

**Item 1:** Cover Page

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This brochure provides information about the qualifications and business practices of Millstein Advisors, LLC. If you have any questions about the contents of this brochure, please contact Rohit Millstein at the phone number or e-mail address given above. The information in this brochure has *not* been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

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

Millstein Advisors, LLC is a Registered Investment Advisor. Registration does not imply any particular level of skill or training.

Dated: February 26, 2021

**Item 2: Material Changes**

Since the previous ADV filing on February 21, 2020, there have been no material changes to this document.

**Item 3: Table of Contents**

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#### **Item 4: Advisory Business**

Millstein Advisors (MA), founded in 2009, is owned by Robert (“Rohit”) Millstein and Sherry Liu, husband and wife. MA is a “fee-only” investment advisor meaning that MA will not under any circumstances accept any payment from any source other than its Clients. MA receives no commissions, incentives, gifts, or anything of any sort from any third party. MA offers investment advice and does *not* offer comprehensive financial planning services nor sell insurance or insurance related products.

MA engages in three types of Investment Management Services. Some clients engage MA for one service and some avail themselves of two or three services. There is often overlap among these services.

1. **Asset Allocation/7Twelve® Portfolio.** MA manages the Client’s entire investment portfolio, or a fraction thereof, allocating the investment among a diverse group of assets using the 7Twelve Portfolio methodology as a foundation. (More information about the 7Twelve Portfolio methodology may be found in Item 8 below.) Precise individual allocations are based on an understanding of the Client’s goals, preferences and tolerance to the inevitable ups and downs of the market. MA periodically reviews the client’s account(s) as to the allocation among various asset classes, such as domestic and foreign stocks, bonds, real estate and others, rebalancing the portfolio as required, though not more frequently than quarterly. Asset allocations may vary widely in that some clients seek current income while others may be focused on growth and will not touch their investments for many years. As of December 31, 2020, MA manages a total of \$6.3 million in this fashion.
2. **Opportunistic Investments.** For the risk tolerant, the market sometimes offers attractive potential rewards using specialized trading techniques, particularly with the use of options. MA will consult with individual clients as to whether one or more of these tactics appeals to the client. If so, an appropriate portion of the client’s investment portfolio will be devoted to such a tactic. As of December 31, 2020, MA manages a total of \$3.0 million in this fashion.
3. **Consulting Services.** MA is infrequently asked to provide advice or feedback about investment or more general financial issues. If qualified, MA will provide, on a project by project basis, against either an hourly or fixed fee, consulting services addressing the client’s needs. As consulting is provided on as needed basis, no assets are under management via consulting.

MA customarily provides investment advice regarding equities (both listed and unlisted, domestic and international), bonds (Federal, municipal and corporate), mutual funds, ETFs (Exchange Traded Funds), equity and index options and interests in real estate. Furthermore, MA reserves the right to advise Clients on any other type of investment it deems appropriate based on the Client's stated goals and objectives. MA may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship.

MA maintains with its Clients an ongoing and detailed conversation, verbally and via e-mail, to ensure that MA is aware of initial, subsequent and potentially shifting Client investment needs and goals. MA tailors portfolios to match its best estimate of what will most effectively serve the Client. On at least an annual basis, MA verifies with each Client that the current portfolio and/or strategy being deployed are still appropriate. As part of these conversations, Clients may impose whatever restrictions they choose on the discretion of MA. For example, a client, for whatever reason, may choose not to own stocks of particular companies.

MA is the General Partner of Lisson Grove Option Strategies, LP (“LGOS”) and Lisson Grove Global Asset Allocation, LP (“LGGAA”). These partnerships are known colloquially as “hedge funds”. As General Partner, MA is responsible for the investment management of both funds.

LGOS, launched as of April 1, 2015, and LGGAA, opened on September 1, 2018, are separate investment vehicles, each open to a maximum of 100 persons who are either “accredited investors” as defined in Rule 501(a) of Regulation D under the Securities Act, or “qualified clients” as defined in Rule 205-3 under the Advisers Act and who have sufficient knowledge and experience in financial and business matters to make them capable of evaluating the merits and risks of an investment in LGOS and/or LGGAA.

LGOS engages in a variety of sophisticated and sometimes proprietary versions of otherwise well-known options trading techniques described under Opportunistic Investments/Broken Wings in Item 8 below. In general, these techniques are designed to produce positive returns without too much regard for market direction.

