portfolio will meet a target return or an investment objective.

Risks to capital include, but may not be limited to, changes in the economy, market volatility, company results, industry sectors, accounting standards and changes in interest rates. Investments are generally subject to risks inherent in governmental actions, exchange rates, inflation, deflation, and fiscal and monetary policies. Market risks include changes in market sentiment in general and styles of investing. Diversification will not protect an investor from these risks and fluctuations.

Cresset manages Funds in accordance with the investment objectives and strategies disclosed in the applicable governing documents, which include (collectively, the "Governing Documents"): the organizational documents, confidential offering memorandum, limited partnership agreement or memorandum and articles of association, investment management agreement, and subscription agreement. Investors and prospective investors in a Fund should review the relevant Governing Documents to understand which methods of analysis,

investment strategies, and risks are relevant to the Fund in which they are investing.

Cresset does not engage in high-frequency trading activities or algorithmic trading strategies. Additional risks may include:

**Market risk:** Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of Client investments. Stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Common stock (or its equivalent) is generally exposed to greater risk than the preferred stocks and debt obligations of an issuer.

**Company risk:** There is always a certain level of company or industry specific risk that is inherent in each investment. Although this risk can be reduced through appropriate diversification, it cannot be eliminated. There is the risk that the issuer will perform poorly or have its value reduced based on factors specific to the issuer or its industry. If the issuer experiences credit issues or defaults on debt, the value of the issuer may be reduced.

**Exchange traded fund and mutual fund risk:** The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities that the ETF or mutual fund holds. Clients will incur additional costs associated with ETFs and mutual funds (see Item 5).

Consumer Discretionary ETF Shares are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of a Consumer Discretionary ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, the Client may pay more or less than NAV when you buy Consumer Discretionary ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares. Although Consumer Discretionary ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained. Trading of Consumer Discretionary ETF Shares on NYSE Arca may be halted by the activation of individual or market wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Consumer Discretionary ETF Shares may also be halted if the shares are delisted from NYSE Arca without first being listed on another exchange or exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

**Management risk:** Investments managed by us vary with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities.

**Foreign investments risks:** Non-U.S. investments, currency and commodity investments may contain additional risks associated with government, economic, political or currency volatility.

**Emerging markets risks:** Emerging markets can experience high volatility and risk in the short term.

**Liquidity risks:** Generally, assets are more liquid if many investors are interested in a standardized product, making the product relatively easy to convert into cash. Specialized investments may have reduced liquidity.

**Bond risks:** Investments in bonds involve interest rate and credit risks. Bond values change according to changes in interest rates, inflation, credit climate and issue credit quality. Interest rate increases will reduce the value of a bond. Longer term bonds are more susceptible to interest rate variations than shorter term, lower yield bonds.

**Alternative Investments (Private non-traded securities, limited partnerships) Risks:** Alternative Investments are normally an investment with companies or sectors that are not publicly traded. These investments are normally very illiquid and can be volatile; therefore, they are not ideal for clients with frequent or unknown

cash needs. There is normally no public market for alternative investments. As a result, if investors need to sell their shares, they will most likely do so at a substantial discount. Further, depending on the terms of the investment, the investor may not be able to transfer or sell their shares. The risk of investing in alternative investments is a substantial or complete loss of invested funds. In addition, investors may not see any return on their investment for some time depending on the type of investment and as a result, these investments should be seen as a long-term investment subject to a high risk of loss.

**Real Estate Investment Trusts (“REITs”) risks:** Investing in Real Estate Investment Trusts (“REITs”) involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

**Options risks:** Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

**Non-Purpose Loan risk:** Non-Purpose Loans carry a number of risks, including but not limited to the risk of a market downturn, tax implications if collateralized securities are liquidated, and an increase in interest rates. A decline in the market value of collateralized securities held in the account[s] at the Custodian, may result in a reduction in the draw amount of the Client’s line of credit, a demand from the Lending Program that the Client deposit additional funds or securities in the Client’s collateral account[s], or a forced sale of securities in the Client’s collateral account[s].

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Past performance is not a guarantee of future returns. Investing in securities and other investments involves a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with their Advisor.

**Pandemic risk:** Pandemic risk can result in market volatility and may have long-term effects many nations including the United States, individual companies, and the market(s). Pandemics may cause extreme volatility and disruption in both the U.S. and global markets causing uncertainty and risks to economic growth, etc. Cresset cannot predict the effects of significant future events on the global economy and securities markets. A similar disruption of the financial markets could impact interest rates, credit risk, inflation, and other factors.

### **Generally**

Cash balances are typically invested daily in interest-bearing money market accounts unless the Client directs otherwise.

Our strategies and investments may have unique and significant tax implications. Cresset will manage portfolios with an awareness of tax implications, but long-term wealth compounding is our primary consideration. Regardless of account size or other factors, Cresset strongly recommends that its clients continuously consult with a tax professional prior to and throughout the investing of their assets. Each Client is responsible for contacting their accountant, tax advisor, or other qualified professional to determine which cost basis accounting method is the right choice for them. Clients should provide Cresset with written notice of a Client's selected accounting method, and Cresset will alert the Client's custodian of the individually selected accounting method. Clients should be aware that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

## **Item 9: Disciplinary Information**

Cresset is required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of us, our business or the integrity of our management or associated persons.

Neither Cresset nor any of its management persons have any reportable disciplinary events to disclose. If your Investment Advisor has any disciplinary information, it will be included on their ADV Part 2B or you can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free search tool to research our firm and any of our financial professionals.

