



## Aon Retirement Plan Advisors, LLC

### Investment Adviser Firm Disclosure Brochure For Wealth Management Services (including Investment Supervisory Services and Furnishing Investment Advice through Consultations)

July 31, 2014 (Interim Amendment)

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**This brochure provides information about the qualifications and business practices of Aon Retirement Plan Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (800) 939-1035. 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.**

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

The terms "registered investment adviser" and "registered" are used throughout this document to convey the fact that Aon Retirement Plan Advisors, LLC has submitted certain regulatory filings with the U. S. Securities and Exchange Commission and certain state regulatory authorities, but do not imply a certain level of skill or training.

## Item 2 Material Changes

This section describes the material changes to Aon Retirement Plan Advisors, LLC's ("ARPA") Investment Adviser Firm Disclosure Brochure since its last annual amendment dated March 28, 2014. This interim amendment brochure, dated July 21, 2014, has been prepared according to the U.S. Securities and Exchange Commission's ("SEC") disclosure requirements.

- Effective April 1, 2014, accrued income is no longer included in the Account Value upon which the asset-based fee is based in the Freedom account program. Prior to this change, accrued income was included, which is generally comprised of dividends and interest declared but not yet paid, when calculating asset-based fees. While accrued income will continue to be included in performance calculations, its removal from the fee calculation better aligns billing practices with financial services industry peers and reduces potential differences between the Account Value and asset values reported on account statements. This information has been updated in Item 5-B 'Fees and Compensation'. Notification was provided directly from RJA to clients on their March 2014 account statements.

This section describes the material changes to Aon Retirement Plan Advisors, LLC's Investment Adviser Firm Disclosure Brochure as reported on its last annual amendment brochure dated March 28, 2014 since its last annual amendment brochure dated March 31, 2013.

- Effective September 3, 2013, the asset-based fee schedule changed for the Freedom account program for newly established accounts. This change does not affect accounts established prior to this date. The changes reflect an increase to the asset-based fee. It is important to note that asset-based fees remain negotiable. The updated schedule is available in Item 5-A 'Fees and Compensation',
- Effective October 1, 2013, RJA, where Freedom accounts are held, raised some account service charges and fees while others were reduced or eliminated. Notification was provided directly from RJA to clients on their June 2013 account statements. Please contact ARPA if you would like a duplicate copy. The current pricing structure can be reviewed online at: [http://www.raymondjames.com/services\\_and\\_charges.htm](http://www.raymondjames.com/services_and_charges.htm).
- Effective October 1, 2013, cash billing practices for Freedom accounts changed. RJA generally assesses advisory fees on cash balances held in client accounts, provided the cash balance does not exceed 20% of the total Account Value. If the cash balance is greater than 20% of the Account Value as of the last business day of the quarter (the "valuation date") RJA will bill on the full cash balance provided cash did not comprise greater than 20% of the billable Account Value as of the prior quarterly valuation date. If the cash balance exceeded 20% of the cash balance as of the prior quarterly valuation date (that is, cash was greater than 20% on consecutive valuation dates), the amount in excess of 20% is excluded from billing. This policy is referred to as the "Cash Rule". Pursuant to this change, the billing exclusion on cash will be extended to three quarterly valuation dates from the current two. Notification was provided directly from RJA to clients on their June 2013 account statements.

Please contact ARPA if you would like a duplicate copy. Additional information is provided in Item 5-B 'Fees and Compensation'.

- Effective January 1, 2014, RJA made pro rata fee adjustments on individual additions or withdrawals of \$100,000 or greater made to Freedom accounts during the first two months of the quarter, at the same rate as other assets in the account. Prior to this change, Freedom accounts were billed quarterly in advance based on the Account Value as of the last business day of the preceding quarter, and RJA did not assess fees on additions or give refunds on withdrawals made during the quarter.
- Effective March 1, 2014, the Opportunity account program was no longer offered by ARPA. At that time, there were no such accounts opened, so there were no accounts affected by this change. Changes have been made throughout this brochure removing the Opportunity account program.
- Effective March 1, 2014, the Raymond James Consulting Services account program was no longer offered by ARPA. At that time, there were no such accounts opened, so there were no accounts affected by this change. Changes have been made throughout this brochure removing the Raymond James Consulting Services account program.

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**Item 4 Advisory Business**

- A. Aon Retirement Plan Advisors, LLC ("ARPA") was organized in 2005 as a Delaware subsidiary of Aon Consulting, Inc. Aon Consulting, Inc. is a wholly owned subsidiary of Aon Consulting Worldwide, Inc., which is a wholly owned subsidiary of Aon Group, Inc., which is a wholly owned subsidiary of Aon Corporation, a publicly traded corporation.

ARPA has two primary lines of business and files two Firm Brochures under Rule 204-3: 1) Retirement Plan Investment Advisory Services (described in a separate Brochure), and 2) Wealth Management Services (described in this Brochure). A copy of either or both Brochures is available upon request.

Wealth Management Services include advising clients on assets held at the clearing firm.

ARPA advises clients on various types of investments, including but not limited to: mutual funds, variable annuities, variable life insurance, insurance general accounts, collective investment trusts, other trust investments, and partnership investments. ARPA also advises clients on separate accounts and other investment vehicles managed by other advisors.

- B. ARPA's Wealth Management Services include:

Financial Planning and Investment Advisory Consulting Services

For clients seeking financial advice involving analysis of a particular investment, investment portfolio, or overall financial situation, ARPA (through its Investment Adviser Representatives, ("IAR")s, provides financial planning and consulting services designed to meet the client's specific financial needs and objectives. The consulting services typically take the form of a financial plan. These consulting services include review of aspects of an individual's current financial situation, with emphasis on income tax planning, estate tax planning, insurance planning, education planning, retirement planning and capital needs planning. To the extent other services are needed, the IAR will assist the individual in those areas in which the IAR is competent. IARs may also help the client coordinate the implementation of any recommendations made, including referral to other practicing professionals such as an attorney, accountant or insurance agent whose services may be required.

