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**February 14, 2024**

**FORM ADV PART 2A  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Altfest Personal Wealth Management (“Altfest” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at 212-406-0850. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Altfest Personal Wealth Management (“Altfest” or the “Firm”) is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Altfest is 18320.**

**Altfest is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.**

***Item 2 - Material Changes***

Since the last annual filing, dated March 2, 2023, there have been no material changes.

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## ***Item 4 - Advisory Business***

Altfest's registration was granted by the SEC on February 2, 1983. The principal owners of the Firm, i.e., the individuals who control 25% or more of Altfest, are Lewis Jay Altfest (CRD Number 4029), beneficial majority owner of the Firm, and Andrew Altfest (CRD Number 6316746), President of the Firm. The Firm is not publicly owned or traded. As of December 31, 2023, the Firm managed, on a discretionary basis \$1,550,921,626, which represented 3,233 accounts, and managed on a nondiscretionary basis \$27,783,636, which represented 95 accounts. Client assets are managed on an individualized basis. Clients may impose restrictions on their accounts. The Firm does not sponsor any wrap programs.

### **Types of Advisory Services**

Altfest offers the following advisory services to its clients: Investment Management, Management of Pooled Investment Vehicles, Financial Planning, and ERISA Fiduciary Services. Please see the disclosure below in this Item 4 for additional information regarding each of these services.

#### ***Investment Management***

We are in the business of managing individually tailored investment portfolios. Our Firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

With one exception, Altfest manages all client accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (e.g., balanced, diversified, fixed income, growth, moderate, income/balanced, income/diversified, income/growth, and income/moderate), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

#### ***Management of Pooled Investment Vehicles***

Altfest offers two pooled investment vehicles to its clients: Altfest Alternative Value Fund I, LLC (the "AAVF Funds") and Arden Woods Real Estate, LLC (the "Arden Woods Real Estate Fund") (collectively, the "Funds"). The Funds are Delaware limited liability companies that were formed, in part, to facilitate investment in private offerings. Interests in the Funds are privately offered pursuant to Regulation D under the Securities Act of 1933, as amended. The Funds are exempt from registration with the SEC under the Investment Company Act of 1940, as amended. Altfest Management, LLC, an affiliate of Altfest, is the managing member of the AAVF Funds, and ArdRE Management, LLC, also an affiliate of Altfest, is the Managing Member of Arden Woods Real Estate Fund (collectively, the "Altfest Affiliates"). The Altfest Affiliates have discretionary authority over the respective fund for which each affiliate serves as the managing member. Altfest charges an advisory fee to a client who invests in either of the Funds.

Clients may invest in either or both Funds, and investors who are not clients of the Firm may invest in either or both Funds. All relevant information, terms and conditions relative to the Funds, including suitability, risk factors and potential conflicts of interest, are set forth in the Confidential Private Offering Memorandum, Investor Agreement, and Subscription Agreement (together, the “Offering Documents”), which each investor is required to receive and/or execute prior to being accepted as an investor in the Funds.

Given the above discussion relative to the objectives, suitability, risk factors and qualifications for participation in the Funds, Altfest may give advice or take action with respect to the Funds that differs from the advice that Altfest gives its clients that have a wealth management or portfolio management account that is not invested in either of the Funds.

### ***Financial Planning***

We provide financial planning services on topics such as retirement planning, cash flow and debt management, work benefits, and estate planning.

Financial planning is a comprehensive evaluation of a client’s current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. In general, the financial plan will address any or all of the areas identified immediately below. A client may select only the areas they wish to cover, and do not have to choose all of the below services. Should the client choose to implement the recommendations contained in the financial plan, we suggest the client work closely with his/her attorney and/or accountant. A client is under no obligation to implement our financial plan recommendations or to utilize our Firm for investment management.

**College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren, if appropriate.

**Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

**Estate Planning:** This usually provides for ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

**Financial Goals:** Helps clients identifying their financial goals and planning on how to reach them. Identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how you budget for your goal.

