



T H E I N S T I T U T E

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Brochure/ADV Part II

This brochure provides information about the qualifications and business practices of Institute for Wealth Management. Please contact us if you have any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State securities authority.

This disclosure document is being provided pursuant to Section 204 of the Investment Advisers Act of 1940, as amended, and regulations set forth by the Securities and Exchange Commission under that section, and deals only with Institute for Wealth Management.

Additional information about Institute for Wealth Management, as well as any of the securities we recommend, including the Barclays PROSPER ETF Notes (CUSIP No. 06739JEB5 and 06740JWG1), is available at www.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Institute for Wealth Management is 127207.

TABLE OF CONTENTS

ADVISORY BUSINESS.....	3
INVESTMENT MANAGER DUE DILIGENCE.....	3
CLIENT SELECTION OF INVESTMENT MANAGER.....	3
TYPES OF CLIENTS.....	4
METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS.....	4
PERFORMANCE REVIEWS AND REPORTS	4
FEES AND COMPENSATION.....	5
TERMINATION	6
DISCIPLINARY INFORMATION	6
EDUCATION AND BUSINESS BACKGROUNDS OF KEY OFFICERS.....	6
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	7
PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	7
BROKERAGE PRACTICES	7
REVIEW OF ACCOUNTS	8
PAYMENT FOR CLIENT REFERRALS	8
SOFT-DOLLAR ARRANGEMENTS	8
CUSTODY.....	10
INVESTMENT DISCRETION.....	10
PROXY VOTING POLICIES.....	10
INVESTMENT PERFORMANCE.....	10
CONSUMER PRIVACY POLICY AND DISCLOSURE.....	10
CODE OF ETHICS.....	10
BUSINESS CONTINUITY PLAN CUSTOMER DISCLOSURE.....	10
POSSIBLE CONFLICTS IN SELECTION OF BROKER/DEALERS.....	11

Advisory Business

The Institute for Wealth Management, LLC (“The Institute”) is a registered investment adviser. We offer individually managed investment accounts to individual Clients and retirement plan participants, utilizing guidance from firms we believe are the nation’s leading institutional money managers (“Managers”). We also provide subadvisory services to other advisers and serve as a basket composition agent for publicly registered notes offered by Barclays Bank PLC (as described in greater detail below).

We believe the best way to achieve optimal investment results is to leverage the expertise of the nation’s leading Managers. We have identified these Managers through a stringent qualification process: a thorough evaluation of the management strategies, the Managers’ backgrounds, and performance records, and actual implementations of their strategies. These Managers do not provide advisory services to our Clients directly; rather, they are sources of research and guidance. We are responsible for the Manager’s investment advisory fee (there is no additional management fee incurred by the Client for the Manager’s investment advisory services), monitor and evaluate the Manager’s performance and arrange for the execution of transactions all for a single fee to the Client (exclusive of trading costs). The Managers provide services to us and do not directly manage any of our Clients’ assets. The Client is a customer of ours and has no direct relationship with the Managers.

We have developed a network of alliances with broker/dealers, investment advisers, financial planners, and third party administrators to market our investment model, hereinafter referred to as Introducing Investment Adviser or Investment Adviser Representatives. The Introducing Investment Adviser helps investors select an appropriate model for their portfolio. The Client and Introducing Investment Adviser select their own custodial services, and we do not provide such services.

Portfolio composition will be determined based on each Client’s needs, portfolio restrictions, if any, financial goals and risk tolerances. The selected Managers may offer us research and recommendations regarding allocations to equity securities, mutual funds, sub-accounts, warrants, corporate debt, commercial paper, CD’s, municipal securities, investment company securities, U.S. government securities, structured products, as well as option contracts on securities. Some strategies, such as with option contracts, involve more risk and are only appropriate for certain investors.

Investment Manager Due Diligence

We conduct a comprehensive due diligence process with respect to the Managers we utilize for allocation research. The Managers must be registered investment advisers or exempt from registration. They are screened for financial and organizational stability, historical performance, quality of management, research capabilities, and other factors. The due diligence component of the program is conducted initially, quarterly and annually. Consideration is given to methodology, standards, and internal verification of the Managers’ reported historical composite returns.

The information we obtain regarding Manager participation in our program is believed to be reliable and accurate; however, we do not guarantee accuracy or independently verify reported results. A Manager may be removed if the Manager does not execute its functions in a manner consistent with its stated philosophy and approach or if the Manager becomes otherwise unsuitable for continued participation.

