



FIRST REPUBLIC INVESTMENT MANAGEMENT

It's a privilege to serve you®

WRAP FEE BROCHURE

First Republic Investment Management, Inc. ("FRIM")

111 Pine Street

San Francisco, CA 94111 Phone: 415-392-1400

<https://www.firstrepublic.com/private-wealth-management/investment-management-services>

March 31, 2017

This wrap fee program brochure provides information about the qualifications and business practices of First Republic Investment Management, Inc. ("Adviser") or ("FRIM"). If you have any questions about the contents of this brochure, please contact us at the phone number above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about First Republic Investment Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

First Republic Investment Management, Inc. is a federally registered Investment Adviser with the SEC. Registration of an Investment Adviser does not imply any level of skill or training.

Item 2 - Material Changes

The following changes have been made to the Wrap Fee Brochure (“the Brochure”) since FRIM’s most recent update on August 31, 2016. Although not all of these changes are material, clients are encouraged to review the changes and the Brochure in its entirety.

Item 5:

This item has been updated to reflect that as of April 1, 2017, new clients of FRIM will not be charged transaction based fees if the accounts are held in custody through FRSC at Pershing. Existing clients whose accounts are held in custody through FRSC at Pershing may continue to be charged transaction fees for a transition period that will end no later than December 31, 2017, at which point no further transaction based fees will be charged to FRIM clients whose accounts are held in custody through FRSC at Pershing.

Item 9:

This item has updated language describing FRIM’s affiliates, its relationship to these affiliates, the potential for conflicts of interest and how FRIM mitigates these conflicts. Also, this item contains updated disclosure regarding the Eagle Sweep Account program used to hold uninvested cash in brokerage accounts of First Republic Securities Company, LLC (“FRSC”) clients and the new Eagle One Sweep Bank Deposit Sweep Program (Eagle One BDSP) available to certain investment advisory clients of FRIM, including disclosure of conflicts of interest associated with these accounts and how FRIM mitigates these conflicts.

The item has been modified to reflect FRIM’s intention to engage in insurance activity directly, rather than through an affiliated entity as previously conducted, and any potential conflicts of interest.

This item has been revised to enhance disclosures around client referrals and other compensation.

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Item 4 - Service, Fees and Compensation

Program Description

FRIM is an SEC-registered investment adviser with its principal place of business located in San Francisco, California. FRIM is the sponsor of the wrap fee program described below (the "Program"). The services and management style provided in the Program are identical to that provided through FRIM's non-wrap service. A wrap fee program is an advisory program under which a specified fee or fees not based directly on transactions in the client's account is charged for advisory services, which includes portfolio management and the execution of client transactions.

Wrap fee programs are available to certain accounts which are held in custody through FRSC (FRSC is an affiliate of FRIM) at Pershing, and which generate an annual fee of at least \$20,000 at year end. Eligibility for the Program is assessed annually. As of April 1, 2017, all new clients of FRIM will not be charged transaction based fees if their accounts are held in custody through FRSC at Pershing, regardless of the amount of fees that are generated. Existing clients whose accounts are held in custody through FRSC at Pershing may continue to be charged transaction fees for a transition period that will end no later than December 31, 2017, at which point no further transaction based fees will be charged to FRIM clients whose accounts are held in custody through FRSC at Pershing.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services offered by FRIM and the fees charged for those services, clients should refer to the Form ADV Part 2A ("the Brochure"). You may obtain a copy of the Brochure by contacting us at 415-392-1400.

In evaluating the Program, clients should consider the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors. The wrap fee may or may not exceed the aggregate cost of such services if they were purchased separately.

Investment Management Services

Through the Program, FRIM provides full service personalized investment solutions for individuals, trusts, families, foundations, endowments, pensions, profit sharing plans, banks, corporations and other business entities. FRIM assists clients in formulating long-term investment strategies that are customized to meet their unique needs or circumstances. These services are typically provided in the following two stages (collectively, the "Advisory Services") as set forth in the investment management agreement ("IMA") entered into between FRIM and the Client:

Initial Advisory Services The "Initial Advisory Services" include some or all of the following, as FRIM's Investment Adviser Representative ("Advisor") and Client determine to be appropriate:

(i) evaluating Client's existing holdings and non-liquid assets; (ii) understanding Client's financial circumstances and establishing investment objectives with Client; (iii) exercising discretion with respect to purchases and sales of equity, fixed income or other securities (including, but not limited to, selecting appropriate managers or investment funds for same); and (iv) implementing Client's asset allocation plan by making appropriate arrangements with investment managers and purchasing interests in appropriate investment funds (if applicable) by or through which the assets in Client's Account will be managed. Clients may impose reasonable restrictions on investing in certain securities or types of securities (for example based on environmental, social or governance characteristics) subject to the

approval of FRIM. Advisor does not provide legal, tax, or accounting advice.

Ongoing Advisory Services Advisor shall provide certain “Ongoing Advisory Services,” which may include some, but not necessarily all, of the following: (i) ongoing monitoring and rebalancing of Client’s portfolio including any of Client’s existing managers or funds that are not recommended by Advisor, but that Client has directed Advisor to keep as part of Client’s Account(s); (ii) conducting portfolio reviews; providing performance reporting upon request; (iv) adjusting any investment strategies and asset allocations as Client’s needs and goals change and are communicated to Advisor; and (v) working with Client to address Client’s investment objectives.