**Investment Analysis:** This may involve providing information on the types of investment vehicles available, employee stock options, investment analysis and strategies, asset selection and portfolio design. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

***ERISA Fiduciary Services***

**3(21) ERISA Fiduciary Services** - (1) identifying investment objectives and restrictions; (2) allocating plan assets to various objectives; (3) selecting money managers to manage plan assets in ways designed to achieve objectives; (4) selecting mutual funds that plan participants can choose as their funding vehicles; (5) monitoring performance of money managers and mutual funds and making recommendations for changes; and (6) selecting other service providers, such as custodians, administrators and broker-dealers.

**3(38) ERISA Fiduciary Services** - Manage your plan assets with full discretionary authority, making and implementing investment decisions, all without prior consultation, subject only to such limitations as you may specify in writing. Altfest acts as a Discretionary Investment manager as defined in Section 3(38) of ERISA that is ongoing and continuous discretionary investment management with respect to the asset classes and investment alternatives available under the plan in accordance with the plan's the plan's Investment Policy Statement. Under this authority, Altfest may remove or replace the investment alternatives available under the plan at its discretion.

Altfest provides retirement plan consulting services to employee benefit plans and their fiduciaries based upon an analysis of the needs of the plan. Altfest uses various internet-based 401(k) daily valuation retirement plan platforms to deliver its 401(k) services to businesses across the United States. The platforms allow a company to offer its employees the widest possible array of investment options using daily valuation connectivity and multi-fund/multi-family investments.

- A) In connection with providing these platforms, Altfest will enter into its agreement with the Responsible Plan Fiduciary and such plan's trustee(s) to provide discretionary and non-discretionary investment advice for the 401(k) plan. The decision whether to implement or at upon Altfest's recommendations or advice rests solely with the Responsible Plan Fiduciary. The services provided by Altfest to such plan typically include the following: Assist in the development of an Investment Policy Statement, which establishes the investment policies and objectives for the plan;
- B) Assist in the search for and selection of mutual funds;
- C) Evaluate plan costs, mutual fund performance and risk;
- D) Monitor the suitability of all selected investment options and recommend changes when appropriate;
- E) Provide assistance to plan fiduciary(ies) regarding ongoing supervision and due diligence of mutual funds performance and risk metrics;
- F) Assist the plan fiduciary(ies) in evaluating how to avoid or manage conflicts of interest; and
- G) When engaged to do so, Altfest may assist in the education of the plan participants about general investing principles and the investment alternatives available under the plan. The education component will customarily be delivered through group meeting, one-on-one counseling, or a proprietary interactive video workshop designed to provide investment education for

participants of company-sponsored 401(k) plans. A participant may access the website by registering as a user and accepting terms of use. The participant will then be guided through a series of videos that describe the advantages of joining the company plan, saving for retirement, and general principals of investing. Each participant is offered a risk questionnaire to assess their risk tolerance. Participants are then guided to potential investment allocation solutions provided by the company plan (the mutual fund lineup).

Your plan shall consist of all securities, cash and cash equivalents and other assets in your plans except those assets which, by mutual agreement, shall be specifically excluded.

Altfest does not hold or receive any of the client's funds or securities, other than payment for Altfest's services. The Plan's assets will be held by a custodian selected by the client, and the client will be solely responsible for paying all of the Custodian's fees. Client understands that Altfest is not authorized to establish or maintain custodial arrangements for the Plan. All transactions will be consummated by payment to, or delivery by, Client or such other party as Client may designate in writing (the "Custodian"), of all cash and/or securities due to or from the Plan. Client shall direct the Custodian to segregate the assets of the Plan and to invest and reinvest them in accordance with the directions transmitted by Altfest. Client understands that the Firm shall not be responsible for any loss incurred by reason of any independent act or omission of the Custodian or any other party, to the extent permitted by law. The Custodian should provide statements for the Plan. Altfest encourages the client to notify Altfest promptly if the client does not receive statements from the custodian on at least a quarterly basis.