Client Selection of Investment Manager

An Introducing Investment Adviser will work with the Client to complete a questionnaire to obtain necessary information regarding the Client’s financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables the Introducing Investment Adviser to determine which Model is best suited for the Client’s investment objective and needs. We will provide one or more models from those available in the program whose investment philosophy and objectives are most compatible with the Client’s investment philosophy and objectives. The Client ultimately chooses one or more investment strategies.

The Managers provide us with portfolio models and rebalancing recommendations. We trade these portfolio models and rebalance the portfolios on a discretionary basis. We do not maintain custody of Clients' funds or securities. We do not assume responsibility for the conduct of the Managers including, but not limited to, their performance, or compliance with applicable laws or regulations. Clients are advised and are expected to understand that the models' past performance is not a guarantee of future results and that certain market and economic risks exist that may adversely affect model performance that could result in capital losses in that Client's account.

We will establish and maintain all Client information initially provided by the Introducing Investment Adviser. The custodian selected by the Client, or Program will maintain a database for each Client account that will be updated on a daily basis to reflect all trading activity and transactions for the account(s) of the Client. We will have access to the Client information through the custodian. We will use the information on the databases to review any trades, account balances, and positions for all Client accounts.

The custodians will provide the Introducing Investment Advisers, Investment Adviser Representatives and Clients the following: (i) current positions, (ii) transactions, and (iii) value of the managed portfolio.

Types of Clients

We generally provide investment advice to individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates or charitable organizations, corporations and business entities. We also provide subadvisory services to other advisers and serve as a basket composition agent for publicly registered notes offered by Barclays Bank PLC (as described in greater detail below).

In general, we require a minimum initial account value of \$100,000; however, we may accept accounts for less than the minimum. When we elect to accept accounts for less than the minimum, we may choose to implement strategies using mutual funds.

Methods of Analysis, Investment Strategies, and Risk of Loss

The methods of analysis, investment strategies, and investment vehicles will vary with each Manager, and may include fundamental, technical, cyclical, and charting analysis. Our due diligence research will enable us to determine the Manager's style and the security analysis methods utilized, the sources of information used by the Managers, the strategies used to implement the investment models and the practices regarding cash balances in Client accounts. The comprehensive due diligence and our suitability questionnaire will enable the Introducing Investment Adviser to determine which model portfolio is best suited for the Client's investment objectives.

Performance Reviews and Reports

We will review performance data of all models on a quarterly basis. Composite results reported by the Managers are compared with results of a comparative index ("Best-Fit Index"). The Best-Fit Index is a means for us to determine the risk characteristics of a portfolio as measured by its closest benchmark. Results are reviewed for consistency in investment discipline and approach. We do not audit the performance data reported by the Managers utilized in the databases to insure they are calculated on a uniform and consistent basis. We also do not audit compliance with any standards a Manager has stated it uses.

Each Client receives a quarterly performance report from the custodian. This report will reflect the performance for that quarter in terms of time-weighted rate of return and transactions that were made throughout the quarter and the quarterly management fee.

Accounts are reviewed quarterly or in response to requests. The number of reviewers will vary widely depending on the number of accounts and Introducing Investment Advisers involved with our program.

Fees and Compensation

Our fees cover the advisory and consulting services provided by us, trade initiation (excluding applicable trading costs, if any) and other account-related services. We do not charge redemption/exit fees or transaction fees. However, the custodian may charge custodial fees, transaction fees or redemption fees. These fees are independent of our fees and should be disclosed by the custodian.

In addition, all fees paid to us for investment advisory services are separate from any fees and expenses charged to shareholders of mutual fund or annuity shares by the mutual fund or annuity companies. A complete explanation of the expenses charged by the mutual fund or annuity is contained in each fund or annuity's prospectus.

The fees for accounts are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rated basis, billed quarterly in advance. Our fees are calculated as a percentage of the account value. Fees are calculated quarterly based on the market value of the assets in Client's accounts as of the last business day of the preceding quarter as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash, and money market balances. Margin debit balances do not reduce the value of assets under management.

Our institutional base investment advisory fee is .45%. In certain circumstances, our fees may be negotiated. An Introducing Investment Adviser may charge an advisory fee that is separate from our fee. Introducing Investment Advisers may, at their choosing, mark up our base fee to a fee not to exceed a total of 2.25%. The Client generally will authorize us to debit their account quarterly for our and the Introducing Investment Adviser's fees. We will pay the Introducing Investment Adviser in accordance with the terms of a Solicitation Agreement we enter into with Introducing Investment Advisers. Any solicitors we engaged are required under the Solicitation Agreement to, among other things, disclose fees that may be charged to Clients that are in addition to fees generally charged to all other Clients.