You should also consider the services provided, including fees charged, by other advisers to determine if their services better suit your needs.

Fee-Based Program

**Freedom Accounts:**

The Freedom Account is an investment advisory account that allocates client assets through discretionary mutual fund or exchange-traded fund ("ETF") management, based upon the investment Strategy chosen by the client. The Freedom program offers clients a broad selection of Strategies and allocation options within a given investment Strategy.

ARPA delegates discretionary authority to Raymond James & Associates, Inc. ("RJA"). Discretionary authority is provided to ARPA and simultaneously delegated to RJA when the client signs the Freedom account agreement. IARs help the client choose an appropriate investment Strategy based on the client's financial needs, investment objective, risk tolerance, time horizon, tax objective, liquidity needs, and overall financial situation. Asset Management Services ("AMS"), a division of RJA, selects funds for investments and continuously manages the investments in the selected Strategy chosen by the client on a discretionary basis.

Leveraging off the research performed by AMS Manager Research & Due Diligence, the AMS Investment Committee constructs multiple investment Strategies comprised of a combination of Funds and/or ETFs representing a broad array of asset classes and investment styles. The AMS Investment Committee identifies asset classes and investment styles that perform differently under varying market conditions, yet are considered complementary to one another. The composition of a given Strategy may include domestic and international equity and fixed income Funds, as well as real estate investment trusts, commodity and other alternative investment Funds to enhance diversification.

Mutual Fund Strategies available in the Freedom program include Defensive Conservative Strategy, Conservative Strategy, Conservative Municipal Strategy, High Income Strategy, Conservative Balanced Strategy, Conservative Balanced Municipal Strategy, Equity Income Balanced Strategy, Defensive Balanced Strategy, Balanced Strategy, Balanced Municipal Strategy, Balanced with Growth Strategy, Balanced with Growth Municipal Strategy, Equity Income Strategy, Defensive Growth Strategy, Growth Equity Strategy, Flexible Equity Strategy, Flexible Equity Plus Strategy, Aggressive Equity Strategy, and Global Equity Strategy.

Retirement Income Solution Strategies (using Mutual Funds) available in the Freedom program include Early Retirement Strategy, Mid Retirement Strategy, and Senior Retirement Strategy.

ETF Strategies available in the Freedom program include Conservative ETF Strategy, Conservative Municipal ETF Strategy, Conservative Balanced ETF Strategy, Conservative Balanced Municipal ETF Strategy, Balanced ETF Strategy, Balanced Municipal ETF Strategy, Balanced with Growth ETF Strategy, Balanced with Growth Municipal ETF Strategy, Growth Equity ETF Strategy, Aggressive Equity ETF Strategy, and Global Equity ETF Strategy.

In addition to the above Strategies, the Freedom program offers Completion Portfolios Strategies for Fixed Income, Alternative Investments, and International Equity allocations (using Mutual Funds). Completion Portfolios are designed to complete a client's asset allocation plan. For instance, if a client's current equity allocation consists of domestic stocks only, a Completion Portfolios account offers clients the opportunity to diversify into an alternative investment, international equity-based and/or fixed income portfolio, if appropriate for their situation. For additional information on the Freedom Strategy

offerings, also review RJA's Wrap Fee Program Brochure and the Freedom account agreement.

RJA, AMS and/or the AMS Investment Committee may develop and offer additional Strategies in the future, discontinue previously offered Strategies, may add or remove Funds, or modify the target allocations of the Strategies at any time.

The AMS Investment Committee's decisions will be based on recommendations provided by AMS Manager Research & Due Diligence, and the Strategies may include "Highly Recommended" Funds from the Raymond James Mutual Fund Research ("MFR") coverage list. However, the AMS Investment Committee is under no obligation to select Funds exclusively from MFR's "Highly Recommended" list. For Funds selected by the AMS Investment Committee that are not covered by MFR, it is reasonably likely that MFR will at some point in the future assume research coverage of the Fund(s), and that such Funds may be rated "Highly Recommended". AMS Manager Research & Due Diligence continually monitors the Funds in the Freedom program. If a Fund is downgraded by MFR, the Investment Committee will determine the appropriate course of action, which may include replacing the downgraded Fund in all Strategies, if necessary.

Freedom accounts offer investors asset allocation investment portfolios utilizing either mutual funds or ETFs. Clients should be aware that ETFs and mutual funds have unique distinguishing characteristics and their cost structures differ, sometimes significantly. Because mutual funds are typically actively managed, the underlying management fees and operating expenses assessed by the fund companies are generally higher than those for ETFs, which typically seek to track the performance of an index (typically 1% to 1.5% for mutual funds versus .20% to .40% for ETFs, although individual mutual funds and ETFs may have higher or lower expense ratios). However, the AMS Investment Committee considers the expense ratio when selecting funds and, where available, will select fund classes with the lowest expense ratio (institutional or advisor class), where available. Expense ratios for funds or ETFs selected are on average less than 1.00% for funds and less than 0.30% for ETFs, net of 12(b)-1 fees, if any, which if received by RJA are credited bi-monthly to the client's account(s).

Clients most appropriate for the mutual fund version of Freedom are those willing to pay more (via higher fund management fees and operating expenses) for the potential to outperform the market or benchmark indices over the long term, but should also be aware the potential to underperform is just as great.

Clients most appropriate for the ETF version of Freedom are those willing to achieve market-/benchmark-like returns, less management fees and operating expenses, with little potential for the individual ETFs outperforming the respective indices they track.

Clients should be aware that only those mutual fund companies which RJA has a selling agreement with will be available for purchase within the Freedom program and are generally limited to those fund companies that provide RJA marketing services and support fees. As a result, not all mutual funds available to the investing public will be

available for investment. However, RJA has selling agreements with over 200 fund companies, offering 9,000 separate mutual funds for potential investment.

RJA establishes custodial facilities and provides clients with accounting and other administrative services.