LGGAA invests according to the 7Twelve® Portfolio model developed by Craig L. Israelsen, Ph.D. Historical performance information for his model may be found at [www.7TwelvePortfolio.com](http://www.7TwelvePortfolio.com). LGGAA expands on the basic 7Twelve model by holding more than one fund for each of the 12 asset classes included in the model. LGGAA will also hold individual securities in lieu of, or in addition to, funds. For example, rather than owning a fund of corporate bonds, LGGAA will purchase individual bonds.

As of December 31, 2019, our total assets under management are \$9,348,361. All Client assets, except \$46,774, are managed on a discretionary basis. However, when a material change in a portfolio is contemplated, MA first consults with the Client before making any changes. Discretionary trading authority is discussed in detail in Item 16 below.

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

Clients are generally charged an asset management fee billed quarterly in advance based on the asset value at the end of the previous quarter. Typically, the fee is payable directly to MA upon receipt of invoice from MA.

Alternatively, if the Client chooses the brokerage services of either TD Ameritrade or Interactive Brokers (hereinafter “TD/IB”), Client may authorize TD/IB to pay fees directly to MA from the Client account at TD/IB. To select this rarely used option, the Client must provide TD/IB with written authorization to have fees deducted from the account and paid to MA. Prior to submitting instructions to TD/IB to deduct its fee from the Client account, MA sends the Client an invoice showing the amount of the fee that will be deducted, the manner in which the fee was calculated, any adjustment to the fee, and an explanation of any adjustment. Fees will be reflected on statements sent by the custodians at least quarterly via mail or, if elected by Client, electronically via the web site of TD/IB. Client must review these statements to ensure that the appropriate fees are being deducted from the account.

Fees will be assessed pro rata in the event the Client Agreement is executed at any time other than the first day of a calendar quarter. In the event the Client Agreement is terminated during a calendar quarter, any pre-paid unearned fees will be refunded to the client.

MA's fee reflects the required level of investment management and monitoring. On an annualized basis, MA's fee for its most active Investment Management Services, which require constant monitoring, is as follows:

<b>Portfolio Size</b>	<b>Annualized Fee</b>
First \$1,000,000	1.00%
Next \$1,000,000	0.60%
Assets over \$2,000,000	0.50%

Some Opportunistic Investments (described in Item 8) require so much time and attention and involve so many trades, that the Annualized Fee is negotiated on an individual basis to a maximum of 2.50% of assets so managed in a separate account.

For portfolios managed according to 7Twelve® guidelines, which *do not* require constant monitoring but rather periodic rebalancing, MA's fee is:

<b>Portfolio Size</b>	<b>Annualized Fee</b>
First \$100,000	1.00%
Next \$150,000	0.70%
Assets over \$250,000	0.30%

Generally, MA feels that its standard fee is fair and reasonable in relation to the services provided. However, in limited cases and at sole the discretion of MA, this fee may be negotiable. When considering the negotiability of the fee, MA will consider the complexity of the Client's financial situation and the investments maintained, total assets under management, the anticipated trading volume, and the Firm's relationship with the Client.

Occasionally, charging an "assets under management" fee as described immediately above may not be reasonable in light of the particular Investment Management Services requested by the Client. In such cases, by mutual consent of MA and the Client, MA may charge the Client on an hourly basis for any of its Investment Management Services described above. Most frequently such an arrangement would be required in cases where the Client requests highly specialized and/or time intensive trading techniques be deployed with some fraction of its assets managed by MA. The negotiable hourly fee is \$200, billed quarterly in arrears, payable upon Client's receipt of the invoice. The fee may vary according to the scope of the assets managed. Prior to entering such an arrangement, MA will discuss with the Client the estimated range of each quarterly bill. MA does not guarantee that the quarterly billing will remain in that range but will contact the Client if hours spent for the quarter approach unexpectedly high levels.

Infrequently, by mutual consent of MA and the Client, MA may agree to establish a negotiated fixed fee for any of its Investment Management Services described above. The most common reason to create a negotiated fixed fee that would in any case closely resemble the AUM fee, is to make more predictable the monthly cash requirements of a Client in retirement.

The Firm may allow accounts of members of the same household to be aggregated for purposes of meeting the minimum account size, discussed in Item 7 below, or fee breakpoints. MA may allow such

aggregation, for example, where the Firm manages accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts.