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

### **Financial Industry Affiliations - Section 7.A. of Form ADV Part 1**

#### **Cresset Partners, LLC**

The Adviser is affiliated and under common control with Cresset Partners, LLC (“Cresset Partners”). Cresset Partners LLC (“Cresset Partners”) is a registered investment adviser with the U.S. Securities and Exchange Commission. Cresset Partners, through its subsidiaries, manages and offers direct access to investments in real estate, private equity, registered and unregistered funds, and investment companies (collectively “Investment Products”) to third-party investors and Clients of Cresset. Due to the affiliation, owners may benefit financially in their individual capacity if the Adviser invests Client funds into Investment Products. As a result, the Adviser may have an incentive to invest Client funds in Investment Products.

Prior to recommending Investment Products, the Adviser will conduct appropriate due diligence to ensure any recommendation to a Client to invest in these Investment Products aligns with the Client’s investment needs and objectives. In addition, the Adviser will provide additional disclosure information to each Client, which will include relevant details regarding material financial interests and compensation surrounding Investment Products. There is no requirement for the Adviser to recommend these products to Clients, nor are Clients obligated to invest in these products.

#### **Flowstone Partners, LLC**

The Adviser is affiliated and under common control with FlowStone Partners, LLC (Flowstone). Flowstone is a registered investment adviser with the SEC. FlowStone provides advisory services to a single client, the FlowStone Opportunity Fund: a closed-end fund registered under the Investment Company Act of 1940, as amended, with the primary investment objective of generating appropriate risk-adjusted long-term returns by investing in a diversified portfolio of private equity investments. The Fund typically invests in funds, either through a secondary acquisition or a primary commitment. The Fund may invest directly in companies through equity and debt securities. The Adviser does not receive any direct or indirect economic benefit due to this affiliation. Additionally, there is no requirement for the Adviser to recommend these products to clients, nor are clients obligated to invest in these products.

#### **Cypress Advisors, LLC**

Cypress Advisors, LLC (“Cypress Advisors”), is the general partner to the Cypress Funds, for which the Adviser acts as the investment advisor. Cypress Advisors is managed by Cresset Management Services LLC, an affiliated entity and subsidiary of the Adviser. The Adviser is deemed to have control over Cypress Advisors, through Cresset Management Services LLC. See Cresset Management Services LLC included in this section for further information associated with this relationship.

#### **Willis Stein & Partners Management III, L.P.**

The Adviser is affiliated, through common ownership, with Willis Stein & Partners Management III, L.P., a Delaware limited partnership and general partner of several private equity funds (herein “Management III”). Clients of Cresset will not be offered private equity funds of Management III. Cresset shares premises with Management III; however, Management III has no other business dealings in connection with Cresset's advisory business or services provided to clients, and Cresset has no reason to believe that sharing premises with Management III creates a conflict of interest. All appropriate and necessary security policies and procedures

are in place to ensure the security of client information.

### **Caretta Partners, LLC**

The Adviser is affiliated, through common ownership, with Caretta Partners, LLC (“Caretta”). Caretta is a private equity and venture capital firm specializing in early stage, growth equity, and buyout investments. Certain Cresset supervised persons, Advisory Board members and clients are currently invested in Caretta, which occurred prior to becoming clients of the Adviser. Cresset does not currently offer any current Client’s investments in Caretta.

### **VennPoint Real Estate, LLC**

The Adviser is affiliated, through common ownership, with VennPoint Real Estate, LLC (“VennPoint”). VennPoint invests in real estate for local communities, focused on the development, redevelopment, and acquisition of property. Certain Cresset Supervised Persons, Advisory Board members and Clients are currently invested in VennPoint, which occurred prior to becoming Clients of the Adviser. Cresset does not currently offer any current Clients investments into VennPoint.

### **True Capital Insurance Services, LLC**

True Capital Insurance Services, LLC (“TCIS”), is an affiliated insurance brokerage company, licensed as such in AZ, CA, FL, TN, TX and WA, offering life and disability insurance placed through various carriers. TCIS also provides consulting services related to minimizing risk and protecting assets through health, umbrella, and property and casualty insurance. Certain licensed agents are authorized to act on behalf of TCIS and may sell life and disability insurance placed through various carriers. If a TCIS agent is compensated through insurance commissions, that agent is not allowed to provide and does not provide investment advice to any of the Adviser’s clients and is not licensed as an investment advisory representative (“IAR”) of the Adviser as that relationship would create a conflict of interest. If a TCIS agent is also an IAR of the Adviser, that agent is not allowed to receive and will not receive commissions related to the sale of insurance, thus mitigating the conflict of interest. Additionally, there is no requirement that a TCIS agent recommend TCIS or its services. Nor are the Adviser’s clients obligated to utilize TCIS or any of its services. The Adviser does not receive any compensation or fees from the activities of TCIS. While the Adviser endeavors at all times to put the interests of its clients first, the affiliated relationship between TCIS and the Adviser inherently creates a conflict of interest as both entities are under common control. This conflict is disclosed to all clients of the Adviser if offered any TCIS service.

### **Cresset Trust Company, LLC**

The Adviser is affiliated, through common ownership, with Cresset Trust Company, LLC (“CTC”), (fka Meristem Trust Company, LLC). CTC received its Certificate of Authority to transact business as a South Dakota-chartered public trust company effective March 30, 2015. All account administration and trust company operations are performed in South Dakota through services agreements with South Dakota Trust Company, LLC, and SDTC Services, LLC. Trust services may be offered to clients of the Adviser and advisory services offered to clients of CTC through their affiliation. Conflicts could arise in some cases, among others, where CTC is responsible for making decisions around distributions from a trust and where such distributions could reduce the balance of the assets being managed by the Adviser. Accordingly, if CTC has a role in making distribution decisions, it agrees that any decisions around distributions will be made independent of any consideration relative to the impact distributions would have on assets under management and resulting fees. Further, all investment recommendations of trust accounts will be based solely on the best interests of the trust.