While the Freedom program offers a number of available Strategies, this offering is limited to those Strategies and the management by RJA/AMS. It is important to understand that ARPA does not offer the full spectrum of Managers, SMA Managers, investment strategies, investment disciplines or other managed account programs available throughout the financial services industry. Additionally, while a number of other managed account programs are available through RJA, ARPA only offers the Freedom program. You should also consider the services provided, including fees charged, by other advisers to determine if their services and program better suit your needs.

In addition to reviewing this disclosure brochure, please also review RJA's Wrap Fee Program Brochure and the Freedom account agreement, which contain additional information about the program and services. These documents are available by contacting your IAR or the ARPA Client Services Department at (800) 939-1035.

Additional information is also available in the fund(s') prospectus(es), which is (are) available upon request.

- C. ARPA tailors its investment advisory services to the account type or consulting services agreement. The scope of services provided to each client varies and is identified in the account agreement or consulting services agreement.

For Freedom accounts where discretion is delegated to Raymond James & Associates, clients should be aware that you have the ability to impose reasonable restrictions on the investments made within your managed account(s), or reasonably modify existing restrictions you may have already imposed. Reasonable restrictions may include the designation of particular securities or types of securities that should not be purchased in your account (such as Company XYZ or companies involved in a particular industry, etc.), or should be sold if held in your account. However, since investment discretion has been delegated to RJA, RJA may determine that the implementation of such a restriction may be impractical. If so, you will be notified promptly. RJA cannot accept instructions to prohibit or restrict the purchase of specific securities or types of securities held within mutual funds or ETFs purchased by RJA on the client's behalf.

- D. ARPA's Wealth Management Services does not provide portfolio management services for the Wrap Fee Program it offers.

- E. Client Assets

As of December 31, 2013, ARPA's Wealth Management Services had the following amount of client assets in client accounts:



- \$2,565,359.91 (on a discretionary basis)
- \$0.00 (on a non-discretionary basis)

## Item 5 Fees and Compensation

A. ARPA is compensated for advisory services.

**Freedom Accounts** – For Freedom accounts, RJA pays ARPA a portion of the fee that is deducted by RJA from the client’s account(s). The IAR is compensated a portion of the amount that is received by ARPA.

Fees may be negotiated.

**The standard advisory fees for Freedom accounts are as follows (all fees are incremental):**

All Strategies

Account Value	Annual Fee
First \$500,000	2.25%
Next \$500,000	1.75%
Next \$4,000,000	1.25%
Amounts over \$5,000,000	1.00%

Fees may be higher or lower than comparable services offered elsewhere. A client’s total cost of the services provided through this program, if purchased separately, could be more or less than the costs of the program.

You should also consider the services provided, including fees charged, by other advisers to determine if their services better suit your needs.

When making cost comparisons, clients should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through the program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the client otherwise does not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or the client otherwise would qualify for reduced sales charges, the fees in this program may be more expensive than if utilized separately.

Clients should bear in mind that asset-based fee arrangements, when compared with the traditional commission option (not available through ARPA), generally result in lower costs during periods when trading activity is heavier, such as the year an account is established. During periods when trading activity is lower, such arrangements may result

in a higher annual cost for transactions. Thus, depending on the level of trading activity, or turnover, in an account, a client that chooses an asset-based fee may pay more for transaction services than if they chose a commission alternative. Of course, the reverse is also true. The compensation arrangement will have no effect on the trading activity in the client's account. In other words, portfolio management is conducted independently of how the client pays for brokerage services. Some clients favor the asset-based fee because it fixes their brokerage cost at a predetermined level; whereas other clients may not find such an arrangement suits their needs because they anticipate their accounts will have low turnover. In any event, clients are entitled to know the exact amount of brokerage fee, the services provided for that fee, and anticipated turnover in the account. Clients should explore this subject thoroughly with their IAR in order to be able to determine whether an asset-based fee arrangement is appropriate for their needs.

ARPA believes the charges and fees offered within the Freedom program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of the program is lower than that which may be available elsewhere.

Participants in the Freedom program may be entitled to discounted asset-based fees if they maintain one or more eligible Related Accounts. For a listing of "eligible" Related Accounts and to obtain information on how fees are determined for aggregated accounts, refer to the Freedom account agreement and RJA's Wrap Fee Program Brochure. "Related accounts" are accounts of an individual, his or her spouse, and their children under the age of twenty-one. The term includes individually-owned accounts, individual retirement accounts (IRAs), self-directed accounts (i.e., directed by individual participants) under an employee benefit plan (ERISA plan) and ERISA plan account in which an individual is the sole participant. It is the client's responsibility to include all related accounts for purposes of qualifying for an aggregated account fee discount. While ARPA may attempt to identify related accounts, it shall not be held responsible for failing to consider any related accounts not listed by the client.

Please also refer to RJA's Wrap Fee Program Brochure and the Freedom account agreement for additional information.

**Financial Planning and Investment Advisory Consulting Services** – Client shall pay ARPA for the investment advisory consulting services provided in accordance with the Investment Advisory Consulting Services agreement. Fees are negotiable between the ARPA IAR providing the investment advisory consulting services and the client. (The fee includes any state taxes applicable to financial planning services, where appropriate.) ARPA reserves the right to offset or waive fees or a portion thereof.

The fee quoted in the Investment Advisory Consulting Services agreement is based on the good faith representations of both parties. Changes in client circumstances, omission of relevant facts or other information may require the agreement to be modified or updated at additional expense to client. Fees for investment advisory consulting services may be higher or lower than comparable services offered elsewhere.

Investment Advisory Consulting Services agreements may include client reimbursing ARPA for reasonable travel expense costs of the IAR. This is in addition to the fees outlined in the agreement. This would include air travel, rental car, hotel, meals, tolls and other ancillary expenses related to round trip travel to location(s) where investment advisory consulting services are provided. ARPA will submit all appropriate receipts within 30 days after the conclusion of travel.

- B. **Investment Advisory Consulting Services** – Clients are billed directly for services. These fees may be fixed fees, hourly fees, and/or fees calculated as a percentage of assets under advisement.