The Client pays fees to other parties in addition to MA:

1. **Brokerage Fees:** The Client is responsible for all brokerage commissions charged by the broker/dealer acting as custodian for the Client's assets, generally TD Ameritrade or Interactive Brokers, or some other broker/dealer chosen by the Client. More detailed information about brokerage arrangements may be found in Item 15 below.
2. **Mutual Fund Fees:** MA often invests some fraction of the Client's assets in mutual funds. The managers of these funds charge a fee which is embedded in the performance of the fund and thus not proactively disclosed to the Client. By examining the prospectus of the fund, or asking MA to do so, the Client can determine the fee being charged. Furthermore, in managing any mutual fund, the manager will incur trading costs. These, generally, are not disclosed and thus not available to either the Client or MA.
3. **Exchange Traded Fund Fees:** MA often invests some fraction of the Client's assets in Exchange Traded Funds. These funds, generally tracking some stock index (such as the S&P 500) or an asset class (such as gold), also charge a management fee, though usually much smaller than that of a traditional mutual fund. This fee may also be found by examining the prospectus of the fund. These Exchange Traded Funds generally also incur trading costs that are embedded in the performance of the fund.

MA receives no consideration of any kind from any party other than the Client. When making investment choices, MA considers the fees charged by broker/dealers and fund managers and endeavors to minimize these fees paid by the Client consistent with using the most effective financial products MA can find.

Clients have the ability to implement MA recommendations at the broker/dealer of their choice. However, if they choose to continue their relationship with MA and ask that MA continue to manage their funds, trades made on their behalf at their chosen broker/dealer will be made *after* any equivalent trade for any other Client(s) with assets maintained at TD Ameritrade or Interactive Brokers.

The Client may terminate the Client Agreement within the first five (5) business days of executing the Agreement without penalty nor any fees due. After the initial five days, Client may terminate services by providing written notice thirty (30) days in advance of the effective date of termination. In the event the effective date of termination is any day other than the last day of the calendar quarter, the Firm will promptly refund any prepaid unearned fees on a pro rata basis.

Fees paid by Lisson Grove Option Strategies, LP ("LGOS") to MA, the General Partner ("GP") of LGOS, are described in detail in the Private Placement Memorandum ("PPM") of LGOS. To summarize, MA earns an annual management fee of 0.84% of AUM paid monthly, in advance, by the individual partners in the fund to the GP. The GP is permitted to enter negotiated arrangements with Limited Partners of LGOS wherein the Management Fee is modified.

Fees paid by Lisson Grove Global Asset Allocation, LP ("LGGAA") to MA, the General Partner ("GP") of LGGAA, are described in detail in the PPM of LGGAA. To summarize, MA earns an annual management

fee of 0.36% of AUM paid monthly, in arrears, by the individual partners in the fund to the GP. The GP is permitted to enter negotiated arrangements with Limited Partners of LGGAA wherein the Management Fee is modified.

### Consulting Services

MA will, from time to time and at Client request, make itself available on a consulting basis. Client is advised that MA does not offer comprehensive financial planning services and the Client will be referred to appropriate professionals when necessary.

MA's negotiable fee for consulting services is \$200 per hour. An estimate of the total cost will be determined at the start of each consulting request. If the client chooses to proceed, 50% of the estimated fee is due upon signing of the Consulting Agreement. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, the Firm will notify the Client and may request that the Client approve the additional fee. The balance of the fee shall be due and payable upon completion of the services rendered.

MA may waive and/or reduce consulting fees in the event the Client retains MA to provide Asset Allocation Services described above. MA may also negotiate its standard fee of \$200 per hour according to the number of hours required by the Client and the complexity of the Client assignment.

Either the Client or MA, by mutual written agreement, may terminate the Consulting Agreement at any time prior to the completion of the task described therein. In this case, if the hours billed by MA exceed 50% of the original estimated fee, Client agrees to remit balance upon receipt of invoice from MA. Conversely, if hours billed by MA are fewer than 50% of the original estimated fee, MA agrees to refund difference to Client. The Client, by providing written notice and payment in full for all hours billed by MA, may terminate the Consulting Agreement at any time prior to completion of the task.

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

MA does not charge any client a Performance-Based fee.

Side-by-side management refers to managing a hedge fund in addition to the assets of individual clients. A potential conflict arises if the fee earned from an individual client is different from the fee earned from the hedge fund. If, for example, MA could earn more from allocating first to the hedge fund, this would create a conflict with the individual.

MA avoids all such conflicts by using "Trade Aggregation" – placing trades for multiple Clients simultaneously – further described in Item 12 below.

