

Form ADV

Part 2A

Eton Advisors Group, LLC

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Item 1 Cover Page

This brochure ("Brochure") provides information about the qualifications and business practices of Eton Advisors Group, LLC d/b/a Eton Advisors ("Eton"). You should review this Brochure in conjunction with our separate brochure supplement ("Supplement"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the supervised person(s) working with you on our behalf or who may otherwise participate in the advisory services provided to you. 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.

If you have any questions about the contents of this Brochure or our Supplement(s), please contact us at 919-442-1550 or info@etonadvisors.com. Additional information about Eton or any of our supervised persons (who are registered under our firm) is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at www.adviserinfo.sec.gov.

The format/layout of this Brochure has been dictated by the SEC. As such, the Brochure's table of contents can be found after the "Material Changes" section of this Brochure, not at the beginning of the Brochure. The subsections appearing under each heading shall follow the mandated ordering of the items required to be addressed in this Brochure as set forth in the instructions and guidance issued by the SEC in regard to Part 2A of the Form ADV. Eton's response to each such item shall immediately follow each numbered item. Throughout this Brochure, any references to "we," "our," "ours," "us," etc. are meant to refer to Eton.

Item 2 Material Changes

This Item 2 identifies and discusses any material changes made to the Brochure since our most recent Annual Updating Amendment dated March 20, 2018

In July 2018, Focus Financial Partners Inc. (“Focus Pubco”) commenced an initial public offering (“IPO”) of shares of common stock. Focus Pubco is the sole managing member of Focus Financial Partners, LLC (“Focus LLC”) and, immediately following the IPO, owned an approximately two-thirds economic interest in Focus LLC. Because Eton Advisors Group, LLC is an indirect, wholly-owned subsidiary of Focus LLC, Eton Advisors Group, LLC is now an indirect, majority-owned subsidiary of Focus Pubco, a public company. Item 4 has been revised to reflect this new ownership structure.

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Key Definitions

There are several terms used throughout this Brochure that are defined in the Glossary of the Form ADV. The full Form ADV and its glossary can be found on the SEC's web site at <http://www.sec.gov/about/forms/formadv.pdf>, however, several of the more important terms that are used throughout this Brochure are provided below for your reference. The definitions appear below as they appear in the glossary of the ADV so be mindful that all references made to "you," "your," or "yours" are intended to refer to Eton. Each term is presented in alphabetical order, not necessarily its order of appearance or use in this Brochure.

Advisory Affiliate: Your advisory affiliates are (1) all of your officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by you; and (3) all of your current employees (other than employees performing only clerical, administrative, support or similar functions).

Control: Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership of securities, by contract, or otherwise. Each of your firm's officers, partners, or directors exercising executive responsibility (or persons having similar status or functions) is presumed to control your firm. A person is presumed to control a corporation if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation's voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation's voting securities. A person is presumed to control a partnership if the person has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership. A person is presumed to control a limited liability company ("LLC") if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC. A person is presumed to control a trust if the person is a trustee or managing agent of the trust.

Management Persons: Anyone with the power to exercise, directly or indirectly, a controlling influence over your firm's management or policies, or to determine the general investment advice given to the clients of your firm. Generally, all of the following are management persons: Your firm's principal executive officers, such as your chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; your directors, general partners, or trustees; and other individuals with similar status or performing similar functions; The members of your firm's investment committee or group that determines general investment advice to be given to clients; and If your firm does not have an investment committee or group, the individuals who determine general investment advice provided to clients (if there are more than five people, you may limit your firm's response to their supervisors).

Portfolio Fund. Investment Fund held by one of the Funds, for which we serve as Investment Manager.

Person: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

Related Person: Any advisory affiliate and any person that is under common control with your firm.

Self-Regulatory Organization or SRO: Any national securities or commodities exchange, registered securities association, or registered clearing agency. For example, the Chicago Board of Trade ("CBOT"), FINRA and New York Stock Exchange ("NYSE") are self-regulatory organizations.

Supervised Person: Any of your officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on your behalf and is subject to your supervision or control.

Additional terms used in this Brochure (but that do not come from the glossary of the Form ADV) include the following.