**Freedom Accounts** – Freedom account(s) have fees deducted from the client account(s).

For purposes of calculating and assessing asset-based fees, RJA, as Custodian, uses the term “Account Value”, which may be different than the asset value as reported on account statements provided by RJA to clients. Pursuant to the advisory agreement, Account Value is defined as the total absolute value of the securities in the account, long or short, plus all credit balances, with no offset for any margin or debit balances. Cash reserve balances which exceed 20% of the Account Value at the time of billing will be included for fee purposes only if such balances did not exceed 20% of the Account Value at the end of the prior two quarterly valuation dates. Otherwise, the balance in excess of 20% will not be included in the Account Value for purposes of calculating the asset-based fee. Please refer to RJA’s Wrap Fee Program Brochure for additional information.

The annual asset-based fee is paid quarterly in advance. When the account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the Account Value on the last business day of the previous calendar quarter, and becomes due the following business day. If cash or securities, or a combination thereof, amounting to at least \$100,000 are deposited to or withdrawn from a client’s account on an individual business day in the first two months of the quarter, RJA will: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. No additional asset-based fees or adjustments to previously assessed asset-based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by the client. The client authorizes and directs RJA, as Custodian, to deduct asset-based fees from the account. Client further authorizes and directs RJA, as Custodian, to send statements, at least quarterly, to client showing all amounts disbursed from the account, including the amount of the asset-based fee, the Account Value of the assets on which the fee was based, and the manner in which the fee was calculated.

The asset-based fees include all execution and clearing charges except: (1) certain dealer-markups and odd lot differentials, taxes, exchange fees charged to clients to offset fees RJA pays to exchanges and/or regulatory agencies on certain transactions and any other charges imposed by law with regard to any transactions in the account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

Please also refer to RJA's Wrap Fee Program Brochure and the Freedom account agreement for additional information.

**Account Statement and Performance/Billing valuation differences for Freedom accounts:**

For purposes of calculating and assessing asset-based fees, Raymond James & Associates, Inc. ("RJA"), as Custodian, uses the term "Account Value", which may be different than the asset value as reported on account statements provided by RJA to clients. Pursuant to the investment management or advisory agreement, Account Value is defined as the total absolute value of the securities in the Account, long or short, plus all credit balances, with no offset for any margin or debit balances.

The Account Value on which the asset-based fee is based may be different than the asset value reported on the account statement, provided by RJA. To follow are reasons why these values may differ:

1. Trade Date versus Settlement Date – The account statement values all securities and cash balances based upon trades not being completed until settlement date (when the money is due), while the value used for billing is derived from the performance system, which values all securities and cash balances based upon trade date (initiation of cost basis for performance and tax reporting purposes). For example, if a recent buy in an account has executed, but not yet settled at quarter end, the trade will still show as a cash position on the account statement. In contrast, the purchased security, and value, will be used for performance and billing calculations as of the trade date. Since the fee-based compensation is associated with the performance of the account, performance-related values are used for billing instead of the account statement value.
2. Margin Balances and Short Sells – Because the account statement reads like a balance sheet, short sells and margin purchases are reflected as liabilities. For example, if a client buys a security on margin (or sells it short), they will have to pay for that security eventually, so the margin balance is shown as a liability (negative value) on the account statement. The performance-related value does not view shorts and margins in this manner. Rather, clients that employ margin are in fact utilizing the advisory services of their IAR, who in turn is compensated for it. For comparison purposes, a client with a retail commission-based account (commission-based accounts are not offered by ARPA) would be charged a commission on each margin trade /short sale because in essence a security position that did not exist

before has now been created. While considered a liability on the account statement for valuation reporting purposes, these “new” positions are relevant from a performance and billing perspective and are therefore included for performance and billing purposes. As a result, the use of margin or short sells generally results in the largest discrepancy in terms of value between the account statement and performance/billing values. This can be seen in the fact that a client’s account statement “net” liquidation value is reduced by liabilities, while their performance/billing value is increased.

RJA generally assesses advisory fees on cash sweep balances (“cash”) held in Freedom accounts, provided the cash balance does not exceed 20% of the total Account Value. If the cash balance is greater than 20% of the Account Value as of the last business day of the quarter (the “valuation date”), RJA will bill on the full cash balance provided cash did not comprise greater than 20% of the billable Account Value for three consecutive quarterly valuation dates. If the cash balance exceeds 20% of the cash balance for three consecutive quarterly valuation dates, the amount in excess of 20% is excluded from billing. For example, an account that held 30% of the Account Value for three consecutive billing valuation dates (March 31<sup>st</sup>, June 30<sup>th</sup> and September 30<sup>th</sup>) would have the amount in excess of 20% excluded from the Account Value in which advisory fees are applied. For simplicity of illustration, assuming an account was valued at \$100,000 for all three quarterly billing periods, with \$30,000 held in cash, the September 30<sup>th</sup> valuation date would exclude \$10,000 of the cash from the Account Value when assessing the advisory fee.

This fee billing provision (or “Cash Rule”) is intended to equitably assess advisory fees to client assets for which an ongoing advisory service is being provided; the exclusion of excess cash from the advisory fee is intended to benefit clients holding substantial cash balances (as a percentage of the total individual Account Value) for an extended period of time.

Cash balances are generally expected to be a small percentage of the overall account value in Freedom accounts, although cash balances may fluctuate at any given time at the discretion of the AMS Investment Committee. However, Freedom offers the Defensive Conservative Strategy which includes a 50% cash allocation, as well as the Defensive Balanced and Defensive Growth Strategies which include a 20% cash allocation. These Strategies are intended to provide clients the flexibility of raising cash in their Freedom account while maintaining continued market exposure. Clients selecting one of these Defensive Strategies should understand the cash balance is subject to the asset-based advisory fee, although the Cash Rule will apply to clients that select the Defensive Conservative Strategy. Due to the high cash allocation of the Defensive Strategies, clients should periodically re-evaluate whether their selection of such a Strategy is appropriate in light of their financial situation and investment goals.