In some cases, we may collect financial planning fees (exclusive of the investment advisory fee) from Client accounts on behalf of Client-selected, unaffiliated Introducing Investment Advisers and pass these fees on to the Introducing Investment Adviser.

We provide model portfolios, without investment implementation, to other Investment Advisers at the base investment advisory fees and may offer additional services for the following fees: individual account level performance reporting is for up to .20%; performing trading functions at the custodians for up to .30%; and accounts less than \$100,000 are charged .20%. In addition, for accounts less than \$100,000, we charge a minimum account fee of \$10 per quarter.

Fees for accounts are payable in advance on a quarterly basis. In the event the account is opened after the first day of the calendar quarter, the fees for that quarter are prorated to the number of days left in the quarter and are calculated based on the market value of the portfolio on the effective date of the account as determined by the Custodian. Subsequent fees are determined for the calendar quarter periods and will be equal to the number of days in the quarter divided by the number of days in the year times the annualized fee.

Additional prorated fees will be assessed on the value of cash or securities added to the account between billing periods. The Client generally authorizes us to deduct the amount of the fees from his/her account.

When we act as a subadvisor, compensation is paid by the primary adviser to us. The subadvisory fees start at .50% and can go up or down based on the level of service provided. The subadvisory fees will be specifically disclosed to Clients who are directly impacted by such fees.

We have been engaged by Barclays Bank PLC to act as the basket composition agent with respect to the offering by Barclays of its registered Perpetual Rolling Open Structure Protecting Equity Returns (PROSPER) ETF Notes. The portfolio underlying such notes is based on notional investments in exchange-traded funds and index-linked cash deposits within a model we developed specifically for the notes. We will receive fees equal to four—sevenths of the investor fee received by Barclays relating to the number of notes outstanding. Information concerning the offering of such notes is contained in a publicly-filed prospectus of Barclays, but

we are not responsible for any disclosures contained in the prospectus, other than the description of The Institute set forth in the prospectus. We may engage in similar arrangements with other issuers in the future. We may recommend investment in the Barclays PROSPER ETF Notes to our Clients and receive the regular Client advisory fees described above, in addition to the fees we receive from Barclays. We may also utilize our models independent of the Barclays PROSPER ETF Note arrangement, and charge our customary fees to Clients as described above, but we would not receive fees from Barclays in such instances.

As disclosed under Brokerage Practices, we participate in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to Clients, we endeavor at all times to put the interests of our Clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest.

Termination

Investment advisory agreements we enter into with our Clients may be terminated by either party by giving written notice to the other at any time. Such written notice is effective within seven (7) business days after it is received. If such agreement is terminated prior to the last day of the calendar quarter, a prorated portion of the fee paid for that quarter based on the number of days remaining would be refunded to the Client. Upon termination of Client advisory agreements, we will perform no functions whatsoever with respect to the managing of the Client's account(s), and further management of those accounts will be the sole responsibility of the Client.

A Client may terminate its advisory agreement with us within five (5) business days after entering into such agreement without penalty, and we will return whatever advisory fee had been paid. However, any expenses, losses, or charges, other than the advisory fee, properly chargeable to the Client's account will be borne by the Client.

Upon termination, the Client is responsible for monitoring the securities in his or her account, and we will have no further obligation to act or advise with respect to those assets.

Disciplinary Information

There are no legal or disciplinary proceedings that have been instituted against us or any of our management personnel.

Education and Business Backgrounds of Key Officers

Industry examinations taken and passed, education and prior related business experience are considerations in determining the qualifications of all advisory personnel who provide investment advisory services or who are on the investment committee.

Matthew Medeiros – born 1963

PhD, Finance, Concordia University
Master in Business Administration, LaSalle University
Master of Science, LaSalle University
Bachelor of Science, LaSalle University
President/CEO, Institute for Wealth Management, LLC, 2003 - present
Chairman/Manager of PEAK Wealth Management, LLC 1996 – 2003
Chairman/President of PEAK Securities, Inc., 1996 - 2003

Jeff Jorgensen – born 1969

Bachelor of Arts, Western Washington University
COO/CCO, Institute for Wealth Management 2010- present
VP Operations, Institute for Wealth Management 2007- 2009
Columbia Funds, 2004 – 2007
New York Life 2003 – 2004

Steven Kirby – born 1981

Master in Business Administration, University of Colorado at Boulder
Bachelor of Science, Minot State University at Minot, North Dakota
VP Research, Institute for Wealth Management, 2010 - present
Manager of Investments, Dividend Capital Group, 2009
Vice President, Keybank Capital Markets, 2006 – 2009
Dividend Capital Group, 2004 - 2006

Other Financial Industry Activities and Affiliations

We have contracted with a network of broker/dealers, investment advisors, and financial planners (Introducing Investment Advisers or Investment Adviser Representatives) to contact prospective Clients, obtain information from prospective Clients and refer appropriate Clients to us for our investment advisory services.