Cresset mitigates these conflicts of interests by analyzing all investments in accordance with our documented fundamental due diligence research procedures. These procedures require us to evaluate all potential Client investments exclusively based on impartial proprietary and third-party fundamental analyses. The research also includes prior investment experience and the client’s overall investment objectives. We also consider all Client referrals based on potential conflicts of interest and will not accept new Clients where there is an unreconciled material conflict of interest.

## **Other Affiliations Material to Our Advisory Services**

### **Cresset Management Services LLC**

Cresset Management Services LLC, a subsidiary of the Adviser, serves as sole manager of Cypress Advisors, the general partner of the Cypress funds. All Cypress funds are closed to new investment and have been since the Adviser was engaged. The Adviser merely acts as the investment advisor and manager, through its affiliation with Cresset Management Services LLC. See Cypress Advisors, LLC in this section for further information associated with this relationship.

### **Cresset True Fund Management Services LLC**

Cresset True Fund Management Services (“**CTFMS**”) a subsidiary of the Adviser, serves as the sole manager to certain funds offered through Cresset Partners, LLC an affiliated entity under common control with the Adviser, and who also serves as the investment advisor with investment authority over these funds. See Cresset Partners, LLC in this section for further information associated with this relationship.

### **Cresset Business Management Services, LLC**

Cresset Business Management Services, LLC (“**CBMS**”), a subsidiary of the Adviser, provides non-investment advisory services to clients to assist them in the management of their finances. These services include bill pay services, bank account management, preparation of monthly cash flow statements and budgets, entity administration, credit consultation, and bookkeeping. We may also refer the client to third-party vendors to assist the client with payroll services, entity registration, and other matters. For a client who engages CBMS for bill pay services and/or bank account management, the client is required to establish one or more bank accounts with a third-party financial institution to serve as the qualified custodian bank of these client accounts. The Adviser is not affiliated with these third-party vendors or financial institutions. Additionally, some of these services may create a custody relationship between the Adviser and the Client. See Item 15 Custody.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **A. Code of Ethics**

Cresset has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with Cresset (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Cresset and its Supervised Persons owe a duty of loyalty, fairness, and good faith towards each Client. It is the obligation of Cresset’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (312) 429-2400 or via email at [info@cressetcapital.com](mailto:info@cressetcapital.com).

### **B. Employee Investments and Personal Trading with Material Interest**

Cresset allows its employees and the employees of affiliated entities as referenced in Item 10 (herein collectively as “Cresset Entities”) to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Cresset does not act as principal in any transactions. In addition, the Adviser does not act as the general partner of a fund or advise an investment company. Cresset does not have a material interest in any securities traded in Client accounts.

Cresset encourages investment by its employees in investment products, which it believes promotes alignment with Clients generally. Cresset and its affiliates have and may in the future create one or more employee investment vehicles to facilitate investment by employees in Investment Products. The terms of any employee investment (including through any employee investment vehicle) may be different from, and more favorable than, those by a Client or third-party investor in such Investment Products, including, by being subject to reduced management fees or performance-based compensation or not having their commitments pledged under

a subscription facility. In addition, the participation by Cresset employees (including through any employee investment vehicles) in certain Investment Products in which Clients are also seeking to invest may, in certain circumstances, limit the ability of Clients to invest by, for example, limiting or reducing the available investment capacity for Clients and/or by affecting the pricing or terms of such investments. Cresset has adopted a policy to attempt to mitigate any conflicts created by such investments.

### **C. Personal Trading in Same Securities as Clients**

Cresset allows our Supervised Persons and personnel of Cresset Entities to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. Our policies prohibit our Supervised Persons from engaging in such actions. This risk is mitigated by Cresset conducting a coordinated review of personal accounts and the accounts of the Clients. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

### **D. Personal Trading at Same Time as Client**

While Cresset allows our Supervised Persons and personnel of Cresset Entities to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will Cresset, or any Supervised Person of Cresset, personally transact in any security to the detriment of any Client.**

### **E. Different Advice/Hedging**

In general, Cresset and its affiliates may give different advice, take different action, receive more or less compensation, or hold or invest in different securities or investments from the advice given, actions taken, compensation received, or investments held for Client accounts.

Cresset's investment advice is tailored to differing investment objectives, risk tolerances, liquidity needs, time horizons and various other circumstances and factors of our Clients, and thus advice given to, or investment recommendations made, or other actions taken for, one or more Client accounts will compete with, affect, differ from, conflict with, or involve timing different from, advice given to, or investment decisions made for other Client accounts. Similarly, because market exposure may impact Cresset and its affiliates differently than it impacts our Clients, Cresset and its affiliates may seek to enter into hedging arrangements for their own accounts to hedge exposure to one or more markets, indices, commodities, asset classes or securities for corporate or risk management or other purposes. Any such hedging arrangements may be in opposition to positions or exposures taken by Client accounts at any time or from time to time.

### **F. Other Conflicts and Practices**

From time to time, various potential and actual conflicts of interest arise from the overall advisory, investment services, and other offerings of Cresset, its affiliates and personnel. The following briefly summarizes some of these conflicts but is not intended to be an exhaustive list of all such conflicts. Clients and investors are advised to review the brochure in full and the applicable Governing Documents for more information on potential conflicts of interest.

Gifts and Entertainment: Brokers, counterparties, service providers and other third parties with whom we do business occasionally provide gifts and entertainment to our principals and employees. We may enter into business transactions and relationships on behalf of a client with the donors of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in our selection and retention of these donors as service

providers for clients. To address this conflict, we have adopted policies and procedures to: (1) monitor gifts and entertainment given and received by our principals and employees; and (2) limit the value of gifts and entertainment given and received.

Pay to Play: We have policies and procedures in place to help us monitor, and limit, the political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 under the Investment Advisers Act of 1940.