Altfest will hold educational seminars for the plan employees and provide information on the plan specifics and allocation choices. All client accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). Altfest will provide consulting services to the plan fiduciaries as described above.

Only if a participant engages Altfest as an Investment Advisor will we provide individualized advice regarding their investments in the company plan.

We act as the registered investment adviser to other clients and may take action with respect to other clients that may differ from the timing and nature of action taken with respect to your Plan. We shall have no obligation to purchase or sell for your Plan any security which we, or our principals or employees, may purchase or sell for themselves or for any other clients.

## *Item 5 - Fees and Compensation*

### **Fees for Investment Management**

#### **Current Fee Schedule – Implemented in 2018**

The Firm's fee structure for investment management clients is based on client assets as follows, unless the Firm, in its sole discretion, decides to charge less than these stated fees:

- 1% on the first \$3,000,000 annually
- 3/4 of 1% on amounts between \$3,000,001 and \$6,000,000
- 1/2 of 1% on amounts over \$6,000,000

For portfolios below \$2,000,000, there will be a minimum advisory fee administered equivalent to one tenth of one percent (.10) in addition to the fee schedule above.

Investment accounts managed through account aggregation software will be billed the above referenced fee schedule, unless other fee arrangements are mutually agreed upon in the client's Advisory Agreement. The management fee for these accounts is dependent upon assets under management, the number of investment options available in the outside account, the custodian, and other factors.

Fees are billed quarterly at one-quarter (1/4) of the above annual rate, payable at the beginning of each quarter and based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter.

The client's Advisory Agreement may be cancelled in writing any time and a pro-rata refund will be made of any unearned or unapplied fees. The Firm has a minimum portfolio size of \$1,000,000, but may make exceptions. For deposits and withdrawals of \$50,000 or more received after quarter end, debits or credits are applied in the subsequent billing period in accordance with the Firm's stated advisory fee schedule. Advisory agreements contain a five (5) day penalty-free right of rescission.

For clients who are "young professionals", fees are billed based on the fee schedule above with a minimum quarterly fee of \$1,250. This service includes cash flow analysis, investment analysis, investment management, and 401(k) recommendations. If the client wishes to engage Altfest in additional financial planning services beyond the agreed upon scope, they will be billed at the hourly rate of \$250.

We may include mutual funds, exchange traded funds, and private funds in our investment strategies. These securities charge expense ratios/internal management fees and may charge commissions as well. These charges are in addition to our fee, and we do not receive any portion of these fees.

The fee for pooled investment vehicles managed by Altfest is described in the Offering Documents.

When a client invests in a private fund where the Firm is the registered investment adviser to the fund, we bill the client an advisory fee in addition to the investment management fee we receive from the fund.

The method of compensation generally arises from continuing management of portfolios as opposed to reviews or investment advice at a fixed point in time or other forms of investment and / or financial advice that is rendered.

The Firm has utilized the following fee schedules for legacy clients:

For clients 2008 & earlier:

- 1% on the first \$1,000,000 annually
- 3/4 of 1% on amounts between \$1,000,000 and \$2,000,000
- 1/2% of 1% on amounts over \$2,000,000

For clients from 2009 to 2017:

- 1% on the first \$2,000,000 annually
- 3/4 of 1% on amounts between \$2,000,001 and \$5,000,000
- 1/2 of 1% on amounts over \$5,000,000

In certain circumstances, fees can be and have been negotiated.

**For Select Investment Review Clients:** The Firm's fee charged currently is \$500 per hour but may adjust up to \$800 per hour depending on various factors. If the client requests specific investment recommendations, there is a minimum fee of \$3,500. Typically, the client pays 50% of the projected fee before service commences and 50% when the recommendations are presented. Services may be terminated at any time and the client billed only for the hours worked to that point.

#### **Fees for Management of Pooled Investment Vehicles**

The Firm offers two pooled investment vehicles to its clients: the AAVF Funds; and the Arden Woods Real Estate Fund (collectively, the "Funds"). Clients may invest in either or both Funds, and investors who are not clients of the Firm may invest in either or both Funds.