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

MA's Clients are individuals and individual trusts with investible portfolios ranging from about \$50,000 to \$3 million. MA also serves as General Partner of the investment partnerships Lisson Grove Option



Strategies, LGOS, and Lisson Grove Global Asset Allocation, LGGAA, with \$2.4m and \$3.9m in net assets, respectively, as of 12/31/2020.

MA imposes a negotiable minimum account size of \$100,000 for active asset management. There is no minimum for Clients who enter into a Consulting Agreement. MA has consulted for small businesses and individuals with a net worth of less than \$30,000 to several million dollars.

MA may allow accounts of members of the same household to be aggregated for purposes of meeting the minimum account size, or fee breakpoints as discussed in Item 5 above. MA may allow such aggregation, for example, where the Firm manages accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts.

Investors in LGOS and LGGAA may include high net worth individuals and family offices, trusts, investment funds, pension funds, and IRAs. Each Investor's initial investment in either LGOS or LGGAA must be at least \$100,000 and \$50,000 for additional investments, subject to increase or decrease by the General Partner, at its discretion. Each investor in any Fund must be either (1) an "accredited investor," as defined in Regulation D under the Securities Act of 1933, as amended ("1933 Act") or (2) a "qualified client" under the Investment Advisers Act of 1940, as amended and the rules thereunder. LGOS and LGGAA are not open to more than 100 beneficial owners each as provided by Section 3(c)(1) of the Investment Company Act.

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

As described in Item 4 above, MA offers Investment Management Services using two methodologies: Asset Allocation/7Twelve® and Opportunistic Investments. Each will be discussed in turn.

##### *Asset Allocation*

Managing investments according to Asset Allocation means investing a portfolio among a variety of different assets in relatively fixed proportions. These proportions, or "weights", are based primarily on the 7Twelve® model promulgated by Craig L Israelsen, Ph.D. Details of the 7Twelve® ("7T") approach may be found at [www.7TwelvePortfolio.com](http://www.7TwelvePortfolio.com). MA is a "7Twelve Partner" paying a modest annual fee to Lunt Capital Management in return for research, information and education relating to the 7Twelve model. 7Twelve Partners are also invited to educational webinars and an annual conference. The fee paid to Lunt Capital Management, along with any other educational or conference costs, are expenses born fully by MA.

In creating a particular 7T portfolio for one individual Client, MA takes into account the goals and risk tolerance of the Client. The idea behind Asset Allocation generally and 7T in particular is to both mitigate the loss from an underperforming asset and benefit from the outperformance of another asset. Although 7T Partners provides "Opportunity Sets" of specific securities for each of the twelve assets underlying 7T, MA ongoingly conducts its own research and, in individual accounts, generally uses approximately 20 funds to invest across the seven asset classes described in the 7T model. In its 7Twelve-based fund, Lisson Grove Global Asset Allocation, MA employs a larger range of funds as well as individual securities.

It is also important to formulate different allocations tailored for the preferences and needs of varied individuals. For example, a 70-year-old retiree will have a smaller proportion of her portfolio in the eight “growth assets” of the 7T model and more in the remaining four “fixed income” assets than a 35-year old high income earner.

The primary risk of the 7T model, or any Asset Allocation model, is that assets which generally behave differently and thus offer the benefits of diversification, usually begin to behave similarly when markets tumble. In other words, different assets *usually* have varied investment performance. However, when there is a severe market crisis of the type experienced in late 2008 into 2009, suddenly assets begin to behave in unison. As we saw in that recent credit crunch, almost every asset went down together. Diversification turned out to be a poor method for reducing risk, but for only that year. Over any reasonable investment horizon, the 7T process has worked well: For example, although the benchmark 7T Core Portfolio lost 24.6% in 2008, it was up 24.9% in 2009. Compare this result, for example, to the Vanguard 500 Index Fund which was down 37.0% in 2008 and up 26.5% in 2009. (These performance statistics may be found in the 7Twelve-Model-Intro.pdf available at [www.7TwelvePortfolio.com](http://www.7TwelvePortfolio.com).)

### *Opportunistic Investments*

Opportunistic Investments are made only for risk tolerant Clients and then only with a fraction of their total investment portfolio, albeit perhaps all their assets managed by MA. There are three such opportunities currently being exploited, and MA expects that by their very nature, these will change over time. The current opportunities are calendar spreads, put writing and variations of the butterfly and condor known colloquially as “broken wing”.