**Financial Planning and Investment Advisory Consulting Services** – Fixed fees for investment advisory consulting services are payable upon receiving an invoice for

service. Hourly fees for investment advisory consulting services are payable upon receiving an invoice for service.

Annual fee based on percentage of assets for ongoing or periodic investment advisory consulting services is payable quarterly in arrears, and will be based upon the market value of assets on the last business day of each calendar quarter. Upon termination of the agreement ARPA will only be due the applicable fee based on a pro rata basis for the number of days during the quarter which the client received investment advisory consulting services.

Annual fixed fees for ongoing or periodic investment advisory consulting services are payable in advance. Upon termination of the agreement ARPA will be due the applicable fee based on a pro rata basis for the number of days.

- C. **Freedom Accounts** – Clients may also incur charges for other account services provided by RJA not directly related to the advisory, execution and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, charges/interest for maintenance of margin and/or short positions, and fees for legal or courtesy transfers of securities. For a complete list of account service charges, please contact your IAR or visit RJA's public website: [http://www.raymondjames.com/services\\_and\\_charges.htm](http://www.raymondjames.com/services_and_charges.htm). Please also refer to RJA's Wrap Fee Program Brochure.

In Freedom accounts, certain open-end mutual funds that may be acquired by clients, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. If received by RJA on advisory fee-eligible mutual funds, these fees will be credited bi-monthly to the client's account(s) to offset advisory fees incurred by client accounts.

Clients should understand that the annual advisory fees charged are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that a client intends to hold fund shares for an extended period of time, it may be more economical for the client to purchase fund shares outside of these programs. Clients may be able to purchase mutual funds directly from their respective fund families without incurring the advisory fee. When purchasing directly from fund families, clients may incur a front- or back-end charge.

Clients should understand that the shares of certain mutual funds offered in these fee-based accounts may impose short-term trading charges for redemptions (typically 1-2% of the amount redeemed) made within short periods of time. These short-term charges are imposed by the funds (and not RJA or ARPA) to deter "market timers" who trade actively in fund shares. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, may increase the overall cost to the client

by 1-2% (or more), and are available in each fund's prospectus, which is available upon request

Clients should be aware that Exchange Traded Funds ("ETF"s) incur a separate management fee, typically 0.20%-0.40% of the fund's assets annually (although individual ETFs may have higher or lower expense ratios), which is assessed by the fund directly and not by RJA. This management fee is in addition to the ongoing advisory fee assessed by RJA, and will generally result in clients which utilize an Investment Strategy (Freedom program) that invests in ETFs paying more than clients utilizing one that does not invest in ETFs, without taking into effect negotiated asset-based fee discounts, if any.

Certain ETFs may be classified as partnerships for U.S. federal income tax purposes, which may result in unique tax treatment, including Schedule K-1 reporting. Prospective or existing clients should consult their tax adviser for additional information regarding the tax consequences associated with the purchase, ownership and disposition of such investments. Additional information is also available in the ETF prospectus, which is available upon request.

Asset-based fees include all execution and clearing charges except: (1) certain dealer-markups and odd lot differentials, taxes, exchange fees charged to clients to offset fees RJA pays to exchanges and/or regulatory agencies on certain transactions and any other charges imposed by law with regard to any transactions in the account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

Please also refer to RJA's Wrap Fee Program Brochure.

Please see Item 12 for additional information about Brokerage fees.

**Investment Advisory Consulting Services** – Agreements may include client reimbursing ARPA for reasonable travel expense costs of the IAR. This is in addition to the fees outlined in the agreement. This would include air travel, rental car, hotel, meals, tolls and other ancillary expenses related to round trip travel to location(s) where investment advisory consulting services are provided. ARPA will submit all appropriate receipts within 30 days after the conclusion of travel.

- D. **Freedom Accounts** – Fees for Freedom accounts must be paid quarterly in advance. If the Freedom contract is terminated sometime in the middle of the quarter where the prepaid quarterly asset-based fee has already been deducted from the client's account, the client will receive a refund of the unearned portion of the prepaid asset-based fee.

**Investment Advisory Consulting Services** – Annual fixed fees for Investment Advisory Consulting Services are payable in advance. Upon termination of the agreement, ARPA will only be due the applicable fee based on a pro rata basis for the number of days during the year which the client received investment advisory consulting services. A refund will be made to the client on a pro-rated basis based on the number of days from termination to the end of the billing period.



- E. ARPA does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Neither ARPA nor its supervised persons accept performance based fees—fees based on the performance of client accounts.

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

ARPA serves the following types of clients:

- Individuals (including some individuals that are considered “high net worth”)
- Trusts or Charitable organizations; and
- Corporations.

#### **Account Minimum:**

**Freedom Accounts** – There is a minimum investment of \$50,000 for Freedom accounts, although smaller accounts may be accepted based on the specific circumstances of the account.

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

- A. ARPA uses outside sources for research materials prepared by other firms, including Morningstar, periodicals, magazines, company reports, prospectuses, SEC filings, on-line services, paid subscriptions, press releases, review of financial newspapers, investment newsletters and other data available over the internet, and from our Clearing Firm, Raymond James & Associates, Inc. (“RJA”).

The investment programs and investment Strategies recommended to clients and investment recommendations are made based upon an individual basis upon the client’s financial needs, investment objective, risk tolerance, time horizon, tax objective, liquidity needs, and overall financial situation, as identified during consultations with the IAR. It is important to review liquidity needs prior to selecting an investment product, program, or Strategy.

Currently, ARPA uses only the Asset Management Services (“AMS”) platform through RJA, our Clearing Firm. AMS, a division of RJA, has proprietary fee-based programs, of which ARPA only offers the Freedom account program.

No matter how stringent the screening methods, due to the effect adverse conditions can have on the markets, the economy, an industry or an individual company, loss will inevitably follow from time to time. Accordingly, the projected rate of return for a portfolio will vary depending on market conditions.



All investments carry a certain degree of risk and there is no single investment style or portfolio Manager that fits all types of investors.