Fund: A pooled investment vehicle that is managed by Eton.

Client/You: A client of Eton, which in the context of a Fund refers to the Fund itself and not to the underlying investors in the Fund (even though such investors are typically also clients of Eton in their own right). References in this Brochure to "you" are to our clients, be they Funds or other clients.

Item 4 Advisory Business

4(A) Eton at a Glance

Firm Profile

Eton Advisors Group, LLC, doing business as Eton Advisors, (“Eton,” “we,” “us,” or the “Adviser”) was formed on July 17, 2017.

The Registrant is part of the Focus Financial Partners partnership. As such, Eton is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus Financial Partners, LLC (“Focus LLC”). Focus Financial Partners Inc. (“Focus Pubco”), a public company traded on the NASDAQ Global Select Market, is the sole managing member of Focus LLC and, immediately following the IPO, owned an approximately two-thirds economic interest in Focus LLC. Thus, Focus Pubco is a direct owner of Focus LLC and an indirect owner of the Focus Partner Firms. Focus Pubco has no single 25%-or-greater shareholder. However, investment vehicles affiliated with Stone Point Capital LLC collectively have a greater-than-25% voting interest in Focus Pubco. Such investment vehicles also have a greater-than-25% voting interest in Focus LLC through their voting interest in Focus Pubco: As the sole managing member of Focus LLC, Focus Pubco has 100% voting control over Focus LLC, and thus such investment vehicles’ greater-than-25% voting interest in Focus Pubco also gives them a greater-than-25% voting interest in Focus LLC.

Focus LLC owns registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.”

Eton is managed by Robert E. Mallernee, Teresa Eriksson and W. Jackson Parham (“Eton Principals”) pursuant to a management agreement between Parma Group, LLC and Eton. The Eton principals serve as officers of Eton’s and are responsible for management, supervision and oversight of Eton.

Prior to managing a partner firm of Focus, from 2009 through 2017, Mr. Mallernee, Ms. Eriksson and Mr. Parham owned and operated Eton Advisors, LP.

Eton is an independently managed wealth advisory boutique and “multi-family office” to ultra high net worth families. Our clients primarily consist of individuals, family limited partnerships, foundations, trusts and other estate planning vehicles, and other business and entities associated with the families we serve, as well as certain private investment Funds. Bank of New York Mellon and Charles Schwab serve as our qualified custodians.

4(B) Eton’s Advisory Services

In this section, we describe the services we offer as well as the fees that correspond to those services.