### Calendar Spreads

A calendar spread attempts to take advantage of the eroding time value of options. In particular, that an option of longer duration generally loses its time value at a slower rate than an option of shorter duration. By purchasing the option of longer duration and repeatedly selling options of shorter duration, the investor intends to profit from this characteristic of options.

The risk of the strategy is that the underlying security could move away from the selected options, engendering a loss on the purchased option of longer duration that is greater than the sum of all the gains made by successive sales of the shorter-term options.

To mitigate this risk, MA will often simultaneously open two calendar spreads on the same underlying security, one above the current price and the other below. That way, should the underlying move away from one pair of options, likely engendering a loss there, the underlying will be getting closer to the other pair of options, creating a profit. This strategy, known as a double calendar spread and requiring the simultaneous management of four options on a single security, is complex and difficult for a lay investor to understand. Any investor agreeing to the use of this strategy in her account is therefore trusting MA to have sufficient skill to manage the double calendar trade. MA cannot represent that such trades will necessarily be profitable.

### Put Writing

Put writing, as deployed by MA, involves selling puts at below current market prices in order to generate income. For example, with some stock at 100, we might sell a put committing the investor to purchase that stock at 80 (known as the “strike price”) for a certain time frame. In all likelihood, the stock will not fall that far and the investor will get to keep the premium received. If the stock does fall to 80, or below,

we might repurchase this put and sell a put at a lower strike price for a longer time frame. By so doing, the investor is generally able to generate modest profits even when the market is falling.

Critical to the strategy is the fact that no cash is used in selling a put. Rather, the investor's capital is held as collateral to ensure the investor's ability to purchase the stock should it indeed fall below the strike price. At Interactive Brokers, the investor is able to use this collateral to purchase other securities, such as U.S. Treasury Bills, and thus earn income on the collateral as well.

The risk of the strategy is that the stocks on which puts have been sold fall so far so quickly that the investor is forced to either purchase the stocks at a loss or even swap to a lower strike price, as described above, at a loss.

#### Broken Wings

LGOS deploys variations of option strategies based on well-known techniques generally referred to as "Broken Wing Butterflies" and/or "Broken Wing Condors". The variants used by Millstein Advisors in LGOS and occasionally in separately managed accounts, are intended to capture the inevitable erosion of time value in options. These are highly complex techniques involving the simultaneous purchase and sale of a total of four different options. The butterfly or condor is generally revised once or twice during its "flight". Each initial position is designed to last only a month or two, including such revisions. The technique therefore involves high turnover and thus material commissions to the broker.

An investment in LGOS – or a separately managed account using the same techniques – has many risks ranging from general investment risks, such as stock market volatility to risks related to other securities the fund may purchase or sell, such as securities on non-US exchanges and fixed income securities and currency risks. There are also operational risks, a potential lack of diversification and management risks. A comprehensive, detailed list of all these risks – general risks, risks related to the securities used, risks related to the strategy itself, risks related to the manager and more – may be found in the Risk Factors section of the PPM for LGOS.

In both Investment Management Service methodologies, Asset Allocation and Opportunistic Investments, MA endeavors to minimize losses. MA believes that the key to long term investment success may be summarized simply as "win by not losing". Nonetheless, periodic losses are not only possible *but inevitable*. MA works to minimize those occurrences both in terms of frequency and depth so that the Client portfolio quickly recovers and grows.

#### **Item 9: Disciplinary Information**

Neither MA nor any of its personnel have ever been subject to any disciplinary action, either material or immaterial, from any federal, state or local government agency. Nor has MA or any of its personnel ever been subject to any disciplinary action from any exchange or other financial institution or self-regulating body.

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

Neither MA nor any of its personnel have any material relationships or arrangements with other members of the financial industry. For example, MA does not recommend any particular accountant to

its Clients, nor is MA recommended by any particular accountant. More importantly, MA does not accept any fee for any purpose from any entity except from the Client. MA is thus devoid of any conflict of interest in making recommendations for, giving advice to, and managing the assets of, its Clients.

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

MA has a written *Code of Ethics* which each member of MA must know, review and attest to each calendar year. In brief, the *Code* states that MA and its personnel will act as fiduciaries for their Clients. That is, the Client interest will be served in front of the interests of MA and its personnel.

Some examples of the behavior required of a fiduciary are that fees must be reasonable, conflicts of interest must be disclosed or better yet, resolved in favor of the Client, and recommendations must be in the best interest of the Client.

A copy of the full *Code of Ethics* is available to Clients and prospective Clients upon request.