ARPA may recommend investments that are not guaranteed by the FDIC or any other government agency and are subject to the risk of loss including the loss of principal.

Investing in securities involves risk of loss that you should be prepared to bear.

All investment programs have certain risks that are borne by the investor. Investors face the following investment risks:

**Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasuries are highly liquid, while real estate properties are not.

#### **Risk Considerations for Managed Accounts, including the Freedom Program**

Note: While the Freedom program offers a number of available Strategies, this offering is limited to those Strategies and the management by RJA/AMS. It is important to understand that ARPA does not offer the full spectrum of Managers, Separately Managed Accounts ("SMA") which are managed by SMA Managers, investment strategies, investment disciplines or other managed account programs available throughout the financial services industry. Although some of the investment types discussed in this

section is not available in the Freedom program, some general risk consideration information is included to help provide a better understanding for clients' overall knowledge. Additionally, while a number of other managed account programs are available through RJA, ARPA only offers the Freedom program. You should also consider the services provided, including fees charged, by other advisers to determine if their services and program better suit your needs.

Investors considering any equity or equity-weighted objective within a managed account program should recognize that equity strategies/disciplines are managed primarily to achieve capital appreciation and are managed more aggressively than strategies/disciplines managed to achieve income. Thus, equity investors should be willing to tolerate short-term volatility and the greater possibility of the loss of capital than strategies/disciplines seeking current income. An equity investor's time horizon should generally be long-term, but not less than 3 years.

Investors considering managed account programs should recognize that managers/strategies/disciplines which invest a portion or all of client assets with a sector emphasis may lead to increased volatility and a long-term time horizon (5+ years) is recommended. Investors should also be aware that concentrated accounts, also known as non-diversified or focused accounts, generally have less than 15 stocks. Therefore, accounts may have over-weighted sector & issuer positions, and may result in greater volatility and risk. SMA managers or disciplines which invest a portion or all of client assets in the technology sector may be more volatile than those investing in other sectors. The information technology sector has historically demonstrated higher volatility than many other sectors of the equity market. As a result, the securities selected within these portfolios will typically be more speculative in nature and thus have a greater potential for the loss of capital.

Investors considering small-cap managers or disciplines in which a portion or all of a client's assets are invested in these disciplines should recognize that the issuers of these securities may not have the business experience or may have businesses that are still in the early stages of the business life cycle, may be less liquid, have lower trading volume and greater spreads between the purchase and sale price of the securities, and may experience greater volatility than securities with larger market capitalizations. The securities selected for these disciplines will typically be more speculative in nature and thus have greater potential for the loss of principal.

Investors considering an international/global manager or discipline in which a portion or all of a client's assets are invested in international securities should recognize that investing in international securities markets involves additional risks not typically associated with domestic securities. Exchange rate fluctuations, currency controls, political and economic instability, and greater volatility are risks commonly associated with international investing. Exchange rate risk between the U.S. dollar and foreign currencies may cause the value of investments to decline. Investing in emerging markets can be riskier than investing in well-established foreign markets. Prospective investors

should carefully review their asset allocation objectives and risk tolerance before selecting a manager or discipline that invests internationally.

Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments.

The use of derivatives such as swaps, commodity-linked structured notes and futures entails substantial risks, including risk of loss of a significant portion of their principal value, lack of a secondary market, increased volatility, correlation risk, counterparty risk, liquidity risk, interest-rate risk, market risk, credit risk, valuation risk and tax risk. Derivatives, primarily futures and forward contracts, generally have implied leverage (a small amount of money to make an investment of greater value). Because of this, extensive use of derivatives may magnify any gains or losses on those investments as well as the risk of any fund using derivatives.

The Freedom Completion Portfolios Alternative Investments Strategy invests in funds which utilize various non-traditional investments strategies, including those that employ trading techniques to “short” the market, those that include exposure to non-traditional asset classes such as commodity futures and currency forwards, or those that seek to capture the average risk and return of hedge funds through replication strategies.

The goal of these alternative fund strategies is diversification through lower correlation, along with the added benefits of daily liquidity, transparency, and lower cost structure inherent in mutual funds. Due to the relative complexity of alternative strategies, allocations to the Alternative Investments Completion Portfolio should generally comprise no more than 20% of an investor’s total investment portfolio. Further, certain Freedom Strategies may employ the use of alternative investment mutual funds. Clients should consider their overall allocation to alternative investments when determining the appropriateness of such a Strategy.

Arbitrage strategies traditionally involve no net investment (although there is some margin or collateral that must be posted) by shorting a position and using the funds to purchase the same or similar position in another market. Common applications of arbitrage include convertible arbitrage, where a manager will buy the convertible bond and sell the stock or vice versa because of perceived mispricing. Another arbitrage strategy is merger arbitrage, where managers buy the new company and sell the acquirer.

Global macro strategies invest in financial derivatives and other securities, on the basis of movements in global financial markets. The strategies are typically based on forecasts and analysis about interest rates trends, movements in the general flow of funds, political changes, government policies, inter-government relations, and other broad systemic factors.

Hedge fund replication strategies attempt to replicate the beta (market risk) of the hedge fund market. These “alternative beta” funds employ sophisticated quantitative engines that use algorithms to determine which investments best explain the movement of the hedge fund index to produce a number of factors they feel drive the beta of the hedge fund universe. These funds typically have higher traditional market correlations but still maintain lower betas over volatile periods.

**Long Short:** Long/short is a strategy in which investment managers can go long (buy) and short (sell) stocks or bonds, but are traditionally focused on equity securities. Long/short funds offer the potential for upside participation with the ability to protect assets in difficult market environments and they exhibit varying levels of correlation to traditional markets.

Managed futures strategies utilize the global futures markets to implement their systems and take positions based on expected profit potential in a variety of futures including: currencies, commodities, interest rates and others. These strategies have been shown to produce very low correlations to the equity and fixed markets over time.