We also provide subadvisory services to other advisers and we have been engaged by Barclays Bank PLC to act as the basket composition agent with respect to the offering by Barclays of its registered PROSPER ETF Notes (as described above).

The Institute For Wealth Management Holdings, Inc. is a holding company which owns the membership interests in The Institute.

Participation or Interest in Client Transactions and Personal Trading

Other than the Barclays PROSPER ETF Notes described above, we do not recommend to Clients, or buy or sell for Client accounts, securities in which we or a related person has a material financial interest. However, related persons may own an interest in or buy or sell for their accounts the same securities, which may be purchased or sold in the accounts of advisory Clients. Related persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to Clients and their personal transactions are regularly monitored. Related persons are aware of the rules regarding material non-public information and insider trading. Related persons may also buy or sell specific securities for their accounts based on personal investment considerations, which we do not deem appropriate to buy or sell for Clients.

Brokerage Practices

All trades for Client accounts are executed with the custodian. We do not execute trades.

We participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Fees and Compensation.)

Review of Accounts

We review every trade on new monies, all re-balance trades, and trades executed from additional deposits. The transaction reports and individual transaction history are reviewed after each trade is executed. Daily balance reports from the custodians are reviewed and analyzed on a daily basis.

Payment for Client Referrals

We have referral arrangements with Introducing Investment Advisers or Investment Adviser Representatives. Under these arrangements, the Introducing Investment Adviser may charge an additional fee not to exceed 2.25% in total fees of assets under management. The Client generally authorizes us to deduct and pay the Introducing Investment Adviser fee indicated in the Written Disclosure Statement, which is signed by the Client. The individual Investment Adviser Representatives of the Introducing Investment Adviser may receive a portion of the investment adviser's fee in lieu of commissions.

We may receive Client referrals from TD Ameritrade through our participation in TD Ameritrade AdvisorDirect (the "referral program"). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with us and there is no employee or agency relationship between them. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisers. TD Ameritrade does not supervise us and has no responsibility for our management of Client portfolios or our other advice or services. We pay TD Ameritrade an on-going fee for each successful Client referral. This fee is usually a percentage (not to exceed 15%) of the advisory fee that the Client pays to us ("Solicitation Fee"). We will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by us from any of a referred Client's family members, including a spouse, child or any other family member who resides with the referred Client and hired us on the recommendation of such referred Client. We will not charge Clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our Clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its Clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Our participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer Clients through AdvisorDirect to investment advisers that encourage their Clients to custody their assets at TD Ameritrade and whose Client accounts are profitable to TD Ameritrade. Consequently, in order to obtain Client referrals from TD Ameritrade, we may have an incentive to recommend to Clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. In addition, we have agreed not to solicit Clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Our participation in AdvisorDirect does not diminish our duty to seek best execution of trades for Client accounts.

Soft-Dollar Arrangements

Generally, in addition to a broker's ability to provide "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to us, and because the "soft dollars" used to

acquire them are Client assets, we could be considered to have a conflict of interest in allocating Client brokerage business: we could receive valuable benefits by selecting a particular broker or dealer to execute Client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation we might otherwise be able to negotiate. In addition, we could have an incentive to cause Clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

Our use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), we will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular Client, but also the value of those services and products in our performance of our overall responsibilities to all of our Clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge.

Research and Brokerage Products and Services. "Research" products and services we may receive from broker-dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to us in the performance of our investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We generally use such products and services in the conduct of our investment decision-making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

Other Uses and Products. We may use some products or services not only as "research" and as brokerage (i.e., to assist in making investment decisions for Clients or to perform functions incidental to transaction execution) but for our administrative and other purposes as well. In these instances, we make a reasonable allocation of the cost of the products and services so that only the portion of the cost that is attributable making investment decisions and executing transactions is paid with commission dollars and we bear the cost of the balance. Our interest in making such an allocation differs from Clients' interest, in that we have an incentive to designate as much as possible of the cost as research and brokerage in order to minimize the portion that we must pay directly.