In adopting its *Code of Ethics*, MA endeavors to ensure compliance with all applicable laws and regulations governing its practices. The Code sets high standards for the manner in which all MA personnel conduct themselves in the service of protecting client interests at all times. MA is committed to its fiduciary duties of honesty, good faith and fair dealing with its Clients. To this end, all MA personnel and other associated persons are expected to adhere strictly to the procedures for approval and reporting established in the Code of Ethics. In addition, MA maintains and enforces written policies designed to prevent the misuse of material non-public information by MA or any person associated with the firm.

MA personnel often participate side by side with its Clients in making investments. For example, MA personnel often invest in the same securities it recommends to its Clients. If so, all Client and in-house accounts are traded simultaneously as explained in Item 12 below. Although there is the potential for a conflict of interest – MA could, in theory, trade for itself before trading for its Clients and thus hope to use Client money to lift the price of the stock – trades are generally made simultaneously for everyone. Moreover, the securities recommended by MA to its Clients are generally far too liquid, and MA and its Clients are far too small, for even their combined investment to have any material impact on the price of any recommended security. In any event, if it is not possible to simultaneously execute the trade for both MA personal and Clients, MA ensures that Client trades are made first.

**Item 12: Brokerage Practices**

MA uses two brokers for its Clients' accounts: Interactive Brokers ("IB") and TD Ameritrade ("TD").

In choosing TD and IB as its brokers, MA considered the fees, execution and technology available on a variety of sites. With regard to technology, there is a potential tradeoff between the convenience and productivity of MA versus its Clients. For example, IB is a difficult website to use, yet very efficient for MA. It also offers the most flexible trading rules and lowest margin rates, yet cannot custody many popular mutual funds. On balance, MA chose IB for specific types of customer accounts where rock

bottom margin rates and flexibility outweigh other considerations such as the free trading commissions offered at TD Ameritrade (as well as Fidelity, Schwab and others).

For other clients where ease of use and/or the ability to custody a broader range of mutual funds is important, MA uses TD as its custodian. These render TD the best choice for all accounts that either currently or potentially hold mutual funds.

Beyond enrolling as a Registered Investment Advisor with TD and IB, MA has no special relationship with any broker. That is, MA does not receive any special service or consideration in return for directing business to any broker nor does MA receive any incentive, financial or otherwise, to generate a certain amount of commission revenue with any broker.

Furthermore, MA does not receive any fee for client referrals from any broker, nor does it pay any broker for referrals. Indeed, MA does not receive, nor would it accept, a referral from any of its brokers.

If a Client wishes to designate a broker other than IB or TD, MA will use its best efforts to accommodate this choice. However, the Client choosing such “directed brokerage” may not obtain as favorable an execution nor as low a commission as the Client might with IB or TD. Currently, because of specialized offerings, MA manages several accounts at Fidelity Investments.

#### *Trade Aggregation*

There are many occasions at both TD and IB where MA will place trades for multiple Clients at the same time. This is referred to as Trade Aggregation. For example, MA aggregates virtually all trades for accounts deploying any of the Opportunistic Investments described in Item 8 above.

In these cases, MA aggregates the trades so that each Client, LGOS and/or personal account for MA personnel and their families, receive the same price at the same time for each security. This is particularly important because many MA Client trades are “multi-legged”. For example, rather than simply purchasing a stock, MA might simultaneously purchase a stock and sell an option. Using Trade Aggregation, MA can place the order for a net price for all Clients. Trade Aggregation thus ensures fairness; it is also more productive for MA. Commissions remain the same, however, as each Client pays its own share of the total commission. Neither MA nor any of its personnel or their members of their families derive any extra compensation nor any special benefit from using Trade Aggregation.

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

MA reviews actively managed individual client accounts at least monthly and makes spot checks of all accounts for a variety of reasons such as changes in the market and specific investments, major economic events or changes in client circumstances. Accounts managed according to 7Twelve are examined monthly. Also, MA has established various triggers that will generate automatic warnings if particular investments require immediate attention.

MA maintains various spreadsheets to help track and manage Client portfolios. Although similar, these spreadsheets are tailored to specific Client requirements and interests. As they are maintained manually, these spreadsheets are **not** to be relied upon as rigorous reflections of the exact value of a Client’s various accounts; statements from the custodians serve that purpose. These manually

constructed spreadsheets do, however, serve as a portfolio management tool and are shared quarterly (monthly, if so requested) with the Client and reviewed with the Client on demand.