Service:	<i>Wealth Management and Family Office Services</i>																								
Service description:	<p>We offer holistic wealth structuring, family office and investment consulting services to ultra high net worth individuals, families, the businesses they serve, institutions, pension plans and charitable organizations. We offer our clients comprehensive financial planning, including estate transfer and tax planning, gifting and philanthropic strategies and cash flow forecasting. Our family office (“FO”) services include, but are not limited to, the following.</p> <ul style="list-style-type: none"> • Bill Payment & Budgeting • Cash Flow Management • Client Education • Estate Planning • Family Governance • Family Meeting Coordination • Financial Planning • Insurance Review & Coordination • Tax Planning <p>We provide customized, discretionary and non-discretionary portfolio management using a “manager of managers” approach, including “Outsourced Chief Investment Officer” services to institutional clients.</p>																								
Service fees:	<p>For our wealth management and family office services, we charge a single fee based on the value of assets we oversee.</p> <table border="1"> <thead> <tr> <th colspan="2">Asset-Based Fee Schedule</th></tr> <tr> <th>Account(s)/Portfolio Value</th><th>Annual Percentage</th></tr> </thead> <tbody> <tr> <td>First \$5,000,000</td><td>1.00%</td></tr> <tr> <td>Next \$5,000,000</td><td>0.75%</td></tr> <tr> <td>Next \$15,000,000</td><td>0.50%</td></tr> <tr> <td>Next \$25,000,000</td><td>0.40%</td></tr> <tr> <td>Next \$50,000,000</td><td>0.30%</td></tr> <tr> <td>Over \$100,000,000</td><td>0.20%</td></tr> <tr> <td colspan="2">Other fee/account maintenance conditions...</td></tr> <tr> <td>Minimum account/portfolio balance (initial):</td><td>\$20,000,000</td></tr> <tr> <td>Minimum account/portfolio balance (ongoing):</td><td>None</td></tr> <tr> <td>Minimum annual fee:</td><td>\$137,500</td></tr> </tbody> </table>	Asset-Based Fee Schedule		Account(s)/Portfolio Value	Annual Percentage	First \$5,000,000	1.00%	Next \$5,000,000	0.75%	Next \$15,000,000	0.50%	Next \$25,000,000	0.40%	Next \$50,000,000	0.30%	Over \$100,000,000	0.20%	Other fee/account maintenance conditions...		Minimum account/portfolio balance (initial):	\$20,000,000	Minimum account/portfolio balance (ongoing):	None	Minimum annual fee:	\$137,500
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	<p>For clients invested in any of the Funds we manage, such client is not charged an additional management fee at the Fund level in addition to the asset-based fee paid to Eton. However, the Funds incur administrative fees of .08% and bear expenses described in the offering and governing documents for the Funds. Such fees and expenses are borne by investors in Eton managed funds, and are in addition to the asset-based fees listed above.</p> <p>All fee arrangements are negotiable at our sole discretion. Specific fee arrangements, including fixed flat fees, will be set forth in your Agreement with us.</p> <p>Additions and Withdrawals</p> <p>A pro-rata fee will be charged based on the value of additional contributions over \$100,000. No portion of any prepaid fees will be refunded based on the value of partial withdrawals. You understand that the services provided hereunder are designed for long-term investments and that withdrawals may impair the achievement of your investment objectives.</p> <p>.</p>
Other fees:	<p>In addition to the fees described above, clients are responsible for fees assessed by third parties. If we manage a securities portfolio, clients will incur the fees and expenses associated with the underlying investments and their investment managers. These fees may include fees charged by third party investment managers for portfolio management services, fees and expenses associated with mutual funds and private fund expenses, brokerage fees and commissions and other transaction costs and expenses associated with the execution of securities transactions. Such fees are exclusive of, and in addition to our fees and expenses. Clients will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p>
Fee collection:	<p>For the services described above, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian; <input checked="" type="checkbox"/> and/or direct invoice to you.</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> • all amounts disbursed from the account, and • the amount of advisory fees paid directly to us. <p><i>Direct billing.</i></p> <p>If so desired, you may choose to be billed directly by us for our service fees. If so chosen, you will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>

Fee frequency/timing:	<p>For the services described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input type="checkbox"/> in arrears.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination (“Termination Notice”) as described in the Agreement, we will calculate a pro rata refund of any fees not yet earned by us after the effective termination date of the Agreement. The pro rata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>

Service:	<i>Investment Manager for Pooled Investment Vehicles (Farrington Funds)</i>
Service description:	We serve as the investment manager for certain private investment funds (the “the Funds”). The Funds were established to aggregate certain investment exposures, reduce investment minimums and achieve other administrative efficiencies for our advisory clients. Currently, the Funds consist of three “funds of hedge funds,” which invest in hedge funds and mutual funds; and two “liquid funds,” which invest in mutual funds and with separately managed account managers.
Management fees:	The Funds do not pay a separate management fee. Clients that invest in the Funds pay the relationship-based quarterly fees on all assets we oversee, including assets invested in the Funds. Neither we nor any of our affiliates are paid any “carried interest” or other form of incentive compensation based on the performance of the Funds.
Other fees:	Each Fund bears an administrative fee of .08% on an annualized basis of the net asset value of each Fund, plus partnership expenses as set forth in the offering and governing documents for the Funds. Such fees and expenses are borne by investors in Eton managed funds, and are in addition to the asset-based fees listed above.
Fee frequency/timing:	See above.
Advanced billing and refunds:	N/A

Service:	<i>Quarterly Economic Updates</i>
Service description:	We produce a quarterly video to provide an economic update to our current clients, as well as prospective clients.
Service Frequency:	Quarterly
Service Fee:	At no additional cost for clients.