Disclosure of Portfolio and Other Information: We may sometimes provide portfolio holdings information to entities that have been retained by clients to evaluate portfolio risk. We provide this information in our sole discretion and reserve the right to cease providing information at any time. We make reasonable efforts to preserve the confidentiality of the information we provide, such as by entering into non-disclosure agreements, but we cannot ensure that the entities we provide information to will fulfill their confidentiality obligations.

Due Diligence Requests: In conducting due diligence, clients periodically request information pertaining to their investments, and pertaining to us. We may respond to these requests and may provide information that is not generally made available to other clients. When we provide this information, we do so without an obligation to update any such information provided. However, we endeavor to provide the information requested in the most current form available.

Third Party Ratings: We do not pay or otherwise provide cash or non-cash compensation, directly or indirectly, in connection with the use of third-party ratings, awards or rankings. Nor do we pay to participate in surveys. After a rating, award or ranking is granted to us, we may pay to attend a banquet, frame an award or obtain survey results, but our ability to use or disclose the rating, award or ranking is not conditioned on, nor is it tied to, any such subsequent payments.

## **Item 12: Brokerage Practices**

### **A. Recommendation of Custodian[s]**

All Clients must place their assets with a “qualified custodian”. Clients are required to engage the Custodian to retain their funds and securities and direct Cresset to utilize that Custodian for the Client’s security transactions. Clients will receive account statements directly from the Custodian at least quarterly and they will be sent via email or postal mailing address you provided to the Custodian. Clients should review statements provided by the Custodian promptly when received and compare them to any reports provided by Cresset to ensure accuracy, as the Custodian does not perform this review.

Cresset does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage a broker-dealer/custodian to custody Client assets and execute trades, and the Client may authorize Cresset to direct trades to the custodian if so agreed upon in the Client engagement/investment advisory agreement. The custodians will serve as the Client’s “qualified custodian.” The Client may also grant the Adviser limited authority to place trades away from the custodian. Please see Prime Brokerage Authorization below.

Although Cresset does not exercise discretion over the selection of the custodian, Cresset may recommend one or more custodian[s] to Clients for custody and execution services. Clients are not obligated to use the recommended custodian. However, the Adviser may be limited in the services it can provide if the recommended custodian is not engaged. Cresset may recommend the custodian based on criteria such as, but not limited to, reasonableness of commissions and fees charged to the Client and services made available to the Client. Cresset will generally recommend that Clients establish their account[s] at Fidelity Family Office Services, a division of Fidelity Clearing and Custody Services, a part of Fidelity Brokerage Services LLC (together with all affiliates “Fidelity”), Pershing LLC (“Pershing”) and Charles Schwab & Co., Inc. (“Schwab”),



each a FINRA-registered broker-dealer and member of SIPC (collectively the “Custodians”). Cresset maintains an institutional relationship with the Custodians, whereby the Adviser may receive economic benefits from the Custodians. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Adviser:

**1. *Soft Dollars*** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an adviser enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **Cresset does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian except as permitted under the safe harbor rules. The Adviser may receive certain economic benefits from its recommended custodians. Please see Item 14 – Client Referrals and Other Compensation.**

**2. *Brokerage Referrals*** - Cresset does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. *Directed Brokerage*** – To the extent the Client does not enter into an engagement with a recommended custodian (see above), that client may direct its trades be executed through the broker-dealer/custodian as directed by the Client (a “directed brokerage”). For directed brokerages, Cresset will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the applicable broker-dealer/custodian. The Adviser may not be able to aggregate orders to reduce transaction costs in a Client directed brokerage account.

**4. *Trading Away/Prime Brokerage*** - Relative to its discretionary investment advisory services, when beneficial to the Client, individual fixed income transactions may be executed through broker-dealers other than a custodian with custody of the account. Should an account make use of prime brokerage, the Client may be required to execute an additional agreement with the custodian[s] authorizing the Adviser to trade away from and settle at the established account[s] at that custodian[s]. The Client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate “trade away” and/or prime broker fee charged by the custodian with custody of the account.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results considering such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker-dealer/custodian. To the extent authorized, Cresset will execute its transactions through a custodian as authorized by the Client. When using recommended custodians, Cresset may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre- allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

## **Item 13: Review of Accounts**

### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Advisory Persons of Cresset. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

## **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's health, mental capacity, financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Cresset if changes occur in the Client's personal and financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

## **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Adviser may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

### **A. Compensation Received by Cresset**

Cresset may refer Clients to various unaffiliated, non-advisory professionals (e.g., attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, Cresset may receive non-compensated referrals of new Clients from various third parties.

#### Participation in Institutional Advisor Platform (Pershing)

As disclosed in Item 12 above, the Adviser has established a relationship with Pershing through its participation in the institutional advisor program offered by Pershing. Access to the Pershing Institutional platform is provided at no charge to the Adviser. The Adviser receives access to software and related support without cost because the Adviser renders investment advisory services to Clients that maintain assets at Pershing. Products and services provided by Pershing to the Adviser may not always benefit its Clients. In fulfilling its fiduciary duty to its Clients, the Adviser will always put the interest of its Clients first. Clients should note, however, that the receipt of any economic benefit from a custodian has the potential to create a conflict of interest as the receipt of benefits may influence the Adviser's decision to recommend a particular custodian over another custodian which does not offer similar software, systems, support, or services.

Additionally, the Adviser may receive the following benefits from Pershing: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information. The Adviser does not exercise discretion over the selection of the Custodian, the Adviser will typically recommend Pershing to Clients for custody and execution services. The Adviser may recommend Pershing based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and the Custodian's reputation. The Adviser does not receive research services, other products, or compensation as a result of recommending a particular Custodian that may result in the Client paying higher commissions than those obtainable through other broker-dealers/custodians. The Adviser generally recommends that Clients establish accounts at Pershing Advisor Solutions, a subsidiary of Pershing LLC, member FINRA, NYSE, SIPC, which is a wholly owned subsidiary of The Bank of New York Mellon Corporation.