Investment Management Program Fee

Wrap fee programs are available to certain accounts which are held in custody through FRSC (FRSC is an affiliate of FRIM) at Pershing, and which accrue fees of at least \$20,000 annually. Eligibility for the Program is assessed annually. As of April 1, 2017, all new clients of FRIM will not be charged transaction based fees if their accounts are held in custody through FRSC at Pershing, regardless of the amount of fees that are accrued. Existing clients whose accounts are held in custody through FRSC at Pershing may continue to be charged transaction fees for a transition period that will end no later than December 31, 2017, at which point no further transaction based fees will be charged to FRIM clients whose accounts are held in custody through FRSC at Pershing.

FRIM provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by FRIM. For services provided outside of the Program, FRIM’s annual fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. FRIM’s annual fee is prorated and generally charged quarterly in advance, based upon the market value of the assets being managed by FRIM on the last trading day of the previous quarter. The annual fee varies depending upon the market value of the assets under management and the type of investment management services to be rendered. The fees are deducted from clients’ assets. FRIM, in its sole discretion, negotiates lower or higher management fees with different clients based upon a variety of different criteria (i.e., unique client circumstances and/or requirements, level and frequency of services desired and provided, anticipated future earning potential, anticipated future additional assets, dollar amount of assets to be managed, broader business relationship between client and FRB or FRIM affiliates, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.). The standard fee schedule is as follows:

FIRST REPUBLIC INVESTMENT MANAGEMENT FEE SCHEDULE

Equity/Balanced Portfolios	
AUM	Incremental Fee
First \$2 million	1.50%
\$2 - \$5 million	1.25%
\$5 - \$10 million	0.75%
\$10 - \$25 million	0.60%
\$25 million and up	Negotiated

**FIRST REPUBLIC INVESTMENT MANAGEMENT
FEE SCHEDULE**

Fixed Income Portfolios	
AUM	Total Fee(1)
\$2 - \$10 million	0.40%
\$10 < \$25 million	0.35%
\$25 million or greater	Negotiated

Other Charges

Clients in the Program will incur additional charges imposed by third parties (including FRSC's clearing broker), or in some cases by Adviser or its affiliates (including FRSC), in addition to the Program Fee. These fees will include fees and expenses charged by Independent Managers (for certain Clients), fees and expenses imposed directly by an unregistered pooled investment vehicle ("Private Fund") (and the funds or managers in or with which a Private Fund invests), mutual fund or exchange-traded fund in the Account, which is disclosed in the fund's private placement memorandum or prospectus, deferred sales charges, odd-lot differentials, transfer taxes, margin fees and interest, wire transfer and electronic funds transfer fees, and other fees, expenses and taxes on accounts and transactions. Investments through an advisory account into mutual funds, ETFs, Private Funds or other pooled investment funds involves payments of two or more levels of fees: one to the Adviser at the advisory account level, and another through the investment fund to the manager of the investment fund. If the investment fund in turn invests in other funds, there may be additional levels of fees, which in the aggregate reduce net returns. The Program is not available for accounts that are not held in custody through FRSC at Pershing. Accounts not in the Program will be charged both advisory and transaction-based fees.

Item 5 - Account Requirements and Types of Clients

FRIM provides personalized investment solutions for individuals, trusts, families, foundations, endowments, pensions, profit sharing plans, banks, corporations and other business entities.

Wrap fee programs are available to certain accounts which are held in custody through FRSC (FRSC is an affiliate of FRIM) at Pershing, and which generate an annual fees of at least \$20,000 at year end. Eligibility for the Program is assessed annually. As of April 1, 2017, all new clients of FRIM will not be charged transaction based fees if their accounts are held in custody through FRSC at Pershing, regardless of the amount of fees that are generated. Existing clients whose accounts are held in custody through FRSC at Pershing may continue to be charged transaction fees for a transition period that will end no later than December 31, 2017, at which point no further transaction based fees will be charged to FRIM clients whose accounts are held in custody through FRSC at Pershing. Separately, brokerage commissions are waived for certain legacy accounts held in custody at Fidelity. This promotion is no longer offered.

Item 6 - Portfolio Manager Selection and Evaluation

FRIM is the sponsor and its employees are the portfolio managers of the wrap fee programs.

Investment Management Services

Please see Item 4 for a description of the services FRIM provides under the Investment Management Services.

Sponsor and Manager of Wrap Program

FRIM is the sponsor and manager of wrap fee programs (the “Programs”). The services and management provided in the Programs is often identical to that provided through FRIM’s non-wrap service. A wrap fee program is an advisory program under which a specified fee or fees not based directly upon transactions in a client’s account is charged for advisory services (including portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. FRIM receives fees for its services in the form of management fees paid by the client.

Performance Based Fees and Side-By-Side Management

Although FRIM does not generally charge performance-based fees or investment profit allocations (e.g., “carried interest”) on client accounts, in certain instances, it receives such fees with respect to its Altair Funds.