Audits of LGOS and LGGAA shall be made within 120 days of the end of each fiscal year. The certified public accountants for LGOS and LGGGA will assess and issue an audit opinion on the financial statements prepared by the administrator. MA will e-mail to each investor an audited financial statement of LGOS and/or LGGGA operations, as appropriate, prepared according to Generally Accepted Accounting Principles. Each investor will also receive from the administrator unaudited reports on a monthly basis of LGOS and/or LGGGA operations, as appropriate, including the net value of each investor's capital account, in such form as the Firm may determine. Following the end of each calendar year, each investor will also be furnished with certain tax information for the preparation of his or her income tax returns. All books and records of LGOS and LGGGA will be maintained at MA's principal office. Limited Partners, or their duly authorized representatives, will have access to and the right to inspect these at all reasonable times.

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

MA has not and has no plans to pay any third party for Client Referrals. Moreover, MA has received no such payment from another advisor, nor does it intend to.

**Item 15: Custody**

MA does not take custody of any Client funds managed as separate accounts. All Client funds are held at a broker, generally TD Ameritrade or Interactive Brokers (see Item 12 above). Clients receive statements directly from the broker and not from MA. Note that neither of these brokers generally mail statements to their Clients unless specifically requested by the Client. MA recommends that its Clients visit the broker's website at least quarterly to review their statement(s). If the Client finds this too cumbersome, they are advised to have their broker mail statement(s) automatically.

MA provides various tracking information, generally in manually maintained Excel spreadsheets, that assists Clients in formulating a long-term view of their investment results and progress. As with any manual process, these spreadsheets may contain errors, although MA tries its best to verify that all supplied data are accurate. The broker statements, however, remain the final word.

While MA ultimately has custody of the assets of LGOS and LGGGA, these assets are currently held in custody by Interactive Brokers, LLC ("IB"). To facilitate withdrawals, new contributions, and payment of operational costs, a small amount of cash is held at Citizens Bank. IB is a qualified custodian and unaffiliated with MA. The certified public accountants for LGOS and LGGGA, Spicer Jeffries, will assess and issue an audit opinion on the financial statements prepared by the administrator. MA will e-mail to each investor an audited financial statement of LGOS and/or LGGGA operations, as appropriate, prepared according to Generally Accepted Accounting Principles. Each Limited Partner will also receive unaudited statements reflecting their investment activity on a monthly basis from a third party administrator, Crederian Fund Services. Crederian is located in Media, PA and MA has no other relationship with Crederian other than as a client for Crederian's services. These statements indicate the beginning, ending and change in value of each Limited Partner's Capital Account Net Asset Value for the month.

**Item 16: Investment Discretion**

Asset management services are provided on a discretionary basis only. Subject to the qualifications below, this means MA makes all decisions to buy, sell or hold securities, cash or other investments in the managed accounts in its sole discretion without consulting the Client before implementing any transactions. Clients must provide MA with written authorization to exercise this discretionary authority. Discretionary authority is limited in that MA does not have access to Client funds and/or securities with the exception of deducting – only from selected Clients and only with their written permission -- advisory fees from the client’s account and paid to MA by the account custodian. Any fee deduction is made pursuant to the Client’s prior written authorization provided to MA.

MA exercises its discretion mindful of Client requests and preferences, and Clients can impose reasonable restrictions on management of their accounts. For example, MA is aware that particular Clients will not want to invest explicitly in particular companies, such as those involved in defense or gambling, even if the Client is aware of investing in the same companies via broad based market indices.

Furthermore, each Client will have his or her own needs and preferences in terms of the overall investment portfolio. So despite the discretion MA has over Client accounts, MA will *not* undertake material shifts in the investment portfolio without first consulting with the Client. For example, MA would not make a substantial shift from stocks to bonds without first consulting the Client even though MA would exchange one ETF for a similar ETF without any Client input.

In order to grant MA discretionary authority, the Client executes a document provided either by TD Ameritrade or Interactive Brokers, whichever is the custodian of their accounts. (See Item 12 above.) Though different in detail, both agreements allow MA only to trade within the Client account; MA cannot move funds in or out of the account without the cooperation and knowledge of the Client, and then only to an account titled in the Client’s name or by check to the Client’s address of record at the broker.

**Item 17: Voting Client Securities**

MA does not perform proxy-voting services on a client’s behalf. All proxy statements are sent directly to clients. Clients are instructed to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Clients have the ultimate responsibility for making all proxy-voting decisions.