#### Participation in Fidelity's Family Office Services Advisor Platform

Cresset has established a relationship with Fidelity and acts as custodian for our Client account[s]. In fulfilling its duties to its Clients, the Adviser endeavors at all times to put the interests of its clients first. Clients should

be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of interest since these benefits may create a financial incentive and influence the Adviser's recommendation of this Custodian.

For example, Fidelity may refer prospective clients or offer us certain pricing and fee structures based on utilizing Fidelity's platform, investing in certain types of Fidelity funds, and the amount of client assets we place with them. In addition, the Adviser may receive access to software applications and related support without cost. When certain conditions are met, Fidelity may pay for certain costs related to industry events, transitioning clients to their platform from other custodians, technology, research, marketing, and other products and services on our behalf. For more information about custodians and brokerage practices please see Item 12 – Brokerage Practices. Moreover, Cresset does not require any Client to utilize Fidelity as their custodian and each Client retains discretion to determine which custodian to use.

#### Participation in Institutional Advisor Platform (Schwab)

Cresset has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like Cresset. As a registered investment adviser participating on the Schwab Advisor Services platform, Cresset receives access to software and related support without cost because the Adviser renders investment advisory services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Adviser and many, but not all services provided by Schwab will directly benefit Clients. In fulfilling its duties to its Clients, the Adviser endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Adviser's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that May Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisers with access to support products, technology, research, discounts, and other services. In addition, the Adviser receives duplicate statements for Client accounts, trading tools, and back-office support services as part of its relationship with Schwab. These services are intended to assist the Adviser in effectively managing accounts for its Clients but may not directly benefit all Clients.

In addition, Schwab may offer us certain pricing and fee structures based on the amount of assets that will be custodied with Schwab as well as other services and fee discounts for such things as transitioning client assets to Cresset and educational conferences and events. When certain conditions are met, Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf. Access to these services creates a financial incentive for the Adviser to recommend Schwab, which results in a conflict of interest. Cresset believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients. For more information about custodians and brokerage practices please see Item 12 – Brokerage Practices.

#### Business Entertainment

Our Supervised Persons may be occasionally provided with *de minimis* meals and entertainment from other financial service providers or third parties in the industry. This may present a conflict of interest in that we have an incentive to maintain a relationship with such providers or third parties. However, all such business entertainment will be conducted in strict accordance with our Code of Ethics, and we will act in our Clients best interests when engaging in any business with such providers or third parties.

### **B. Client Referral from Promoters**

The Adviser may use promoters, including affiliated employees, to refer investors, and may compensate such promoters for those services. In using promoters, the Adviser must comply with Rule 206(4)-1 of the Advisers Act and any related state securities requirements. Except for employees and certain affiliated persons of the Adviser, in accordance with exemptions under the rule, the promoter must disclose certain aspects of its relationship with the Adviser if receiving compensation greater than the de minimis amount. Any such compensation shall be paid solely from the investment advisory fees earned by the Adviser and shall not result in any additional charge to the Client.

#### Participation in Fidelity's Family Office Services MFO Program

The Adviser participates in the Fidelity Family Office Services MFO Program (the "Program"), through which the Adviser receives referrals from Fidelity Brokerage Services LLC (FBS), a registered broker dealer and Fidelity Investments company. The Adviser is independent and not affiliated with FBS or any Fidelity Investments company. FBS does not supervise or control the Adviser, and FBS has no responsibility or oversight for the Adviser's provision of investment management or other advisory services.

Under the Program, FBS makes information about investment advisers and financial planners available to high net-worth investors. The Adviser does not pay any referral fees to FBS for such referrals. Any referral from FBS to the Adviser does not constitute a recommendation or endorsement by FBS of the Adviser's particular investment management services or strategies.

To receive referrals from the Program, the Adviser must meet certain minimum participation criteria, but the Adviser may have been selected for participation in the Program as a result of its business relationship with FBS and its affiliates. As a result of its participation in the Program, the Adviser may have a potential conflict of interest with respect to its decision to use FBS and its affiliates, for execution, custody and clearing for certain client accounts, and the Adviser may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to the Adviser as part of the Program.

#### *Participation in Schwab Advisor Network®*

The Adviser receives client referrals from Schwab through the Adviser's participation in Schwab Advisor Network (the "Service") which is designed to help investors find an independent investment adviser. Schwab is a broker-dealer independent of and unaffiliated with the Adviser. Schwab does not supervise the Adviser and has no responsibility for the Adviser's management of the Client's portfolios or the Adviser's other advice or services. The Adviser pays Schwab fees to receive client referrals through the Service. The Adviser's participation in the Service raises conflicts of interest described below.

The Adviser pays Schwab a fee on all referred Clients' accounts that are maintained in custody at Schwab ("Schwab Participation Fee"). The Schwab Participation Fee paid by the Adviser is a percentage of the fees the Client owes to the Adviser or a percentage of the value of the assets in the Client's account, subject to a minimum. The Adviser pays the Schwab Participation Fee, so long as, the referred Client's account remains in custody at Schwab. The Schwab Participation Fee is billed to the Adviser quarterly and may increase, decrease, or be waived by Schwab. The Schwab Participation Fee is paid by the Adviser and not by the Client. The Adviser will not charge referred Clients through the Service fees or costs greater than the fees or costs the Adviser charges to Clients with similar portfolios that were not referred through the Service.