FRIM advises two Altair Funds that charge a performance-based fee or investment profit allocation. These funds, which are closed to new investors, were acquired in separate transactions, and the original fee structure was maintained as part of the acquisition. FRIM receives an investment profit allocation, (or, “carried interest”), with respect to one of these funds, a private equity fund of funds. The investment profit allocation is calculated on a percentage of the realized gains of the fund after investors have first received all the capital they have contributed to the fund. FRIM also receives a performance-based fee with respect to the other fund, which is structured as a hedge fund-of-funds. The performance-based fee is non-cumulative, is calculated based on a percentage of unrealized and realized gains of the fund, and is only paid if a certain hurdle rate is achieved.

Although FRIM generally does not charge performance-based fees for its Altair Funds that are a fund of fund(s) structure (other than the two specifically identified above), unaffiliated managers of the underlying Private Funds invested in by the Altair Funds will often charge performance-based fees. Such performance-based fees are in addition to advisory fees charged by the underlying Private Fund manager as well as FRIM, and they are also in addition to the expenses as agreed to in the relevant fund’s Offering Documents for both the Altair fund and the underlying fund.

Clients should be aware that performance-based fees give FRIM a financial incentive to achieve gains and to choose investments that are riskier or more speculative than might otherwise be chosen. Also, performance-based fee arrangements present a potential conflict of interest with respect to other client accounts that are not subject to performance-based fee arrangements because such arrangements give FRIM an incentive to favor client accounts subject to performance-based fees over client accounts that are not subject to performance-based fees by, for example, allocating our best investment ideas to accounts from which FRIM stands to earn additional compensation should the account perform well.

FRIM will only charge performance-based fees or carried interest in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations. FRIM’s policies and procedures seek to provide that investment decisions are made in the best interests of clients and

without consideration of FRIM's (or such personnel's) pecuniary investment or other financial interests. Further, potential conflicts of interest in relation to side-by-side management are largely mitigated due to the fact that the Altair Funds typically do not charge performance-based fees and due to the structure of the Altair Funds (as 'fund of fund(s)'). In a fund of fund(s) structure, the Altair Funds invest in the interests of other Private Fund(s) that are generally not traded or available for investment for other client accounts. In a situation where interests in an underlying Private Fund are available (and suitable) for investment by both an Altair Fund and one or more FRIM clients, but the fund has capacity constraints, FRIM will seek to allocate the interests in a fair manner.

Methods of Analysis, Investment Strategies and Risk of Loss

Clients and prospective clients should be aware that investing in securities involves risk of loss that clients should be prepared to bear.

Analysis

FRIM's approach to equity management combines both quantitative and qualitative research as FRIM believes the blended approach produces better results than either method alone. The quantitative approach uses multiple numeric measures to gauge a stock's relative attractiveness. FRIM's quantitative model produces an aggregate score or rank for over 2,000 stocks and ranks them by quintile. Companies in the top quintiles are considered the most attractive for purchase. Qualitative analysis extends the quantitative model to identify stocks trading at a discount to franchise value. Each member of the equity research team is assigned one or more sectors and conducts bottom up research on the top quintiles. After undergoing qualitative research to verify a stock's relative attractiveness, an equity security is deemed eligible to be combined into client portfolios, consistent with the objective specified in the clients Investment Policy Statement.

Investment Strategies

FRIM may develop and manage investment mandates and products involving multiple strategies and asset classes. FRIM may develop asset allocation strategies and liability driven strategies for these mandates. Multi-asset strategies may utilize a wide variety of asset classes and/or investment styles, and employ a variety of techniques and investment vehicles, including Funds of Funds that invest in hedge funds (including commodity pools), private equities, ETFs and mutual funds or other categories of funds, equities, bonds, cash, alternative investments and derivatives.

FRIM utilizes multiple investment strategies to meet the investment objectives of each client. These methodologies are formulated based on a comprehensive review and assessment of current and future return objectives, investment time horizon, risk tolerance level and cash flow requirements for each client.

The majority of clients are focused on maximizing return within a reasonable level of risk through exposure to a set of investment opportunities in various markets for prudent diversification. It is important to note that it is not possible to identify all of the risks associated with investing. The nature of the account, the investment strategy or strategies and the types of securities held all impact the risks applicable to a particular client.

FRIM's primary investment strategies are set forth below. FRIM may offer additional strategies or variations of the strategies described.

Cash Management:

In cash management portfolios, the investment process emphasizes safety and liquidity over yield. Risk is sought to be controlled through ongoing credit review, risk management analysis and diversification.

Fixed Income:

FRIM utilizes fixed income strategies that are actively managed. Actively managed fixed income mandates generally employ an active investment style that may emphasize rotation among different types of debt on a relative value basis, specific security selection, quantitative analysis of each security and the portfolio as a whole and intensive credit analysis and review. Alpha sources may include security selection, duration and yield curve positioning, industry rotation, asset allocation, and currency positioning.

Equity:

FRIM's equity strategies include a broad range of products that vary according to investment style, market capitalization and geography. The asset range may also include sector funds, long-only and long-short portfolios, as well as products that combine different strategies to create balanced, multi asset and asset allocation portfolios. For many clients, FRIM creates and maintains portfolios of individual securities, which change securities from time to time. Individual portfolio management teams may interact daily to review market developments, opportunities and strategies.