Markets for precious metals and other commodities have historically been volatile. There may be sharp price fluctuations even during periods when prices overall are rising, creating the potential for losses regardless of the length of time the shares are held, and therefore should only comprise a small part of a diversified portfolio. Among the factors that may affect the value of commodity investments are cyclical economic conditions, sudden political events, and adverse international monetary policies.

Investors considering a fixed income manager or discipline generally seek consistent returns with low risk, and their tolerance for risk/volatility will accept only infrequent, minimal losses. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Because of the less volatile nature of the disciplines, a fixed income investor may have a shorter investment time horizon than equity and balanced investors, although the objective can accommodate investors with longer time horizons as well.

Investors considering managers/objectives that primarily invest in high-yield fixed income, collateralized mortgage obligations (“CMOs”), asset-backed and/or convertible securities should be aware that additional risks exist with these types of investments. These securities may be rated below investment grade or not rated, which reflects the greater possibility that the financial condition of the issuer, or adverse changes in general economic conditions, may impair the ability of the issuer to pay income and principal. To the extent that no established secondary market exists, there may be thin trading of high-yield bonds, which increases the potential for volatility. Periods of rising interest rates or economic downturns may cause highly leveraged issuers to experience financial stress, and thus markets for their securities may become more volatile.

AAA-implied rated CMOs will have more volatility than AAA-rated Treasuries or corporate bonds during periods of rising interest rates because of negative convexity -- slowing prepayments causing increased duration, or “extension risk”. CMOs may not be

appropriate for some investors, especially if timing of return of principal is a primary concern. The yield and average life of a CMO will fluctuate, depending on the actual prepayment experience and changes in current interest rates.

For example, a rise in interest rates may cause the duration and average life to greatly increase and cause a loss of value. Convertible securities combine the fixed characteristics of bonds and preferred stock with the potential for capital appreciation and may be subject to greater volatility than pure fixed-income instruments. The aforementioned securities may be illiquid when selling small positions and withdrawals may take several weeks.

### **Investment Considerations for Managed Accounts, including the Freedom Program**

It is important to review investment objectives, risk tolerance, tax objectives and liquidity needs before selecting a managed program or investment strategy. In general, the following guidelines should be applied:

- (1) The amount allocated to any one objective should be reasonable in light of overall asset allocation and the investor's overall investment goals.
- (2) The investor's age, net worth and annual income should be compatible with their objective and primary goals.
- (3) The investor's tolerance for risk and volatility should be reasonable in light of their objective and primary goals.
- (4) The investor's time horizon should be consistent with his or her objective and goals.

### **Buying Securities on Margin and Margin Interest**

When clients purchase securities they may either pay for the securities in full or borrow part of the purchase price from RJA. Clients that choose to borrow funds for purchases must open a margin account with RJA, upon approval based on the firm's analysis of, among others things, the client's creditworthiness and the suitability of margin use by the client. The securities purchased on margin are RJA's collateral for the margin loan. If the securities in the client's account decline in value, so does the value of the collateral supporting the margin loan, and as a result, RJA may take action, such as issue a margin call and/or sell securities in the account, in order to maintain the required equity.

It is important that clients fully understand the risks involved in trading securities on margin. Upon approval, where applicable, clients will receive a Truth In Lending Statement from RJA disclosing such risks, as well as explaining the details and conditions under which interest will be charged, the method of computing interest and the conditions under which additional collateral may be required. Clients should understand that the extension of credit by RJA to clients will appear as a debit balance on the monthly account statement.

As a result of the foregoing, the ARPA IAR and RJA may have a financial incentive to recommend the acquisition of securities on margin or otherwise have margin credit extended. In the event of such margin credit extension, the costs incurred by the client,

as well as the compensation received by the client's ARPA IAR and RJA, will generally increase as the size of the outstanding margin balance increases.

In addition, clients may be extended special purpose loans by RJA using the securities in their managed Freedom account(s) as collateral. While such loan balances are not included in the value of the account for billing purposes because the loan proceeds are not used to purchase securities, the client should understand that margin interest will still be applicable to such loan balances, which is in addition to the asset-based advisory fee assessed for ongoing management of the securities maintained in the account(s).

- B. ARPA does not have a specific "significant" investment Strategy or "method of analysis". ARPA takes a holistic approach with its clients in determining an appropriate financial investment plan suitable to the client's needs. The investment Strategies, method of analysis and material risks involved are stated above.
- C. ARPA does not primarily recommend a particular type of security.

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

We are required to disclose any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

ARPA has arrangements with the following related persons, which may be material to ARPA's advisory business clients:

- 1. Aon Benfield Securities, Inc. – the broker-dealer through which securities' brokerage services are provided;
- 2. Aon Financial & Insurance Solutions, Inc. – financial planning and insurance-related services are provided through this business unit.

ARPA IARs that also serve as Registered Representatives for Aon Benfield Securities could have a conflict of interest where recommending brokerage services to clients results in greater compensation to the firm than the compensation resulting from investment advisory services (or vice versa). In order to address this potential conflict of interest, ARPA has instituted procedures for monitoring accounts on a regular basis to determine how a client is better served (by a brokerage account or an advisory account). These procedures undergo compliance review.

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

##### Description of Code of Ethics

ARPA's Code of Ethics consists of a statement of missions and values and statements dealing with conflicts of interest, gifts and third party benefits, personal trading, insider

trading, and outside business activities. The Codes of Ethics is designed to ensure that ARPA provides objective and independent consulting services to its clients, with no actual or perceived conflicts of interest, except to the extent such conflicts of interest have been disclosed to clients in writing. A copy of the Code of Ethics is available to any client or prospective client upon request.

#### Other Important Information

ARPA does not recommend and has no knowledge of a related person recommending securities to clients where it or *a related person* has a material financial interest. ARPA representatives may from time to time purchase the same or similar securities that it recommends to clients; however, it is important to note that these representatives do not have control over the timing of client investments, which minimizes any potential conflict of interest.

ARPA has related SEC-registered investment advisers that manage limited partnerships or limited liability companies. Complete and accurate information about those limited partnerships or limited liability companies is available in Form ADV Part I of these related SEC-registered advisers. ARPA clients are not solicited to invest in any of those limited partnerships or limited liability companies.