4(C) Customization of Advisory Services

To the fullest extent possible, we endeavor to tailor our advisory services to meet the specific needs of each and every client. In order to determine a suitable course of action for an individual client, we review our clients' financial circumstances and other factors that may influence the investment recommendations we may make to you from time to time. Such review may include, but is not necessarily limited to, investment objectives, consideration of a client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to a client's particular circumstances.

Our clients, excluding any Funds we manage on a fully discretionary basis, are free to impose restrictions or other conditions with regard to how we provide our advisory services. If we agree to such restrictions and/or conditions, please be advised that restrictions and guidelines that you impose on our investment management functions may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and you should not expect that the performance of a custom portfolio will be identical to any other individual's portfolio performance) as well as any recommendations provided to you.

4(D) Wrap Fee Program Participation

None of our investment advisory services involve the use of wrap programs.

4(E) Assets Under Management ("AUM")

As of December 31, 2017, Eton managed a total of \$1,560,473,383 of which \$983,763,026 is managed on a discretionary basis and \$576,710,357 on a non-discretionary basis. In addition to these assets under management, Eton advised clients on a solely investment consulting basis. We refer to these other assets as "assets under advisement." The value of these other assets under advisement is approximately \$215,542,920 as of December 31, 2017.

For certain separately managed account clients, Eton may allocate a portion of managed assets to family limited partnerships or other vehicles ("FLPs"), which are separately advised by Eton. Since the FLP is also a client, the assets of the FLP are included when calculating RAUM. This has the practical effect of counting most of the FLP client's assets at that vehicle level and again at the separate account level of the individual investor.

Likewise, Eton may allocate a portion of the managed assets of certain clients to the private funds also managed by Eton. Since the Funds are themselves clients, the firm counts these private fund assets when calculating assets under management. This has the practical effect of counting most of the private fund's assets at the fund level and again at the separate account level of the individual investor.

Neither the FLP clients nor the Funds incur additional management fees, although the Funds do incur administrative costs of .08%. More information about fees is included in Item 5, below.

Item 5 Fees and Compensation

5(A) Eton Advisory Fees

Refer above to Item 4(B)

5(B) Fee Collection Process

Refer above to Item 4(B)

5(C) Other Fee/Expenses

Refer above to Item 4(B)

5(D) Fees Charged in Advance

Refer above to Item 4(B)

5(E) Additional Compensation

Item 5(E) requires us to address situations in which we or any of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Neither we, nor any of our supervised persons are party to such arrangements.

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

We do not charge performance-based fees.

Item 7 Types of Clients

We generally provide our services to the following types of clients.

- Individuals
- High net worth individuals
- Foundations / charitable organizations
- Trusts for natural persons
- Estates for natural persons
- Business or corporate entities
- Family investment entities
- Pooled investment vehicles

For information on any minimum fees, minimum initial/ongoing account balances, or other conditions we may impose, please refer to Item 4(B).

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

8(A) Methods of Analysis

In the course of our management process and as appropriate on a case by case basis, we employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description. A description of each key risk appears later in this section.

Primary Investment Strategies

In managing clients' assets, we formulate an overall investment strategy which takes into account the client's individual financial landscape and investment objectives, including his or her income, spending and lifestyle needs and particular tax circumstances. Specifically, we provide the following investment services to its clients as appropriate in clients' individual circumstances:

Asset Allocation and Portfolio Design. we design an asset allocation strategy for each client which works in conjunction with the client's overall wealth management plan. The strategy takes into account the client's risk tolerance and return objectives in designing the portfolio. Most of the portfolio is typically invested with external

investment managers and in the private investment funds we manage.

Traditional and Alternative Assets Manager Review and Selection. We focus on investment managers which have demonstrated a high degree of expertise at implementing a particular investment strategy or strategies. We research and recommend unaffiliated third party investment managers (referred to herein as “external investment managers”) which specialize in the major asset classes. We then monitor the selected managers on an ongoing basis.

Portfolio and Performance Monitoring. We provide our clients with a consolidated report on a quarterly basis which provides the total portfolio returns. The estimated performance will be compared to relevant benchmark indices. The report will also include our commentary on the relevant markets.