Additionally, the Adviser pays Schwab a fee on all referred Clients' accounts that are maintained at, or transferred to, another custodian (collectively "Non-Schwab Participation Fee"). This Non-Schwab Participation Fee does not apply if the Client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Participation Fee is a one-time payment equal to a percentage of the assets placed with the custodian. The Non-Schwab Participation Fee is higher than the Schwab Fee, and as such, the Adviser is incentivized to recommend that Client accounts be held at Schwab.

The Schwab Participation Fee and Non-Schwab Participation Fee will be based on assets in accounts of the Adviser's Clients who were referred by Schwab and those referred Clients' household members. Thus, the

Adviser will have incentives to encourage household members of Clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit the Adviser's fees directly from the accounts.

#### **Item 15: Custody**

Under government regulations, Cresset is deemed to have custody over certain Client accounts and/or securities if, for example, the Client grants us authority to provide services that allows the Adviser to move money or assets to another person's account, or a Supervised Person of Cresset is personally acting as a trustee, executor, officer, director, or trust representative for any Cresset Client. Pursuant to securities regulations the Adviser is required to engage an independent accounting firm to perform an annual surprise examination of those assets and accounts over which Cresset maintains custody. Opinions issued by the independent accounting firm are filed with the SEC and are publicly available on the SEC's Investment Adviser Public Disclosure website (<http://adviserinfo.sec.gov>).

##### Related Person Custody

The Adviser is affiliated, through common ownership, with the general partners and managers to Investment Products, which may be offered to Clients of Cresset. The Adviser is also affiliated through common control with Cypress Advisors, LLC, the general partner to the Funds. As such, in connection with advisory services provided to Clients, related persons are deemed to have custody of certain Client assets. An independent public accountant conducts an annual audit of the pooled investment vehicles that are managed by the related person and the audited financial statements are distributed to the investors in the pools between 120 days and 260 days of fiscal year end depending on the type of fund.

#### **Item 16: Investment Discretion**

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

#### **Item 17: Voting Client Securities**

Cresset's general practice is to accept proxy-voting responsibility for its Clients. Clients may opt-out from this general practice on a security specific basis or in its entirety by providing written notice to Cresset. When Cresset accepts proxy-voting responsibility, Cresset will vote each proxy in accordance with its fiduciary duty to its advisory clients. Cresset has engaged Institutional Shareholder Services, Inc ("ISS") a third-party, independent proxy advisory firm to vote proxies in order to mitigate risks involved with any conflicts of interest that might otherwise arise in the voting of client proxies. Although Cresset expects to vote proxies according to ISS's recommendations, certain issues may need to be considered on a case-by-case basis due to the diverse and continually evolving nature of corporate governance issues. If such cases should arise, then Cresset will devote appropriate time and resources to consider those issues.

Where Cresset is responsible for voting proxies on behalf of a Client, the Client cannot direct the vote on a particular solicitation. The Client can decline to assign proxy voting authority to Cresset during the account opening process. Proxies will then be sent to the address of record by default. In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Cresset maintains with

persons having an interest in the outcome of certain votes, Cresset will take appropriate steps, whether by following ISS's recommendations or otherwise, to ensure that proxy voting decisions are made in what it believes is in the best interest of its Clients and are not the product of any such conflict.

#### **Item 18: Financial Information**

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

# CRESSET ONE FEE PROGRAM

*Sponsored by*

**CRESSET ASSET MANAGEMENT, LLC**  
*an SEC Registered Investment Adviser*

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## **Form ADV 2A - Appendix 1: Wrap Fee Brochure**

September 26, 2023

This Form ADV2A - Appendix 1 (“Wrap Fee Program Brochure”) provides information about the qualifications and business practices for Cresset Asset Management, LLC also conducting advisory business under the names of Cresset, Meristem | Cresset, TRUE Cresset, and TRUE Cresset | Sports + Entertainment, (“Cresset”, “we”, “our” and/or the “Adviser”) when offering services pursuant to a wrap program. This Wrap Fee Program Brochure shall always be accompanied by the Form ADV Part 2A (“Disclosure Brochure”), which provides complete details on the business practices of the Adviser. If you did not receive the complete Disclosure Brochure or you have any questions about the contents of this Wrap Fee Program Brochure or the Disclosure Brochure, please contact us at (312) 429-2400 or by email at [info@cressetcapital.com](mailto:info@cressetcapital.com)

Cresset is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). The information in this Wrap Fee Program Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment adviser does not imply any specific level of skill or training. This Wrap Fee Program Brochure provides information about Cresset to assist you in determining whether to retain the Adviser.

Additional information about Cresset and its advisory persons are available on the SEC’s website at <http://www.adviserinfo.sec.gov/> by searching for our firm name or by our CRD# 288566.

## **Item 2 | Material Changes**

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Form ADV 2A - Appendix 1 provides information about a variety of topics relating to an Adviser's business practices and conflicts of interest. In particular, this Wrap Fee Program Brochure discusses the Wrap Fee Program's offering by the Adviser.

### **Material Changes**

There have been no material changes since the last annual filing

### **Future Changes**

From time to time, we may amend this Wrap Fee Program Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Wrap Fee Program Brochure (along with the complete Cresset Disclosure Brochure) or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Cresset.

At any time, you may view this Wrap Fee Program Brochure and the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 288566. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (312) 429-2400 or by email at [info@cressetcapital.com](mailto:info@cressetcapital.com).

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## **Item 4 | Services Fees and Compensation**

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### **A. Services**

Cresset provides customized investment advisory services for its Clients. This Wrap Fee Program Brochure is provided as a supplement to the Form ADV Part 2A (“Disclosure Brochure”). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting Cresset as your investment adviser.