Third-Party Investment Strategies:

FRIM researches investment managers and provides client access to these strategies through subadvisory relationships. The due diligence process incorporates qualitative review of the investment manager's investment team, their philosophy and process. This analysis is complemented with quantitative analysis of the manager's past performance and portfolio. FRIM monitors and maintains updated information on investment managers and funds through routine compliance, operational and research due diligence efforts. FRIM seeks to select managers who will deliver competitive performance versus both peers and market benchmarks. Each sub-advisor has discretion to purchase and sell securities for their portion of an assigned portfolio.

Model Management:

FRIM model management is designed to maximize operational efficiencies for separately managed account investments and provide portfolio customization. It centralizes the delivery and manufacturing of proprietary and third-party model portfolios across asset classes. FRIM relies on proprietary and vended applications to assist in the ongoing management of these strategies.

Private Investments:

FRIM offers private investments in hedge funds, private equity, credit and real estate. Through Altair, FRIM offers both single manager and multi-manager funds or fund of fund solutions. FRIM's research approach to private investments includes in-house research and use of external consultants to provide useful and relevant information to serve as a basis for the Altair program. Additionally, FRIM's team and consultants scrutinize operational aspects and risks including but not limited to counterparty risk, prime-broker relationships, and service providers (auditors and administrators). Once a potential Altair manager is identified, an intensive due diligence process is conducted which involves quantitative and qualitative analysis, and third party background checks on a fund's managers.

FRIM may, from time to time and as appropriate, solicit clients to invest in such vehicles, and may make such investments on a discretionary basis on the client's behalf. As these may not be appropriate investments for all clients, not all clients will be offered the opportunity to invest, and not all clients afforded that opportunity will choose to invest. A subscription for interests in a Private Fund should be considered only by persons who do not anticipate any short-term need for their funds. Each investor

should consult his or her own advisors regarding the legal, tax, and financial suitability of private investments.

As a part of its investment advisory services, FRIM provides clients with the opportunity to invest in certain private investments that present attractive investment return opportunities, typically involving longer investment horizons, more limited or no liquidity, potential downside risk, or other factors that lead to rewarding an investor with potentially higher than average returns.

Voting Client Securities

In accordance with FRIM's fiduciary duties, FRIM has adopted and implemented policies and procedures it believes are reasonably designed to ensure that proxies are voted in the best interest of clients. In addition to SEC requirements governing advisers, the proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts.

The majority of clients grant FRIM the authority to vote proxies as established by the advisory contracts or comparable documents. However, clients may choose to receive any or all of their proxies or other solicitations directly from their custodian or a transfer agent, and vote any or all, in their sole discretion. Clients may contact their Portfolio Managers directly with questions on a particular solicitation.

It is the policy of FRIM to monitor corporate actions and vote client proxies in the best interest of the client. It is also the policy of FRIM to disclose proxy voting policies and procedures to clients; provide copies of the policies and procedures upon request and advise clients how they can obtain information on how proxies were voted. The information requested by the client will be furnished free of charge and within a reasonable period of time. FRIM will vote in a way that it believes, is consistent with its fiduciary duty and will cause the value of the issue to increase the most or decline the least. Consideration will be given to both short and long term implications when considering the optimal vote. FRIM has adopted Proxy Voting Guidelines which detail how FRIM will direct the vote on particular proxy issues.

Any general or specific proxy voting guidelines provided in writing by an advisory client or its designated agent will supersede this policy. Clients may have their proxies voted by an independent third party or other named fiduciary or agent, at the client's expense.

Proxies for securities managed by Subadvisors will be voted by the Subadvisors and will not be voted by FRIM, unless specifically agreed to by FRIM.

FRIM uses a third-party vendor to administer the voting of proxies. It is FRIM's policy to provide sufficient ongoing oversight of the third party to ensure that the proxies are voted in the best interests of its clients.

As a matter of practice, it is FRIM's policy not to reveal or disclose to any client how the Adviser voted (or intends to vote) on a particular proxy until after such proxies have been counted at a shareholder's meeting. FRIM will generally refrain from disclosing such information to unrelated third parties.

FRIM engages an unaffiliated third-party proxy vendor, Institutional Shareholder Services, Inc. (ISS), to administer proxy voting on FRIM's behalf.

To avoid material conflicts of interest, FRIM will vote proxies according to the Proxy Voting Guidelines.

The current version of the Proxy Policies and Procedures and the Proxy Voting Guidelines is available to clients upon request by contacting FRIM. Clients may also request information regarding how proxies were voted and may request information on or direct a vote for their shares in a particular solicitation by contacting FRIM. FRIM can be contacted by calling the number provided on the Cover Sheet.

Class Action Lawsuit Recoveries

For the sake of efficiency, FRIM has engaged the services of an unaffiliated firm, Chicago Clearing Corporation, to participate in class action shareholder lawsuits, on a best efforts basis, for securities beneficially owned by clients during relevant class action periods. Chicago Clearing Corporation earns a contingency fee of twenty percent (20%) of all monies recovered for clients through the filing and administration of class action lawsuit claims. Clients may choose to track their holdings versus relevant shareholder class action lawsuits, opt in or out and/or complete the paperwork instead and in lieu of Chicago Clearing Corporation, in their sole discretion.