We implement our strategies in part through the Farrington Funds for which we serve as investment manager. The funds invest in other hedge funds, with separately managed account managers who manage portfolios to our specifications, and in mutual funds. We also recommend direct client investments in real estate and with private equity fund managers.

Investing in securities or other investment products involves the risk of loss the clients should be prepared to bear.

8(B) Risk Disclosures

Risks Associated with Asset Allocation and Fund of Funds Strategies

Selection and Monitoring of Managers and Funds. There is a risk that we, in our selection process, will not identify appropriate external investment managers or Portfolio Funds for client portfolios, existing weaknesses in an external investment manager’s compliance or operational controls or existing material regulatory, financial or other operational issues. Further, there is a risk that an external investment manager or Portfolio Fund does not meet our expectations over time, develops significant weaknesses in its compliance or operational controls that could materially adversely affect a client’s investment or could develop material regulatory, financial or other operational issues.

Multiple Managers. The overall success of our strategies depends on, among other things, (i) the ability to develop a successful asset allocation strategy, (ii) the ability to select external investment managers and Portfolio Funds and to allocate the assets amongst them, and (iii) the ability of the external investment managers to be successful in their strategies. The past performance of such strategies is not necessarily indicative of their future profitability. No assurance can be given that the strategy or strategies utilized will be successful under all or any future market conditions. Because we may allocate client assets to multiple Portfolio Funds or accounts of external investment managers who make their trading decisions independently, it is possible that one or more of such external investment managers may, at any time, take positions which may be opposite of positions taken by other external investment managers. It is also possible that external investment managers may on occasion take substantial positions in the same security or group of securities at the same time. The possible lack of diversification caused by these factors may subject a fund’s portfolio to more rapid change in value than would be the case if the fund’s portfolio were more widely diversified.

Dependence on External Investment Managers. Each investment will be highly dependent upon the expertise and abilities of the external investment manager of the Portfolio Funds in which it invests. Such external investment manager will have investment discretion over clients’ assets and, therefore, there is a risk that an event having a negative impact on one of the external investment managers, such as a significant change in personnel or corporate structure or resources, may adversely affect funds' results.

Due diligence considerations. We will conduct due diligence which we believe is adequate to select Portfolio Funds and external investment managers. However, due diligence is not foolproof and may not uncover problems associated with a particular external investment manager. For example, one or more of the external investment managers may engage in improper conduct, including unauthorized changes in investment strategy, which may be harmful and may result in losses to the fund or client account. We may rely upon representations made by external investment managers, accountants, attorneys, prime brokers, and/or other investment professionals. If any such representations are misleading, incomplete or false, this may result in the selection of an external investment manager that might have otherwise been eliminated from consideration had fully accurate and complete information been made available to us. While the Portfolio Funds may be subject to certain investment restrictions, there can be no assurance that the external

investment manager will comply with such restrictions. Moreover, we will rely upon the valuations provided by the prime brokers, or custodians during the fiscal year.

General Investment Risks. Investments may decline in value for any number of reasons, including changes in the overall market for equity and/or debt securities, and factors pertaining to particular portfolio securities, such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, the availability of additional capital and labor, general economic conditions, political conditions and other similar conditions.

Alternative Investment Funds. Investments in alternative assets, such as hedge funds, private equity funds, and other private investment funds often are: (i) highly speculative and invest in complex instruments and structures including derivatives and structured products; (ii) illiquid with limited withdrawal or redemption rights; (iii) leveraged; (iv) subject to significant volatility; (v) subject to long holding periods; (vi) less transparent than public investments; (vii) subject to significant restrictions on transfers; (viii) affected by complex tax considerations; and (ix) in the case of private equity funds, affected by capital call default risk. In addition to the above, investors in these strategies will be subject to fees and expenses which will reduce profits or increase losses.

Fixed Income Securities. Fixed-income securities, including investment grade securities, are subject to certain common risks, including (i) if interest rates go up, the value of fixed-income securities in a fund's portfolio generally will decline; (ii) the issuer or guarantor of a fixed income security may default on its payment obligations, become insolvent or have its credit rating downgraded; (iii) the value of a fixed-income security may decline as a result of the issuer's falling credit rating; (iv) during periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing a fund to reinvest in lower yielding securities; (v) during periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments, which may lock in a below market interest rate, increase the security's duration and reduce the value of the security; and (vi) our judgment or the external investment manager's judgment about the attractiveness, relative value or potential appreciation of a particular sector, security or investment strategy may prove to be incorrect.