Clients who invest in the AAVF Funds pay a management fee of one percent (1%) of the assets in the AAVF Funds, and a management fee equivalent to their effective billed rate as outlined in their advisory agreement. Investors in the AAVF Funds who are not clients of the Firm pay a management fee of two percent (2%) of the assets in the AAVF Funds.

Clients who invest in the Arden Woods Real Estate Fund do not pay a management fee for the assets in the Fund, however, clients pay a management fee equivalent to their effective billed rate for the total client assets managed by Altfest, which includes the client's assets in the Arden Woods Real Estate Fund. Investors in the Arden Woods Real Estate Fund who are not clients of the Firm pay a management fee of two percent (2%) of the assets in this Fund.

#### **Fees for Financial Planning**

The Firm's Financial Planning fees will be determined based on the nature of the services being provided, the complexity of each client's circumstances, the reports to be provided, and negotiations with the client. All fees are agreed upon prior to entering into a Financial Planning Agreement with any client.

Our Financial Planning fees are calculated and charged on a fixed fee basis and are dependent upon the specific arrangement reached with the client.



We typically request a retainer of fifty percent (50%) upon completion of our initial fact-finding session with a client. In most cases, we deliver the financial plan to the client within a few months, but in no case longer than six months. A check for the balance due is required upon presentation to the client of the agreed upon financial planning deliverable.

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### **Fees for ERISA Fiduciary Services**

In situations where Altfest will provide either 3(21) or 3(38) fiduciary services to an ERISA plans and their trustees, the fees will be as follows:

- 0.75% per annum if plan assets are between \$0 and \$3,000,000
- 0.60% per annum if plan assets are between \$3,000,000 & \$6,000,000
- 0.45% per annum if plan assets are between \$6,000,000 & \$10,000,000
- 0.35% per annum if plan assets are between \$10,000,000 & \$15,000,000
- 0.30% per annum if plan assets are between \$15,000,000 & \$20,000,000
- 0.25% per annum if plan assets are between \$20,000,000 & \$30,000,000
- 0.20% per annum if plan assets are greater than \$30,000,000

Fees are billed quarterly at one-quarter (1/4) of the above annual rate, payable at the end of each quarter.

At the end of each quarterly period, the value of your portfolio shall be determined by adding the value of the securities and cash equivalents and the net cash credit balance in your portfolio. The value of a security shall be the price of the last sale of the security in the quarter, in the case of a security which is traded on a national security exchange, or the bid price therefore in the case of a security which is not so traded, or in the case of mutual funds, the net asset value of the security. Where assets are not publicly traded other estimates will be made where possible or if not, feasible cost figures may be used. It is further here disclosed that Altfest generally does not make any estimates concerning the value of non-publicly traded securities as this undertaking is completed by outside managers.

Please note: Deposits or withdrawals greater than \$50,000 made during a quarter shall be charged or credited at the above applicable rate from date of deposit or withdrawal until the end of the quarter.

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

If a client invests in the Arden Woods Real Estate Fund, and if this Fund achieves a ten percent (10%) return on an annualized basis, the Firm receives a twenty percent (20%) incentive fee from the Fund.

A conflict arises with respect to the Firm principals and investment advisors who invest in the Arden Woods Real Estate Fund and recommend this Fund as an investment to a client. The conflict relates to the principals and investment advisors having an incentive to favor this Fund over other potential investments in view of the performance fee the Firm will receive if the Fund achieves a ten percent (10%) return. The Firm addresses this conflict by disclosing it to the client in this Form ADV, Part 2A, by including in its policies and procedures that the principal and investment advisors must advise the client that the client has the option to select investments that do not have a performance-based fee, and by periodically, and no less frequently than annually, reviewing client accounts to determine if the investments are suitable and not over-concentrated in any particular investment.