As part of the investment advisory fees noted in Item 5 of the Disclosure Brochure, Cresset includes normal securities transaction fees as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program”. The Adviser sponsors the Cresset One Fee Program.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of securities transaction fees into the single “bundled” investment advisory fee. This Wrap Fee Program Brochure references back to the Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on Cresset’s investment philosophy and related services.**

The Cresset One Fee Program Is exclusively offered by Cresset through Its custodial relationship with Fidelity. **Please see Item 9 - Additional Information below.**

### **B. Conflicts of Interest**

A wrap fee structure imposes certain conflicts of interest as the Adviser has an incentive to reduce its costs for the services it provides the Client by (1) transacting in securities where the custodian does not charge fees; (2) by transacting in securities where the fees are a directly charged to the Client’s account; or (3) by limiting the number of trades placed in the Client’s account[s].

### **C. Wrap Fee Program Costs**

Advisory services provided by Cresset, incurred in connection with discretionary investment management, are offered in a wrap fee structure whereby certain trading costs (including those executed by Independent Managers), custodial fees, brokerage fees, and other fees are included in the overall investment advisory fees paid to Cresset by the Client.

Clients may incur certain additional fees or charges imposed by third parties in connection with investments made on behalf of the Client. Independent Manager fees and certain associated fees and costs are not included in the Advisory Fees and the Client will be directly responsible for those fees. The Advisory Fees also do not include any margin interest, costs associated with exchanging foreign currencies, exchange fees, foreign clearing fees, taxes, the fees associated with the short-term trading of mutual funds, certain fees associated with Fidelity’s (SAN) Separate Account Network, the fees and expenses charged by Alternative Investments, or any fund, private investment vehicle, or investment company. Securities transaction fees for Client-directed trades may also be charged back to the Client.

As the level of trading in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the transactions costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on the services to be provided to each Client, however, the Client is not charged more if there is higher trading activity in the Client’s account[s]. **Please see Item 5 – Fees and Compensation in the Disclosure Brochure for complete details on fees.**

#### **D. Advisory Fees**

Investment advisory fees are paid either monthly or quarterly (the “billing period”), in advance or in arrears, pursuant to the terms of the Client agreement. Investment advisory fees may be fixed with respect to non-discretionary management of investment portfolios or based on the market value of assets held in accounts under management at the beginning, end, or average value during the billing period. The investment advisory fee in the first billing period of our services is prorated and billed in arrears from the date the assets are transferred into the Adviser’s management to the last day of the billing period.

Investment advisory fees are based on the market value of managed assets and may be subject to a minimum annual fee of \$20,000 not to exceed 2.00% annually. Fees may be negotiable at the sole discretion of the Adviser. Client fees will take into consideration several factors, including aggregate assets under management, the complexity of the services to be provided, and the overall relationship with the Adviser. Certain legacy Clients who transferred to Cresset as a result of an acquisition with an unrelated third-party adviser may have billing processes that differ from the above.

All securities held in accounts managed by Cresset will be independently valued by the Custodian, as defined hereinafter. Cresset will not have the authority or responsibility to value portfolio securities.

The Client may make additions to and withdrawals from their account[s] at any time, subject to the Adviser’s right to terminate the account[s]. Additions may be in cash or securities provided that the Adviser reserves the right to liquidate any transferred securities or decline to accept securities into a Client’s account. When the investment advisory fee is billed in advance, if there are significant managed assets deposited into or withdrawn from an account after the beginning of a billing period, the fee payable with respect to such managed assets will be adjusted in the next billing period to reflect the fee difference for which those managed assets were under the Adviser’s management. Note, the Adviser’s methodology for determining the fee adjustment is on a per account basis and netting all billable securities and cash deposits/withdrawals that settle in the account on a daily basis of \$100,000 or more. Additionally, the unused pro rata portion of any fee paid in advance will be promptly refunded in the event of the termination of the Client Agreement prior to the end of the billing period.

Investment advisory fees are calculated by the Adviser or its delegate and deducted from the Client’s account[s] at the Custodian. The Adviser or its delegate shall send an invoice, file, or other acceptable form of request to the Custodian indicating the amount of the fees to be deducted from the Client’s account[s] at the beginning or end of the respective billing period. The amount due is calculated by applying the annual billing rate to the total assets under management multiplied by the percentage of time in the billing period over the calendar year. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting the deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian’s brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by Cresset directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

In addition, all fees paid to Cresset for investment advisory services or part of the Wrap Fee Program are separate and distinct from the expenses if applicable, charged by registered and unregistered funds to their shareholders, whether affiliated or unaffiliated with Cresset. These fees and expenses are described in each fund’s prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage, and account reporting), and a possible distribution fee. The Client may also incur other costs assessed by the Custodian or other parties for account-related activity fees, such as wire transfer fees, fees for trades executed away from the Custodian and other fees. The Adviser does not control or share in these fees. The Client should review both the fees charged by the fund[s] and the fees charged by Cresset to fully understand the total fees to be paid. **Please see Item 5 – Other Fees and Expenses in the Disclosure Brochure.**

#### **E. Compensation**

Cresset is the sponsor and portfolio manager of this Wrap Fee Program. Cresset receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the Custodian for the costs associated with the normal trading activity in the Client's account[s].

### **Item 5 | Account Requirements and Types of Clients**

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Cresset offers investment advisory services to individuals, high net worth individuals, trusts, estates, retirement plans, charitable organizations, corporations, other business entities and pooled investment vehicles. Cresset generally does not impose a minimum account size for establishing a relationship. **Please see Item 7 – Types of Clients in the Disclosure Brochure for additional information.**

### **Item 6 | Portfolio Manager Selection and Evaluation**

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#### **Portfolio Manager Selection**

Cresset serves as sponsor and as portfolio manager for the services under this Wrap Fee Program. In addition, Cresset recommends that Clients allocate a portion of their assets to independent investment managers ("Independent Managers") where appropriate.