Concentration of Investments. The identity and number of managers in which we invest client assets will vary over time. In addition, certain of our Funds may invest in a limited number of Portfolio Funds in comparison to other multi-manager funds. Concentration in one or more investment strategies and a loss in any investment could have a material adverse impact on the portfolio.

Portfolio Fund Leverage. Certain portfolio fund managers may borrow funds from brokerage firms and banks. We will have no control over the amount of leverage used by a Portfolio Fund. In addition, the Portfolio Funds may indirectly leverage their portfolios by investing in instruments with embedded "leverage" features such as options, swaps, forwards, contracts for differences and other derivative instruments. While leverage presents opportunities for increasing the Portfolio Fund's total return, it has the effect of potentially increasing losses to the Portfolio Fund as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly, by a Portfolio Fund could be magnified to the extent that leverage is employed by the Portfolio Fund. The cumulative effect of the use of leverage by a Portfolio Fund in a market that moves adversely to the investments of the entity employing the leverage could result in a loss to the Portfolio Fund that would be greater than if leverage were not employed by such Portfolio Fund. In addition, to the extent that the Portfolio Funds borrow funds, the rates at which they can borrow may affect the operating results of the Portfolio Funds. In general, the anticipated use of short-term margin borrowings by the Portfolio Funds results in certain additional risks to the applicable Fund. For example, should the securities that are pledged to brokers to secure the Portfolio Funds' margin accounts decline in value, or should brokers from which the Portfolio Funds have borrowed increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), then the Portfolio Fund could be subject to a "margin call", pursuant to which the Portfolio Funds must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a precipitous drop in the value of the assets of a Portfolio Fund, the Portfolio Fund might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses.

Derivative Investments. Some Portfolio Funds may invest in other derivative instruments, which may include futures,

options, swaps, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement cannot only result in the loss of the entire investment, but may also expose the Portfolio Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Non-U.S. Investments. Certain of the Portfolio Funds will invest in securities of non-U.S. companies and foreign countries and in non-U.S. currencies. Investing in the securities of such companies and countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. Government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a Portfolio Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to United States standards and, consequently, less information is available to investors in companies located in such countries than is available to investors in companies located in the United States. Moreover, an issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. There is also less regulation, generally, of the securities markets in foreign countries than there is in the United States. The risks of investing in non-U.S. investments described herein apply to an even greater extent to investments in emerging markets.

Fund Expenses. Investors in the Funds will be responsible for bearing the administrative fee and partnership expenses associated with each fund, as well as the fees and expenses payable to the Portfolio Funds in which each Fund invests, including any incentive allocations or other performance compensation.

8(C) Investment-Specific Risks

There is no single type of investment instrument that we predominantly recommend, however, all investments carry some form and degree of risk. With regard to private investments, clients are encouraged to review the private placement memorandum for a discussion of the principal risks specific to that investment.

8(D) Cybersecurity

The computer systems, networks and devices used by Eton and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines,

penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.”

Item 9 Disciplinary Information

We have no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or the integrity of our management,

Item 10 Other Financial Industry Activities and Affiliations

The following information will address any active or pending financial industry affiliations that you need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to letting us handle your investment advisory needs.

10(A) Broker-Dealers

Neither Eton nor any of its management persons is registered as a broker-dealer nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as a broker-dealer. Further, none of our management persons are registered as or currently seeking registration as a registered representative of a broker-dealer.

10(B) Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators

Neither Eton nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

10(C) Related Persons

The purpose of this section is to address any relationship or arrangement (that is material to (1) our advisory business or (2) our clients) that we or any of our management persons have with any of our related persons that meet certain categories as identified by the Form ADV.

ETON SOLUTIONS

Management personnel of our Firm own Eton Solutions, a software company that provides integrated client relationship management, work flow, record keeping and other services to us for a fee that we pay out of our management fees.