***Item 7 - Types of Clients***

Altfest's clients include individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations, private funds, and other business entities.

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

## *Methods of Analysis*

Our primary methods of investment analysis are fundamental, technical, and cyclical analysis.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical analysis** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

## *Investment Strategies*

Investment strategies would be long-term purchases and short-term purchases.

## *Material Risks Involved*

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investments or securities. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Firm's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Credit Risk:** An issuer of debt securities may fail to make interest payments and repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's credit rating may affect a security's value.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

**Liquidity Risk:** The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).

### *Risks Associated with Securities*

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Foreign Securities** typically involves more risks than investing in U.S. securities, and includes risks associated with: political and economic developments - the political, economic and social structures of some foreign countries may be less stable and more volatile than those in the U.S.; trading practices - government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; availability of information - foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; limited markets - the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

**High-Yield Debt Securities** Issuers of lower-rated or "high-yield" debt securities are not as strong financially as those issuing higher credit quality debt securities. These issuers are more likely to encounter financial difficulties and are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. The prices of high-yield debt securities generally fluctuate more than those of higher credit quality. High-yield debt securities are generally more illiquid (harder to sell) and harder to value.

**Mutual Funds** involve risk, including loss of some or all principal. An investor should consider the investment objectives, risks, charges and expenses of the Mutual Fund carefully before investing. The prospectuses for the Mutual Funds may be downloaded from the SEC's website.

**Private Funds** carry market risk along with liquidity risks. You should not invest in a Private Fund unless you have no need for liquidity with respect to the investment, you are fully able to bear the financial risks of the investment for an indefinite period of time and you are fully able to sustain the possible loss of the entire investment. You should consider an investment in a Private Fund as a long-term investment that is appropriate only for a portion of your overall portfolio. The decision to invest is at the sole discretion of the client.

### *Item 9 - Disciplinary Information*

Altfest has not been disciplined by any regulator.

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

Altfest offers two pooled investment vehicles to its clients: Altfest Alternative Value Fund I, LLC (the "AAVF Fund") and the Arden Woods Real Estate, LLC (the "Arden Woods Real Estate Fund") (collectively, the "Funds"). The Funds are Delaware limited liability companies that were formed, in part, to facilitate investment in private offerings. Altfest Management, LLC, an affiliate of Altfest, is the managing member of AAVF Fund, and ArdRE Management, LLC, also an affiliate of Altfest, is the Managing Member of the Arden Woods Real Estate Fund, (collectively, the "Altfest Affiliates"). The Altfest Affiliates have discretionary authority over the respective fund for which each affiliate serves as the managing member.

The AAVF Funds invest primarily in other private funds (including private equity funds and hedge funds) that focus on alternative asset classes and alternative investment strategies that the Investment Manager believes offer attractive risk-adjusted returns, and publicly traded securities that the managing member of the fund views as opportunistic. The AAVF Funds may also allocate assets to other investment managers employing investment strategies which it believes are attractive. The AAVF Funds may invest in strategies similar to those offered by Altfest, however the AAVF Funds may also invest in strategies and securities not available to Altfest's investment management clients.

The Arden Woods Real Estate Fund invests in real estate and other related assets located throughout the United States. This Fund executes a strategy of bidding at delinquent tax auctions in select real estate markets across the US, buying properties from local governments, and partnering with operators who will, depending on the investment, provide renovation work and/or oversight at the individual property level. This Fund may also bid at other real estate auctions and may purchase properties from banks. In addition, this Fund plans to invest in any other real estate strategies that ArdRE Management, LLC, has determined represents compelling risk/reward profiles.