Item 7 - Client Information Provided to Portfolio Managers

The Portfolio Managers to client accounts are FRIM employees and, in some cases, Independent Managers as defined below. The Portfolio Managers have access to all of the information client provides including financial information, investment objectives, risk tolerance level, tax status, investment experience, financial status, and other information relating to client's investment profile. In cases where independent investment managers and investment funds recommended by FRIM or selected by client, which shall be referred to herein as "Independent Managers", are utilized, client information is shared to the extent necessary to conduct business.

FRIM has adopted a Privacy Policy, in accordance with Regulation S-P under section 504 of the Gramm-Leach-Bliley Act, which restricts FRIM and FRIM employee's use of and access to client nonpublic personal information. In order for FRIM, the Portfolio Managers and the Independent Managers to effectively manage client accounts and assist in meeting financial objectives, clients must update FRIM and the Portfolio Managers as soon as possible when any changes to personal or financial information occur. Clients may obtain a complete copy of FRIM's Privacy Policy by contacting the main office at the number on the front of this brochure.

Item 8 - Client Contact With Portfolio Managers

There are no restrictions on a client's ability to contact and consult with FRIM and their Portfolio Manager. FRIM promotes open lines of communication between the Portfolio Manager(s) and clients, encouraging the Manager's accessibility to remain available to clients to discuss investment philosophy, objectives and to answer client questions.

Clients utilizing third party portfolio managers for management of their assets generally do not come in contact with the Independent Manager's Portfolio Managers. FRIM's representatives typically serve as the communication conduit between the client and the Independent Manager. Clients are required to contact their financial consultant with any questions they have regarding their account(s).

Item 9 - Additional Information

Disciplinary Information

Item 9 is not applicable to the Adviser.

Other Financial Industry Activities and Affiliations

Affiliated Bank

FRIM is a wholly owned subsidiary of First Republic Bank (the “Bank”), a publicly-traded bank that offers a broad spectrum of banking products and financial services to consumers, small businesses and commercial clients. As a subsidiary of First Republic Bank, FRIM is under common ownership and control with several other providers of financial services, including those set forth below in which it has a material business relationship. The services provided by these affiliated companies are separate and distinct from the advisory services of FRIM, and are provided for separate and additional compensation.

Affiliated Broker-Dealer

FRIM is affiliated through common ownership and control with First Republic Securities Company, LLC (FRSC), a registered securities broker dealer. A number of FRIM management persons and representatives are also registered representatives of FRSC. Client brokerage accounts at FRSC are cleared on a fully-disclosed basis at Pershing LLC which has custody of the FRSC customer accounts. Pershing is a clearing broker that is not affiliated with FRSC or FRIM.

FRIM Portfolio Managers and certain other of FRIM’s management persons and associates are registered, or have an application pending to register, as representatives and associated persons of FRSC.

Affiliated Trust Company

FRIM is affiliated through common ownership and control with First Republic Trust Company (“FRTC”) and First Republic Trust Company of Delaware, LLC (“FRTC- DE”). Some client trust accounts are held in custody with FRTC and FRTC-DE. When appropriate, FRIM and FRTC or FRTC-DE may refer clients to each other. This creates conflicts of interest with clients which are addressed as set forth below.

CFTC Registrations

First Republic Investment Management, Inc. is registered as a Commodity Trading Advisor (CTA) and a Commodities Pool Operator (CPO) with the Commodities Futures Trading Commission (CFTC).

RELATIONSHIPS WITH AFFILIATES

When appropriate, FRSC provides a broad range of broker-dealer services to FRIM clients for which it receives compensation. This creates conflicts of interest with clients which are addressed as set forth below.

FRSC serves as a placement agent for FRIM's Altair private investment platform. Neither the investors in the Altair Funds, nor the Altair Funds pay a fee to FRSC for serving as private placement agent. FRIM, using its own assets, reimburses FRSC for its reasonable, documented expenses in providing private placement services.

In certain instances, FRSC serves as placement agent for investments in Private Funds not advised by FRIM ("unaffiliated Private Funds"). In such instances, if a client elects to invest in an unaffiliated Private Fund through FRSC, the client will be charged a one-time placement agent fee plus ongoing trailer fees in addition to the unaffiliated Private Fund's fees (e.g., management and administration fees).

Margin buying is buying securities with cash borrowed from a broker-dealer (including an affiliate of FRIM) by using other securities as collateral. In cases where margin is used in the management of client accounts, the securities in the accounts are pledged for collateral to borrow and buy additional securities. This has the effect of magnifying any profit or loss. The securities serve as collateral for the loan, and this margin loan must be repaid even if the residual value of the client account is insufficient. FRIM and its representatives will have an incentive to borrow money on a client account and pledge the assets as collateral through FRIM's affiliated broker dealer, FRSC. Specifically, both entities are under common control, and the representative receives additional compensation for use of margin. These conflicts are addressed as set forth below.

FRSC receives 12(b)1 fees for the sale of certain open-ended investment companies (mutual funds). FRSC receives such fees for certain mutual funds purchased by advisory clients of FRIM, as determined by FRIM or one of its representatives, in their sole discretion. These conflicts are addressed as set forth below.