FOCUS OPERATING, LLC and FOCUS FINANCIAL PARTNERS, LLC

As noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus, and certain investment vehicles managed by KKR collectively are minority owners of Focus. Because Eton is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of Eton. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of our business.”

10(D) Use of Other Investment Advisers

As described previously in Item 4(B), from time to time we may recommend or select other investment advisers for you and in return, however we will not participate in the compensation (i.e. solicitor/referral fees) derived from such other investment advisers.

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

11(A) Code of Ethics

We take great pride in our commitment to serving our clients' needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

We have developed a Code of Ethics ("Code") as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- The addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm's IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.

11(B) Participation in Client Trading

The information in this item is intended to address situations in which we or one of our related persons may have a material financial interest in the investment instruments we may recommend to you. We serve as general partner to the Funds in which clients may invest. The Funds do not pay a separate management fee; clients that invest in the Funds pay their relationship-based quarterly fees on all assets we oversee, including assets invested in the Funds. Moreover, neither we nor any of our affiliates are paid any "carried interest" or other form of incentive compensation based on the performance of the Funds. As described above in Item 4(B), the Funds pay an annualized administrative fee of 0.08%, plus partnership expenses as set forth in the offering and governing documents for the Funds. We do not believe this relationship poses any material conflicts for our clients.

11(C) Trading Alongside Our Clients

On occasion, we may invest for our own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for the accounts of our clients. Further, we may also engage in transactions that are the same as or different than transactions recommended to or made for our client's accounts. Such transactions are permitted if effected, pre-cleared and reported in compliance with our policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of a client. Our Designated Supervisor reviews reports of personal

transactions in securities by all of our associated persons quarterly or more frequently if required.

Investment Policy

None of our associated persons may effect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the following procedures.

Firm Procedures

In order to implement our Investment Policy, the following procedures have been put into place.

- 1) If we are recommending that any of our clients buy any security, no associated person may purchase that security prior to a client's purchase of that security; and
- 2) If we are recommending that any of our clients sell any security, no associated person may sell that security prior to a client's sale of that security.

As an alternative to the procedures described in the preceding points, we may include our own order(s) in a batch order with other client orders that would involve average pricing for the entire batch such that we would receive the same pricing as all other clients participating in the batch.

It is the primary intent of these procedures to ensure that the best interests of our clients are always served over that of our own. Trading on our own behalf that results in our own interests being served over that of our clients could be considered a breach of our fiduciary duty and thus, is aggressively discouraged.

11(D) Trading Around the Same Time as Clients

The information in this item is intended to address situations in which we or any of our related persons may invest in the investment instruments we may recommend to you. We do not as a general matter make recommendations as to specific securities instruments, however we may occasionally review and advise when a client has concentrated stock holdings in a particular company or employee-related stock or stock options. Our supervision and controls around personal securities trading are described in response to Item 11(C), above.

One of our Firm's management persons serves on an advisory board and related family boards for a client, and also serves on the board of directors of an entity affiliated with a client and receives director's fees for such service. We have approved these engagements.

Item 12 Brokerage Practices

The purpose of this Item is to present to you the factors that we take into consideration when (1) selecting or recommending broker-dealers to you for the purpose of effecting transactions on your behalf and (2) for determining the reasonableness of such broker-dealers' compensation related to such transactions.

Factors that we consider in recommending certain broker-dealers or custodians to our clients may include such entity's financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, we or certain of our supervised persons may receive certain support services that may assist us in our investment decision-making process for all of our clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of brokerage services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for the client's account transactions.

12(A) (1) Research and Soft Dollar Benefits

Soft dollar benefits are items such as research or other products or services (other than the typical execution and other brokerage services available to all other investment advisers) that an investment adviser may receive from a broker-dealer(s) or other party in connection with the client securities transactions are directed to that particular broker-dealer(s). We do not participate in any soft dollar arrangements.

12(A) (2) Brokerage for Client Referrals

In certain circumstances, firms like ours may receive client referrals as a result of recommending particular broker-dealers or other service providers. We, however, do not participate in any formal arrangements wherein we receive client referrals from any particular broker-dealer in return for selecting or recommending such broker-dealer.