Altfest's principals invest in the Arden Woods Real Estate Fund, and some Altfest investment advisors may invest in Arden Woods Real Estate Fund as well as in the AAVF Funds. In view of these personal

investments, a conflict arises when an Altfest principal recommends the Arden Woods Real Estate Fund to a client. Similarly, a conflict arises when an Altfest investment advisor who invests in the Arden Woods Real Estate Fund and/or the AAVF Fund recommends either or both of these investments to a client. Altfest addresses these conflicts by disclosing them to clients in this Form ADV, Part 2A, by including in its policies and procedures that the principals and investment advisors must advise the client that the client has the option to select investments that do not have a performance-based fee, and by periodically, and no less frequently than annually, reviewing client accounts to determine if the investments are suitable and not over-concentrated in any particular investment. A separate conflict arises with respect to the Arden Woods Real Estate Fund. The conflict relates to the Altfest principals and Altfest investment advisors, as applicable, having an incentive to favor this Fund over other potential investments in view of the incentive fee the Firm will receive if the Fund achieves a ten percent (10%) return. The Firm addresses this conflict through the herein disclosure to the client, and by informing the client that the client has the option to select investments that do not have an incentive fee.

Altfest will devote its best efforts with respect to its management of the Funds and its wealth management and portfolio management client accounts. Given the above discussion relative to the objectives, suitability, risk factors and qualifications for participation in the Funds, Altfest may give advice or take action with respect to the Funds that differs from the advice Altfest gives its clients that have a wealth management or portfolio management account that is not invested in either of the Funds. To the extent that a particular investment is suitable for both Funds and certain wealth management and/or portfolio management accounts, Altfest will allocate such investments between the Funds and the wealth management and/or portfolio management accounts pro rata based on the assets under management or in some other manner which Altfest determines is fair and equitable under the circumstances to all its clients.

Mr. Andrew Altfest, President, is majority owner, and Mr. Lewis Altfest, CEO, and Mr. John Valentiti, CCO, are minority owners of FpAlpha, Inc., (“FpAlpha”). FpAlpha is a financial technology firm that provides software to financial advisory firms, including Altfest, that enables financial advisors to provide comprehensive wealth management services to their clients.

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

The Firm has adopted a written Code of Ethics (the “Code”) in compliance with SEC rule 204A-1. The Code sets forth standards of conduct and required compliance with federal securities laws. Our Code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the Firm. We will provide a copy of our Code to any client or prospective client upon request. The Firm or a related person thereof may buy or sell for itself, himself or herself securities that are also recommended to clients. Full disclosure would be made of any conflict-of-interest situation.

See Item 10 above for conflicts, and mitigation efforts, relating to Altfest principals and investment advisors, as applicable, who: (1) recommend to a client that he/she invest in either or both Funds in which the principals and investment advisors, as applicable, have a material financial interest; (2) invest in either or both Funds that are recommended to clients; and (3) recommend either or both Funds to clients at about the same time that the principals and investment advisors, as applicable, may invest in, or make additional investments in, either or both Funds.

## **Investment Advice Relating to Retirement Accounts**

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

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

In addition, and as required by this rule, we provide information regarding the services that we provide to you, and any material conflicts of interest, in this brochure and in your client agreement.

### ***Item 12 - Brokerage Practices***

#### **Factors Used to Select Custodians**

Altfest does not have any affiliation with any custodian we recommend. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

In recommending custodians, we have an obligation to seek the "best execution" of transactions in Client accounts. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the custodian's services. The factors we consider when evaluating a custodian for best execution include, without limitation, the custodian's:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services;

- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, security and stability;
- Prior service to us and our clients.

With this in consideration, our firm recommends Charles Schwab & Co., Inc. (“Schwab”) and Fidelity Brokerage Services LLC (“Fidelity”), collectively referred to as “Custodian”, both registered broker-dealers, members FINRA and SIPC. Although Clients may request us to use a custodian of their choosing, we generally recommend that Clients open brokerage accounts with these Custodians. We are not affiliated with the Custodians. The Client will ultimately make the final decision of the custodian to be used to hold the Client’s investments by signing the selected custodian’s account opening documentation.

### **Research and Other Soft-Dollar Benefits**

Advisor does not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Schwab may provide us with certain services and products that may benefit us. All such soft dollar benefits are consistent with the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended.