Certain affiliates of FRIM are exempt CPOs and CTAs and file these exemptions with the CFTC.

FRSC has an insurance division, "Grand Eagle", which sells variable life insurance products. FRIM Investment Adviser Representatives, Access Persons and FRSC Registered Representatives, in their capacity as licensed life insurance agents, receive compensation from Grand Eagle for the sale of insurance products. This creates a conflict of interest with clients. These conflicts are addressed as set forth below.

FRSC earns income from cash balances that are "swept" from brokerage accounts into money market mutual funds or bank deposits under the Eagle Bank Sweep program that is administered by FRB. These fees are often paid by the mutual fund, through the fund custodian, or by the Bank (which is the parent company of FRSC) to FRSC. In the case of the Bank, the payment takes the form of a flat, per-account monthly reimbursement. First Republic Bank also makes flat, per-account monthly reimbursement payments to FRIM relating to the Eagle One BDSP. These payments by the Bank create a conflict of interest with clients. In addition, an affiliate of FRIM (i.e. FRSC and FRB) receives compensation from clients based on the assets in their advisory accounts, including sweep deposit balances. These conflicts are addressed as set forth below.

FRSC makes available to clients several options for holding uninvested cash in clients' brokerage accounts. The primary option for those who qualify is the Eagle Sweep Account. The Eagle Sweep Account is an FDIC-insured deposit account opened and maintained by FRSC's clearing agent, Pershing LLC, at FRSC's affiliated bank, the FRB.

The Eagle One BDSP Account is an FDIC-insured deposit account at First Republic Bank available to investment advisory clients of FRIM whose brokerage accounts are held in custody through Fidelity

Brokerage Services LLC and its affiliate, National Financial Services LLC.

Funds swept into the Bank deposit accounts under the Eagle Sweep and the Eagle One BDSP provide a relatively low cost source of funding for the Bank. Because the Bank is the parent company of both FRSC and FRIM, its role as the depository institution for Eagle Sweep and Eagle One BDSP creates a conflict of interest. Information regarding the two sweep programs, including information regarding the scope of FDIC insurance coverage and the existence of the conflicts of interest with respect to the two programs has been provided to participating clients of FRSC and FRIM.

The asset based management fee charged by FRIM to advisory clients covers cash and cash equivalents, including cash allocated to the Eagle Sweep Account and Eagle One Sweep BDSP account at First Republic Bank. These conflicts are addressed as set forth below.

In addition, FRIM may refer clients to First Republic Bank for certain other financial products and services, including loans related to insurance premium financing transactions (“Premium Financings”) facilitated by FRIM in its capacity as an insurance licensed entity. In connection with Premium Financings, the bank will function as a lender and may take a security interest in the underlying policy and other collateral. As a result, FRIM will have an incentive to direct Premium Financing transactions to First Republic Bank. Specifically, both entities are under common control and First Republic Bank will receive additional compensation in the form of fees and interest on Premium Financings. These conflicts are addressed as set forth below.

Conflicts Related to Affiliations and Affiliated Activities

In their separate capacities as registered representatives and/or insurance agents, FRIM management persons and employees that are separately licensed as registered representatives with FRSC or as insurance agents will be able to effect securities transactions and/or purchase insurance and insurance-related investment products for FRIM’s advisory clients, for which they will receive separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Clients should be aware that the receipt of additional compensation by FRIM and its management persons or employees creates a conflict of interest that could impair the objectivity of FRIM and these individuals when making advisory recommendations. FRIM endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address this and other conflicts of interest arising due to FRIM’s various affiliations:

1. FRIM discloses to clients the existence of all material conflicts of interest, including the potential for FRIM and its employees to earn compensation from advisory clients in addition to FRIM’s advisory fees;
2. FRIM discloses to clients that they are not obligated to purchase recommended investment products from FRIM’s employees or related companies;
3. FRIM collects, maintains and documents accurate, complete and relevant client background information, including the client’s financial goals, objectives and risk tolerance;
4. FRIM’s management conducts reviews of client accounts to verify that all recommendations made to a client are suitable to the client’s needs and circumstances;
5. FRIM requires that its employees seek prior approval of any outside employment activity so that FRIM can ensure that any conflicts of interests in such activities are properly addressed; and

6. FRIM educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

FRIM maintains a comprehensive Code of Ethics (the "Code") in accordance with Rule 204A-1 of the Investment Advisers Act, and other applicable laws and regulations, as well as industry best practice standards. This Code is based on the overriding principle that the employees have a fiduciary duty to firm clients. All activities of FRIM's employees shall be guided by, and adhere to, these fiduciary standards. The Code sets forth specific rules and procedures that are consistent with these fiduciary standards. However, all activities by Employees are required to conform to these standards regardless of whether the activity is specifically covered in this Code.

Procedures established in the Code are intended to prevent and detect any conflicts of interest and prohibited activities in connection with personal trading or other activities on the part of FRIM's employees. All of the provisions of the Code apply to all of FRIM's employees.