**Please Note:** Effective September 7, 2016, the Program fee does not cover the asset management fees of any Independent Manager to whom Client assets are allocated under the Program. Clients who entered the program prior to this date were given the choice between (1) being grandfathered from having to pay Independent Manager fees on their behalf, or (2) migrating to the modified program, through which the Client would pay their own Independent Manager fees.

#### **| Related Persons**

Cresset personnel serve as portfolio managers for this Wrap Fee Program. Cresset does not serve as a portfolio manager for any third-party Wrap Fee Programs.

#### **| Performance-Based Fees**

Cresset does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees, which are based on the share of capital gain or capital appreciation of a Client's account.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged a performance-based fee. We do not charge performance-based fees.

#### **| Supervised Persons**

Cresset Advisory Persons serve as portfolio managers for all accounts, including the services described in this Wrap Fee Program Brochure. Details of the advisory services provided are included in Item 4.A. of the Disclosure Brochure.

#### **| Methods of Analysis**

Please see Item 8 of the Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on the research and analysis methods employed by the Adviser.

#### **| Risk of Loss**

Investing involves a risk of loss. Clients should be prepared to bear investment loss, including the loss of the original principal. Clients should never presume that future performance of any specific investment or investment strategy will be profitable. Further, there may be varying

degrees of risk depending on different types of investments. Clients should know that all investments carry a certain degree of risk ranging from the variability of market values to the possibility of permanent loss of capital. Although portfolios seek principal protection, asset allocation and investment decisions may not achieve this goal in all cases. There is no guarantee a portfolio will meet a target return or an investment objective.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with their Advisor. Please see Item 8.B. – Risk of Loss in the Disclosure Brochure for details on investment risks.**

#### **| Proxy Voting**

Cresset may accept proxy-voting responsibility for any Client. Cresset will vote each proxy in accordance with its fiduciary duty to its advisory clients. Cresset has engaged Institutional Shareholder Services, Inc (“ISS”) and Broadridge Investor Communication Solutions, Inc (“Broadridge”), each a third-party, independent proxy advisory firm to vote proxies in order to mitigate risks involved with any conflicts of interest that might otherwise arise in the voting of client proxies. Although Cresset expects to vote proxies according to ISS and Broadridge’s recommendations, certain issues may need to be considered on a case-by-case basis due to the diverse and continually evolving nature of corporate governance issues. If such cases should arise, then Cresset will devote appropriate time and resources to consider those issues.

Where Cresset is responsible for voting proxies on behalf of a Client, the Client cannot direct the vote on a particular solicitation. The Client can decline to assign proxy voting authority to Cresset during the account opening process. Proxies will then be sent to the address of record by default. In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Cresset maintains with persons having an interest in the outcome of certain votes, Cresset will take appropriate steps, whether by following ISS and Broadridge’s recommendation or otherwise, to ensure that proxy voting decisions are made in what it believes is in the best interest of its Clients and are not the product of any such conflict.

### ***Item 7 | Client Information Provided to Portfolio Managers***

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Cresset is the sponsor and sole portfolio manager for the Program. The Adviser does not share Client information with other portfolio managers because it is the sole portfolio manager for this Wrap Fee Program. Please also see Cresset’s Privacy Policy.

### ***Item 8 | Client Contact with Portfolio Managers***

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Cresset is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at Cresset.

### ***Item 9 | Additional Information***

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#### **A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

##### **Disciplinary Information**

Cresset is required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of us, our business or the integrity of our management or associated persons. While Cresset does not have any reportable disciplinary events to disclose its Advisory Persons may.

**Please see Item 9 of the Disclosure Brochure as well as Item 3 of each Advisory Person’s Brochure Supplement for additional information on how to research the background of the Adviser and its Advisory Persons.**



#### Other Financial Activities and Affiliations

Please see Items 10 and 14 of the Disclosure Brochure.

#### **B. Code of Ethics, Review of Accounts, Client Referrals, and Financial Information**

Cresset has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons subject to Cresset's compliance program (our "Supervised Persons"). **Complete details on the Cresset Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure.**

#### Review of Accounts

Investments in Client accounts are monitored on a regular and continuous basis by Advisory Persons of Cresset **Details of the review policies and practices are provided in Item 13 of the Disclosure Brochure.**

#### Other Compensation

Participation in Fidelity's Family Office Services Advisor Platform (Fidelity) – Cresset has established a relationship with Fidelity to act as custodian for our Client account[s]. In fulfilling its duties to its Clients, the Adviser endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of interest since these benefits may create a financial incentive and influence the Adviser's recommendation of this Custodian.

For example, Fidelity may refer prospective clients or offer us certain pricing and fee structures based on utilizing Fidelity's platform, investing in certain types of Fidelity funds, and the amount of client assets we place with them. In addition, the Adviser may receive access to software applications and related support without cost. When certain conditions are met, Fidelity may pay for certain costs related to industry events, transitioning clients to their platform from other custodians, technology, research, marketing, and other products and services on our behalf.

Please see Item 12 – Brokerage Practices and Item 14 – Other Compensation in the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on additional practices and compensation that may be received by Cresset or its Advisory Persons. Each applicable Advisory Person's Brochure Supplement (also included with this Wrap Fee Program Brochure) provides details on any outside business activities and the associated compensation. Moreover, Cresset does not require any Client to utilize Fidelity as their custodian and each Client retains discretion to determine which custodian to use.

#### Client Referrals from Promoters

If a Client is introduced to the Adviser by either an unaffiliated or affiliated party (herein a "Promoter"), the Adviser may compensate Promoters a fee in accordance with Rule 206(4)-1 of the Advisers Act and any corresponding state securities requirements. Any such compensation shall be paid solely from the investment advisory fees earned by the Adviser and shall not result in any additional charge to the Client. Additionally, Cresset may compensate eligible employees for referring new Clients.

#### Financial Information

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