Mutual Fund Transactions. Although shares of no-load mutual funds can be purchased and redeemed without payment of transactions fees, we may, consistent with our duty of best execution, determine to cause Client accounts to pay transaction fees that may be higher than those obtainable from other broker-dealers when purchasing shares of certain no-load mutual funds through TD Ameritrade in order to obtain "research". This research may not be used for the exclusive benefit of the Clients who pay transaction fees in purchasing mutual fund shares.

Amount and Manner of Payment. A broker-dealer through which we wish to use soft dollars may establish "credits" arising out of brokerage business done in the past, which may be used to pay, or reimburse for, specified expenses. In other cases, a broker-dealer may provide or pay for the service or product and suggest a level of future business that would fully compensate it. The actual level of transactional business we do with a particular broker-dealer during any period may be less than such a suggested level, but may exceed that level and may generate unused soft dollar "credits." We do not exclude a broker-dealer from receiving business simply because the broker-dealer has not been identified as providing soft dollar research products and

services, although we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services.

Custody

Custody of Client accounts will be held at either the product manufacturer or an independent custodian.

Investment Discretion

The model selected by the Client will determine the selection of investments in each portfolio model. We trade or re-balance the Client accounts based on research and recommendations provided by the Manager. The Client will complete an Investment Advisory Agreement with us. This agreement will set forth the authority of us and the Manager. The Client may impose certain limitations on this authority.

Proxy Voting Policies

We will not have or accept authority to exercise power with respect to Client securities. We will not vote proxies on behalf of our Clients.

Investment Performance

We will rely on the Managers for performance valuation. We will compare the Manager's performance to appropriate benchmarks, including assessment of attribution of investment performance and measurement of characteristics of the portfolio. We will also evaluate performance attribution, risk, and turnover.

Consumer Privacy Policy and Disclosure

Our relationships are very important and valuable. We collect a great deal of information about our Clients. We consider the information that is provided to us by our Clients to be completely private and we do not provide this information to anyone outside of the organization other than our strategic partners and custodians. All of our employees are instructed to use strict standards of care regarding the confidentiality of Client's nonpublic personal information.

We maintain physical, electronic, and procedural safeguards that comply with applicable laws to protect Client's nonpublic personal information.

Code of Ethics

Our ethical culture is of critical importance to us. We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest. The Code of Ethics is designed to protect our Clients by deterring misconduct, educating personnel regarding our expectations and laws governing their conduct, and reminding personnel that they are in a position of trust and must act with complete propriety at all times, protect our reputation, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with our ethical principles. We will provide a copy of the code to any Client or prospective Client upon request.

Business Continuity Plan Customer Disclosure

We have developed business continuity plans to address the possibility of a significant business disruption. Plans are reviewed, updated, and exercised on a regular basis. Should an event occur that hinders our ability to conduct normal business operation, we have the ability to move essential operations to remote location to resume critical business operations within a reasonable period of time. Should business functions be interrupted by the loss of a primary business facility, associates and/or "work" would be relocated to an

alternate site. In the event of a systems loss, applications would be redirected to our primary recovery location, which could be an alternate facility or a remote recovery service provider. The hierarchical structure of our recovery plans includes the ability to address incidents that are facility, city, state or regional in nature.

Possible Conflicts in Selection of Broker/Dealers

We will enter orders for securities transactions in a Client account with such brokers, dealers, issuers, or custodians as we may select. Orders will be entered for execution on such markets, at such prices and at such rates of broker/dealer compensation, as we deem appropriate. In selecting brokers or dealers, and in determining appropriate levels of broker/dealer compensation, we will take into consideration not only the available prices and rates of broker/dealer compensation, but also other factors. Such factors may include, but are not limited to, execution capabilities and the range and quality of research and other services provided by such broker/dealers. We may have conflicts of interest in selecting brokers or dealers, and in determining appropriate levels of broker/dealer compensation. We may enter orders with broker/dealers with which we or our employees or officers are affiliated and, therefore, we or our employees or officers may profit from such broker/dealers charging their customary rates of compensation, including, but not limited to, mark-ups or mark-downs on principle transactions. If the Client was referred to us by a broker/dealer, we could have a conflict of interest in negotiating broker/dealer compensation with such broker/dealer on Client's behalf. Notwithstanding anything contained herein, Client may instruct us in writing not to effect transactions through any particular broker/dealer.