FRIM requires all Access Persons (employees of FRIM & FRSC as well as their immediate family members living in the employee's household) to pre clear their personal securities transactions for securities that are covered under its Code of Ethics. Accounts covered by the Code, include the following:

- A. **Beneficial Ownership**
All accounts over which an Access Person has a Beneficial Ownership interest, including but not limited to - Individual, IRA, Joint, UGMA, 529 Plans and Trust accounts. This includes accounts (managed, brokerage) held at firms affiliated with FRIM.
- B. **Immediate Family**
All accounts of Access Person's household, which includes spouse or domestic partner; blood relative and their spouse if they: reside with the Access Person; or are financial dependent on the Access person or other persons who live with the Access Person or to whom an Access Person provides material financial support.
- C. **Investment Control**
All Accounts over which an Access Person exercises investment control. This includes any arrangement where the Access Person serves as an agent, executor, and trustee or in another similar capacity. (Note: Access Persons wishing to act as an agent, executor or trustee for a non-family related individual or entity must have the activity approved by executive management of FRIM prior to assuming those responsibilities).

The following are the principal elements of the Code of Ethics:

- Prohibitions on IPO participation;
- Restriction on Private Investments
- Prohibition on Short Term Trading Profits (30 day Holding requirement);
- Prohibition on personal trades for all employees in which there is a pending order for any advisory Account except in the case of de minimis amounts which is defined as follows:
 - On any given day, transactions involving less than 5000 shares OR
 - On any given day, transactions involving principal amount less than \$50,000 in securities

of market capitalization larger than \$5B

- 48 hour black out period for changes to FRIM's recommended list
- For investment professionals, a prohibition on buying or selling a security of an issuer traded in an associated client account within 5 days (2 days prior to the client trade, same day or 2 days after) the client trade.
- Prohibition of Trading in FRC Stock during the "Closed Period";
- Restriction on trading on securities on the Watch List and Restricted List;
- Pre clearance of all outside business activities;
- Pre clearance on all Political Activity per policy;
- Reporting requirements to Compliance including:
 - Initial and quarterly holdings disclosure
 - Initial and annual Code of Ethics certification
 - Quarterly trading disclosure
 - Initial and quarterly brokerage account disclosure
 - Initial and quarterly Outside Business Affiliations Disclosure
 - Initial and quarterly Political Activity disclosure
 - Initial and quarterly Compliance 'Bad Actor' attestation.

A full copy of the aforementioned Code of Ethics is available to any client or prospective client upon request to the CCO at the address, fax or phone number provided on the cover page of this Brochure.

From time to time, FRIM may invest in securities on behalf of clients that are of the same type that FRIM's employees, officers or directors may also own, or buy or sell at the same time, subject to the small trade de minimis exceptions (as described above).

Where a portfolio manager's interests are aligned and they invest in the same strategy as the client, and that portfolio manager trades the same way alongside clients, that is buys or sells the same securities at the same time and at the same price as for FRIM's clients, and aggregates and average prices these purchases and sales, there is no de minimis limitation.

FRIM's Chief Compliance Officer is responsible for the implementation and administration of the Code. The Compliance department has the following monitoring responsibilities, including but not limited to pre-clearance of all personal trade requests, monitoring of employee activity and maintenance of records in accordance with applicable laws and regulations. Any violation of the Code, including engaging in a prohibited transaction or failing to meet reporting requirements, may result in disciplinary action, including, suspension or termination of employment. The Chief Compliance Officer is required to report to FRIM's Compliance Committee, any circumstance of fraud, deceit, or manipulative practice which could be found to have been practiced on a client of FRIM in connection with personal trading by employees and other material violations of the Code.

Review of Accounts

Periodic Reviews

FRIM Portfolio Managers are responsible for ongoing review of client accounts. Client portfolios are also supervised by the Investment Policy Statement Review Group to monitor the asset allocation versus investment objective guidelines.

Review Triggers

More frequent reviews are triggered by a change in investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; or changes in economic climate.

Regular Reports

Investment advisory clients receive standard account statements from their custodian at least quarterly. Some clients are provided written periodic reports that contain more details about holdings; details may include but are not limited to cost basis; current market prices; rates of return; estimated annual income; and yield.

Referrals and Other Compensation

First Republic Bank (the “Bank”), the parent company of FRIM, refers clients of the Bank to FRIM and vice versa. FRIM encourages Bank referrals and offers compensation, recognition and awards for bankers who refer business to FRIM. Additionally, FRTC and FRTC-DE refers clients to FRIM and vice versa. FRIM offers compensation for these referrals.

This practice presents a conflict of interest for the Bank because an incentive may exist to recommend investment products based upon the compensation received rather than on a client's needs. However, when providing investment advisory services to clients, FRIM is a fiduciary and is required to act solely in the best interest of clients. FRIM addresses this conflict through disclosure in this brochure and by adopting internal policies and procedures that require investment advice to be suitable for advisory clients (based upon the information provided by such clients).

Notwithstanding the foregoing, FRIM reserves the right to reject any referral in its sole discretion and will only offer investment advice where it can do so in a mutually beneficial manner with the client in accordance with its fiduciary duties under the Advisers Act.