### **Item 12 Brokerage Practices**

#### **A. Factors considered in selecting or recommending broker-dealers**

ARPA performs due diligence on broker-dealers who are selected or recommended for client transactions based on a variety of criteria, which may include, but is not limited to: on-site visit of broker-dealer meeting with key members; investigating whether the broker-dealer appears to be in good standing with securities regulators; conducting a thorough review of the broker-dealer's qualifications, expertise, and fees; determining if fees are reasonable in view of the potential value brought to the client's account; determining if fees are reasonable compared to other broker-dealers offering similar programs; make certain that there are controls in place governing the broker-dealer's cash movement and accounting practices; review controls designed to ensure the accuracy of the broker-dealer's pricing and valuations, as well as trading policies and procedures; examine broker-dealer's internal or external compliance audit reports for recent years – if those reports indicate that compliance policies and procedures are weak or deficiencies have not been corrected, ARPA will consider another broker-dealer; request documentation of any relevant litigation, including client complaints; review sample account statements and portfolios summaries to ensure they are clear, concise and thorough; if there are unanswered questions, ARPA will meet with the broker-dealer's compliance personnel, either in person or by phone.

#### Research and Other Soft-Dollar Benefits

ARPA, as a matter of policy and practice, does not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.



#### Brokerage for Client Referrals

ARPA and related persons do not receive client referrals from broker-dealers or third parties.

#### Directed Brokerage

ARPA provides investment supervisory services and has a clearing agreement with Raymond James & Associates, Inc. ("RJA"). As currently structured, all client trades are processed through RJA. Not all advisers require their clients to direct brokerage. Although ARPA has established procedures to monitor the best execution for trades, clients may forgo any benefit of lower execution and transaction costs that might be obtained through another broker. By directing brokerage, you may be unable to achieve most favorable execution of transactions, which may result in additional cost. Clients may also forgo the services and benefits of other advisory programs offered through other advisers as a result of this directed brokerage arrangement. ARPA receives compensation for accounts that are opened at RJA, as disclosed herein.

- B. ARPA does not currently aggregate the purchase or sale of securities for various client accounts due to the volume of equity trades typically executed. ARPA does not anticipate having the volume needed to do this.

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

#### **A. Periodic Reviews of Accounts**

ARPA IARs will strive to conduct a formal review of each account every quarter (and not less frequently than every 6 months) to identify situations that may warrant specific actions be taken on behalf of a client's investments or their overall portfolio. Reviews include items such as, historical investment performance (net of all fees and expenses), adherence to investment Strategy (asset allocation that was chosen), adherence to stated objective, performance/trading activity relative to risk tolerance, subjective (personal) review, performance of Raymond James as wrap account provider, whether clients would be better served in a commission-based account or with another wrap account provider, suitability, performance, asset allocation, change in investment objectives and risk tolerance, concentrations and prohibited products. In addition, the IAR providing regular investment advice or investment supervisory services, reviews client portfolios and communicates with clients at least annually (or as often as necessary) for conformity with the respective portfolio objectives, investment objectives, changes in a client's financial situation, account performance and any reasonable restrictions to be imposed as to the specific assets or types of securities to be included or excluded from client portfolios.

#### **B. Other than Periodic Account Review**

A special review may be triggered if client notifies IAR of a material change in their situation or objectives, if client requests a review, or if a client complaint is received.

#### **C. Content and frequency of regular reports**



At least quarterly, clients receive a brokerage statement from the firm's Custodian, RJA. The brokerage statement contains the cash balance, type, name and amount of each security, the current market value of each security, account activity for the period, and when available, the unrealized gain or loss of each security. The client also receives a confirmation of each transaction from RJA, or if available and elected by the client, a monthly or quarterly trade confirmation report. Fees charged to the accounts are disclosed on the statements.

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

In cases where an HEK client is referred to HEK by certain affiliates of Aon, such as certain groups within Aon Consulting, or Aon Risk Services, HEK may compensate the affiliated party for the referral. Such compensation is in the form of internal credits to the affiliated party. The amount of the internal credits that may be generated by a referral varies depending on the agreement between the parties, but is typically in the range of 10% to 25% of the fees paid by the referred client during the first year after the referral, with an ongoing credit in certain cases. Aon Consulting may allocate CRS's net profits between Aon Consulting and Aon Risk Services. The allocation is based on set percentages and is not dependent upon the genesis of the client generating the revenue. This is not a payment for referrals but a corporate profit allocation.

#### **Item 15 Custody**

ARPA does not custody client assets or securities. ARPA's clearing firm, RJA, as Custodian, has custody of client assets or securities. Clients receive account statements, at least quarterly, directly from RJA, and clients should carefully review those statements.

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

**Freedom Accounts** – The Freedom Account is an investment advisory account that allocates client assets, through discretionary mutual fund or exchange-traded fund management, based upon the investment Strategy chosen by the client. ARPA delegates discretionary authority to RJA. ARPA does not trade for the account. Discretionary authority is provided to ARPA and simultaneously delegated to RJA when the client signs the Freedom account agreement. Asset Management Services, a division of RJA, selects funds for investments and continuously manages the investments in the selected Strategy chosen by the client on a discretionary basis without soliciting the client's consent prior to engaging in portfolio transactions.

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

ARPA does not have authority to vote securities.

**Freedom Accounts** – If the security or property held in an account is accompanied by voting rights, the client has the right to retain the authority to exercise or delegate such voting rights to a third party, as they may choose. Unless otherwise indicated by the client, the Asset

Management Services division of Raymond James & Associates, Inc. shall exercise such voting rights in the manner it deems appropriate. Asset Management Services shall have no responsibility to exercise such voting rights with respect to securities for which the proxy materials are not available. For additional information please refer to RJA's Wrap Fee Program Brochure and the Freedom account agreement.

**Item 18 Financial Information**

Not Applicable (ARPA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.)

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

ARPA is an SEC-registered investment adviser and is not a state-registered adviser.