**Item 18: Financial Information**

This item is not applicable to MA’s brochure because MA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Although MA has discretionary authority over client accounts, it is not required to include a balance sheet for its most recent fiscal year. MA is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, neither MA nor Robert Millstein have been the subject of a bankruptcy petition at any time.

**Item 19: Requirements for State-Registered Advisers**

The principal and only officer of Millstein Advisors, LLC is Robert Millstein. Details regarding the educational background and other business activities of Mr. Millstein are described in Part 2B, the Brochure Supplement.

None of MA management personnel have been involved in any:

- Arbitration claims alleging damages in excess of \$2,500 involving
  - An investment or an investment-related business or activity
  - Fraud, false statement(s) or omissions
  - Theft, embezzlement or other wrongful taking of property
  - Bribery, forgery, counterfeiting or extortion; or
  - Dishonest, unfair or unethical practices
  
- Civil, self-regulatory organization or administrative proceeding involving
  - An investment or an investment-related business or activity
  - Fraud, false statement(s) or omissions
  - Theft, embezzlement or other wrongful taking of property
  - Bribery, forgery, counterfeiting or extortion; or
  - Dishonest, unfair or unethical practices

Neither MA nor its management personnel have a relationship or arrangement with any issuer of securities.



**Part 2B: Brochure Supplement - One**

**Item 1: Cover Page**

Supervised Person:

Robert ("Rohit") Millstein  
Rohit@MillsteinAdvisors.com  
281-236-9800

Millstein Advisors, LLC  
4023 Waterford Land  
Missouri City, TX 77459

Dated: February 26, 2021

**Item 2: Educational Background and Business Experience**

Robert Millstein, born 1957

*Formal Education:*

- London Business School, M.Sc. General Management with Distinction, 2000
- University of Chicago, B.A. with General Honors, Economics with Honors, 1977

*Business Background for the Previous Five years:*

- Millstein Advisors, 07/2009 to present
- Yoga Instructor, Part-time, Various studios around Houston, TX, 6/2009 to present

**Item 3: Disciplinary Information**

Robert Millstein has not been the subject of any disciplinary action of either a government agency or a self-regulating financial organization.

**Item 4: Other Business Activities**

Robert Millstein occasionally teaches yoga classes. These entail less than 5% of his workweek and are generally, but not always, offered outside of normal securities trading hours.

Robert Millstein does not receive any bonus or non-cash compensation based on the sale of any securities or investment products.

**Item 5: Additional Compensation**

Robert Millstein does not receive any compensation related to Millstein Advisors from any source other than the Client.

**Item 6: Supervision**

Robert Millstein is the Chief Compliance Officer of MA and is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives. He may be reached at 281.236.9800.

**Item 7: Requirements for State-Registered Advisors**

Robert Millstein has not been found liable in any arbitration claim nor any other action whether civil, administrative or from a self-regulatory organization.

**Part 2B: Brochure Supplement - Two**

**Item 1: Cover Page**

Supervised Person:

Sherry Liu  
Sherry831@gmail.com  
281-236-3889

Millstein Advisors, LLC  
4023 Waterford Lane  
Missouri City, TX 77459

Dated: February 26, 2021

**Item 2: Educational Background and Business Experience**

Sherry Liu, born 1966

*Formal Education:*

- University of Houston, M.A. Mathematics, 2016
- London Business School, M.Sc. General Management, 2000
- University of Missouri, Kansas City, M.S. Computer Networking, 1989
- University of Missouri, Rolla, B.S. Computer Science, 1987

*Business Background for the Previous Five years:*

- Millstein Advisors, 07/2009 to present
- Houston Community College, Professor, 8/2017 to present
- Wharton County Junior College, Instructor, 9/2010 to 8/2017

**Item 3: Disciplinary Information**

Sherry Liu has not been the subject of any disciplinary action of either a government agency or a self-regulating financial organization.

**Item 4: Other Business Activities**

Sherry Liu is a full time Professor of Mathematics at Houston Community College Her work at HCC occupies the majority of her workweek.

Sherry Liu does not receive any bonus or non-cash compensation based on the sale of any securities or investment products.

**Item 5: Additional Compensation**

Sherry Liu does not receive any compensation related to Millstein Advisors from any source other than the Client.

**Item 6: Supervision**

Robert Millstein is the Chief Compliance Officer of MA and is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives. He may be reached at 281.236.9800.

**Item 7: Requirements for State-Registered Advisors**

Sherry Liu has not been found liable in any arbitration claim nor any other action whether civil, administrative or from a self-regulatory organization.