Additional Compensation

FRIM compensates some of its employees whereby the employee upon bringing a new client to FRIM, receives a portion of the fees paid by the client to FRIM. Additionally, some FRIM Portfolio Managers are also registered with FRSC as broker-dealer representatives. In such capacities, FRIM Portfolio Managers provide brokerage and related services to clients, including the purchase and sale of individual stocks, bonds, mutual funds, private investment funds, and other securities, and sales of life insurance policies and annuities. This practice presents a conflict of interest because it gives FRIM Portfolio Managers an incentive to recommend investment products based upon the compensation received rather than on a client's needs. However, when providing investment advisory services to clients, FRIM Portfolio Managers are fiduciaries and are required to act solely in the best interest of clients. FRIM addresses this conflict through disclosure in this brochure and by adopting internal policies and procedures for FRIM and FRSC that require them to provide investment advice that is suitable for advisory clients (based upon the information provided by such clients).

FRIM has received client referrals from Charles Schwab & Co., Inc. (“Schwab”) through FRIM's participation in the Schwab Advisor Network (the “Service”). The Service was designed to help investors find an independent investment adviser. Schwab is a broker-dealer independent of and unaffiliated with FRIM. Schwab does not supervise FRIM and has no responsibility for FRIM's management of clients' portfolios or FRIM's other advice or services. FRIM pays Schwab fees to receive client referrals through the Service. FRIM's participation in the Service raises potential conflicts of interest. FRIM pays Schwab a Participation Fee on all referred client accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or

transferred to, another custodian. The Participation Fee paid by FRIM is a percentage of the value of the assets in the client's account or of the fee billed by FRIM. FRIM pays Schwab the Participation Fee for as long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to FRIM quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by FRIM and not by the client. FRIM has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs FRIM charges clients with similar portfolios who were not referred through the Service.

FRIM generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees FRIM generally would pay in a single year. Thus, FRIM will have an incentive to recommend that client accounts be held in custody at Schwab. The Participation and Non-Schwab Custody Fees will be based on assets in accounts of FRIM's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, FRIM will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts at Schwab.

FRIM is a Separate Account Manager (SAM) for clients in a Schwab program. Under this program, a client is referred to FRIM by a registered investment manager (IM) which acts as primary manager and is responsible for establishing investment objectives and guidelines for the client. FRIM, as sub-advisor, is responsible for investing client assets in accordance with the written investment policy statement. Annual fees paid to FRIM for Separate Account Management services are based on the fair market value of the assets. These fees, as well as additional charges for the registered investment adviser and transaction based fees paid to Schwab are fully disclosed to the client by the investment manager.

FRIM receives an economic benefit from Schwab by having fees waived or by not being charged for utilizing specialized investment adviser electronic information downloads, access to specialized institutional brokerage trading and customer service teams, and specialized batched statements. From these services, FRIM is then able to more efficiently and readily manage clients' accounts. This benefit presents a conflict of interest because it gives FRIM an incentive to recommend custody based upon the benefits received rather than on a client's needs. However, when providing investment advisory services to clients, FRIM is a fiduciary and is required to act solely in the best interest of clients. This conflict is addressed through disclosure in this brochure and by adopting internal policies and procedures that require it provide investment advice that is suitable for advisory clients.

FRIM also participates in TD Ameritrade's institutional customer program and, when appropriate, FRIM recommends TD Ameritrade to clients for custody and brokerage services. There is no direct link between FRIM's participation in the program and the investment advice it gives to its clients, although FRIM receives economic benefits through its participation in the program. 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 FRIM 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 FRIM by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by FRIM's related persons. Some of the products and services made available by TD Ameritrade through the program benefit FRIM but may not benefit its client accounts. In some cases, these products or services assist FRIM in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help FRIM manage and further develop its business enterprise. The benefits received by FRIM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, FRIM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by FRIM or its related persons in and of itself creates a potential conflict of interest and has potential to indirectly influence FRIM's choice of TD Ameritrade for custody and brokerage services. Additionally, FRIM receives client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, FRIM may 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 FRIM and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect 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 FRIM and has no responsibility for FRIM's management of client portfolios or FRIM's other advice or services. FRIM pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to FRIM ("Solicitation Fee"). FRIM will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by FRIM from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired FRIM on the recommendation of such referred client. FRIM will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its 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.

FRIM's 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, FRIM has an incentive to recommend to clients that the assets under management by FRIM be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, FRIM has agreed not to solicit clients referred to it 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.

FRIM is also a party to certain insurance networking arrangements with third party broker dealers and receives compensation from time to time based upon a percentage of the compensation received by such third party broker dealers from the sale of insurance products.

FRIM is party to referral arrangements with third party managers and receives referral fees as an unaffiliated solicitor. FRIM is party to referral arrangements with third party solicitors, constructed in accordance with Rule 206(4)-3 of the Advisers Act, whereby third party solicitors will refer potential clients to FRIM in exchange for compensation based on a percentage of advisory fees collected.

Financial Information

FRIM is a wholly owned subsidiary of First Republic Bank, a publicly traded company, the balance sheet of which is publicly available.

FRIM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore a balance sheet of FRIM is not required to be disclosed.

FRIM has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to clients at this time.

FRIM has not been the subject of a bankruptcy petition at any time during the past ten years.