12(A) (3) Directed Brokerage

This item is intended to address situations where we may recommend, request, or require you to provide us instructions as to how to direct brokerage activity on your behalf.

12(A) (3) (a) Directed Brokerage – Recommended, Requested, or Required

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer. We routinely recommend that clients custody their assets at either BNY Mellon or Charles Schwab.

12(A) (3) (b) Directed Brokerage – Permitted

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer, however, you may direct us to use a particular broker-dealer (subject to our right to decline such a request) to execute some or all transactions for your account or otherwise on your behalf. In such an event, we will not negotiate terms and arrangements for the account with the other broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” the transactions for execution through other broker-dealers with orders for other accounts we manage. As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

12(B) Order Batching

Transactions for the client’s account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or “batch” such orders in order to obtain best execution or to negotiate more favorable transaction rates. Reasoning for attempting to effect a batch order is that we may need to trade in the same security for multiple accounts at or around the same time and batching may allow us to achieve a more favorable price on average for all clients. Batching, however, doesn’t guarantee the lowest possible price for execution, however, it is intended to reduce the overall volatility in execution price for a large number of orders that if not batched together, may experience significantly different execution prices. Conversely, in the event that we do not batch a group of orders that otherwise may be a prime candidate for a batched order, the resulting cost for some clients may be higher or lower than what we might be able to achieve by processing a batched order for the benefit of those same clients.

To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

Item 13 Review of Accounts

13(A) Review of Accounts or Financial Plans

Review of client accounts.

We review the performance of client accounts and the consistency of client account holdings with a client's investment objectives on at least a quarterly basis. This periodic review process will be performed by the Firm, including a review by the Eton Investment Committee members with the following titles.

- Robert E. Mallernee – Chief Executive Officer
- W. Jackson Parham – Chief Investment Officer
- Brad F. Dalton – Director of Portfolio Management and Reporting
- John C. Wallace – Senior Investment Officer

13(B) Non-Periodic Account Reviews

We may review client accounts on a more frequent basis in connection with the execution of trades or implementation of investments on behalf of client accounts and in response to unusual activity or market events.

13(C) Reports to Clients

We provide written reports to our clients that review their account performance and provide other information regarding clients' financial situations on a quarterly basis.

Item 14 Client Referrals and Other Compensation

14(A) Compensation we Receive

Other than the compensation arrangements described above in Item 4(B), Eton does not receive any other compensation in connection with the investment advisory services provided to our clients.

Eton's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Eton, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Eton. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Eton. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Eton to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Eton. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus in the last year:

Fidelity Brokerage Services
J.P. Morgan Asset Management
Charles G. Schwab & Co.

14(B) Compensation we Pay

Under certain circumstances, firms like ours may compensate other parties for having referred clients or potential investment advisory clients to them. These sorts of arrangements are generally referred to as "solicitor" arrangements. We do not participate in any solicitor arrangements.

Item 15 Custody

Client account statements will be provided by the qualified custodian that maintains physical possession of the client's accounts/assets (which statements will, in the case of the Funds, also be provided to the investors in the Funds). Clients are urged to compare that information from the custodian to the information contained in the reports we provide to them.

Item 16 Investment Discretion

We accept discretionary authority to manage client accounts pursuant to written agreements with our clients which include a power of attorney providing us with discretionary authority over clients' assets which are subject to the agreement. The limited partnership agreements for the Farrington Funds provide us with authority over the assets in the Funds.

Item 17 Voting Client Securities

17(A) Proxy Voting

Proxy Voting Policies and Procedures and Client Instruction

We do not vote proxies on behalf of any securities owned by our clients.

17(B) Proxy Voting

Since you have not authorized us to vote proxies on your behalf, we will not do so. Proxies related to the securities you own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork you completed for the custodian holding your account/assets. If you have questions related to a particular proxy notice, please call us at 919-442-1550.

Item 18 Financial Information

18(A) Balance Sheet

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

18(B) Adverse Financial condition

In the event that we have discretionary authority or custody of any of our clients' assets or if we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients. No such conditions exist.

18(C) Bankruptcy-Related Matters

Eton has never been the subject of a bankruptcy petition.