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide our Clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our Clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. The benefits received by Advisor or its personnel do not depend on the number of brokerage transactions directed to Schwab. As part of its fiduciary duties to Clients, Advisor at all times must put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor’s choice of Schwab for custody and brokerage services. This conflict of interest is mitigated as Advisor regularly reviews the factors used to select custodians to ensure our recommendation is appropriate. Following is a more detailed description of Schwab’s support services:

1. Services that benefit you. 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. Schwab’s services described in this paragraph generally benefit you and your account.
2. Services that may not directly benefit you. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our Clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our Clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:



- provide access to Client account data (such as duplicate trade confirmations and account statements)
  - facilitate trade execution and allocate aggregated trade orders for multiple Client accounts
  - provide pricing and other market data
  - facilitate payment of our fees from our Clients' accounts
  - assist with back-office functions, recordkeeping, and Client reporting
3. Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:
- Educational conferences and events
  - Consulting on technology, compliance, legal, and business needs
  - Publications and conferences on practice management and business succession
4. Your brokerage and custody costs. For our Clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees.

#### **Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for Clients to use, however, Clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific custodian to execute transactions. By allowing Clients to choose a specific custodian, we may be unable to achieve the most favorable execution of Client transactions and this may cost Clients money over using a lower-cost custodian.

#### **Aggregating (Block) Trading for Multiple Client Accounts**

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

### ***Item 13 - Review of Accounts***

With respect to investment supervisory service activity, ongoing and continuous monitoring of client portfolios shall be undertaken. Ongoing reviews to ensure portfolios are aligned with targets established for a client shall be conducted by various professionals at the Firm assigned to individual clients.

Portfolio rebalancing software is also utilized towards this end. Investment selection/elimination is made by the Firm's Investment Committee.

With respect to advisory clients who have received a financial plan, in many cases an annual review shall be encouraged. Such review is typically provided by Lewis Altfest, or a senior member of the staff. Performance reports are sent to fee paying clients quarterly. Performance is also reviewed in client meetings.

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

Pursuant to SEC Regulation Section 275.206.4-1, and applicable state laws, we have entered into "promotion arrangements" with other registered investment advisers. At the time of referral, the prospective client is given full disclosure of the promotion arrangement and the nature of the relationship between us and the other investment adviser.

Associates of the Firm are compensated for business development.

#### *Item 15 - Custody*

We have authority to debit fees directly from client accounts. Our client assets are held with broker/dealers, banks, or other qualified custodians. Clients receive statements on at least a quarterly basis from their qualified custodian. We urge clients to carefully review such statements and compare the official custodial records to the account statements that we may provide to them. The information in our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

**Standing Letters of Authorization:** Altfest maintains a standing letter of authorization (SLOA) where the funds or securities are being sent to a third party, and the following conditions are met:

- a. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- b. The client authorizes Altfest, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- c. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- d. The client has the ability to terminate or change the instruction to the client's qualified custodian.
- e. Altfest has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.

- f. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
- g. Altfest maintains records showing that the third party is not a related party of Altfest or located at the same address as Altfest.

**Private Funds**

We are deemed to have custody of the funds and securities of Private Funds in which we serve as Investment Manager when our Altfest Affiliate serves as a managing member. We and our Altfest Affiliates do not physically hold the funds or securities of such Private Funds; and the funds and securities of such Private Funds are not held or registered in our name or in the name of any of our Altfest Affiliates.

We undertake to deliver to the investors/participants in such Private Funds, within 180 days after the end of the fiscal year of the relevant Fund, financial statements that are prepared in accordance with U.S. Generally Accepted Auditing Standards (GAAS) and such financial statements are audited by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

***Item 16 - Investment Discretion***

The Firm has limited discretionary authority provided to it by advisory clients through the signing of a "Limited Power of Attorney".

***Item 17 - Voting Client Securities***

The general policy of the Firm is to not vote proxy statements on behalf of clients.

***Item 18 - Financial Information***

The Firm does not receive fees more than six months in advance.