



Independent
Advisor Alliance

Wrap Fee Program Brochure

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Item 1 – Cover Page

This wrap fee program brochure provides information about the qualifications and business practices of Independent Advisor Alliance, LLC (“IAA”). If you have any questions about the contents of this brochure, please contact us at 888-430-1555. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Independent Advisor Alliance, LLC is a registered investment advisor. Registration does not imply any level of skill or training.

Additional information about Independent Advisor Alliance, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since the last annual filing of this brochure, submitted on February 5, 2024, the following material changes have occurred:

- April 2024: IAA founded Sage Insurance Partners to offer Property and Casualty Insurance solutions for IAA clients. Additional information can be found in Item 10 of this brochure.

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Item 4 - Services, Fees & Compensation

Independent Advisor Alliance (“IAA,” “we” or “our”) is an SEC-registered investment advisor that provides clients with asset management, retirement, and financial planning services as described below. Our home office is in Charlotte, North Carolina, and our business model includes a network of advisory representatives with offices located throughout the United States which operate under a separate and independently owned “do-business-as” (“DBA”) name other than IAA. These DBA names and logos may appear on the advisory representative’s sales and marketing materials and are not owned or controlled by IAA with the exception of Yellow Penguin, Blackbridge Financial and Blackbridge Advisors. Regardless of the name used, these advisory representatives remain licensed through IAA and subject to our supervision when offering advisory services through IAA.

IAA became registered as an investment advisor in 2013 and is owned by IAA Holdings, LLC (80%) and LPL Financial (20%). For information about the experience of the advisory representative handling your account, please refer to the brochure supplement for the advisory representative, a copy of which you should have received along with this brochure.

IAA Wrap Fee Program

IAA offers discretionary asset management services through a wrap fee program account (the “Program”) based on the individual needs of clients (“client,” “you,” or “your”). In order for IAA to manage your assets, you will be required to establish a wrap account in your name at one of our primary qualified custodians. Our primary custodians include LPL Financial, LLC (“LPL”), Charles Schwab & Co, Inc. (“Schwab”), TD Ameritrade, Inc. (“TDA”), or Fidelity Brokerage Services (“Fidelity”). These custodians provide clearing, custody, and other brokerage services for accounts established through the Program. You will retain all rights of ownership on your account, including the right to withdraw securities or cash, vote proxies, and receive transaction confirmations. In addition, you can also impose restrictions on investing in certain securities or types of securities at the time you open the account.

In order to hire us to provide management services, you will be asked to enter into a written investment advisory agreement with us. This agreement will set forth the terms and conditions of our relationship and what services comprise the fee.

Fees

In a wrap account, clients pay IAA a single annual advisory fee for advisory services and execution of transactions. Clients do not pay brokerage commissions, markups, or transaction charges for execution of transactions in addition to the advisory fee.

The annual advisory fee for management services is a maximum of 2% and is based on a percentage of the market value of your account, including cash holdings. The fee may also include Financial Planning and Consulting services. Advisory fees are negotiable between IAA and the client, and the amount of the advisory fee will be as agreed upon in writing between IAA and the client. The advisory fee may be higher than the fee charged by other investment advisors for similar services.

Advisory fees are billed quarterly in advance and calculated based on the account’s market value on the last business day of the prior quarter. The initial advisory fee is due at the beginning of the quarter following execution of this Agreement and will include the prorated fee for the initial quarter in addition to the standard quarterly fee

for the upcoming quarter. Additional deposits and withdrawals will be added or subtracted from the account's value which may lead to an adjustment of the advisory fee. Lastly, please note that IAA may group certain related Client accounts, often known as "householding," for the purposes of achieving the minimum account size and determining the annualized fee.

IAA, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

When managing a client's account on a wrap fee basis, IAA shall receive, as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Since transaction fees in a wrap fee account are paid by IAA, a conflict of interest exists as IAA has the Firm has a disincentive to trade securities in the client account.

For all services, Clients may terminate their engagement with IAA within five (5) business days of signing an Agreement with no obligation and without penalty. After the initial (5) business days, the Agreement may be terminated by IAA with thirty (30) days written notice to Client and by the Client at any time with written notice to IAA. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. In the case of hourly engagements, fees will be prorated based on the work completed at the stated hourly rate. All unpaid earned fees will be due to IAA and all unearned fees will be refunded to the Client. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

Fee Differentials

As indicated above, IAA prices its services based upon various objective and subjective factors. Clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory and/or consulting services to be rendered. As a result of these factors, the services to be provided by IAA to any particular client could be available from other investment advisers at lower fees. All clients and prospective clients should be guided accordingly.

Fee Comparison

Clients may be able to purchase services similar to those offered under the Program from other service providers either separately or as part of a similar wrap fee program. These services or programs may cost more or less than our Program, depending on the fees charged by such other service providers. A wrap fee is not based directly on the number of transactions in your account. Various factors influence the relative cost of our wrap fee program to you, including the cost of investment advice, custody, and brokerage services if you purchased them separately, the types of investments held in your account, and the frequency, type, and size of trades in your account. The program could cost you more or less than purchasing our investment advice and custody/brokerage services separately.

For example, the Program Fee, which is fixed regardless of the number of transactions occurring in the account, may be more or less than paying for execution on a per-transaction basis.

Additional Fees

IAA pays all custodian fees and transaction fees for all accounts under this Program. However, custodians may charge other related costs on the purchases or sales of mutual funds, equities, bonds, options, margin interest, and mark-ups, markdowns, or spreads paid to market makers. Mutual funds, money market funds, and exchange-traded funds may also charge internal management fees, which are disclosed in the fund's prospectus. IAA does not directly receive any compensation from these fees.

Within the IAA Program account, IAA uses mutual funds that the custodians make available within their custodial platforms. In many instances, the available mutual funds offer multiple classes of shares, including shares designated as Class A shares and institutional share classes and other share classes that are specifically designed for purchase in a fee-based investment advisory program. In other instances, a mutual fund may offer only Class A shares, but another similar mutual fund may be available that offers an institutional or fee-based advisory share class. When Class A shares are purchased in the IAA Program account, the custodian receives from the mutual fund a portion of the 12b-1 fees charged by the mutual fund. Neither IAA nor its advisory representatives receive any portion of these 12b-1 fees. Because of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A shares than an institutional or fee-based advisory share class. As a result, IAA does not permit its advisor representatives to purchase Class A shares in Program accounts. Assets that transfer into IAA Program accounts will be converted to an alternate share class and/or investment within a specified time-frame. Institutional or fee-based advisory share classes generally are not subject to 12b-1 fees.

An investor in an institutional or fee-based advisory share class will pay lower fees over time and keep more of his or her investment returns than an investor who holds Class A shares of the same fund. Clients should not assume that they will be invested in the share class with the lowest possible expense ratio. In an advisory program, the appropriateness of a mutual fund share class should be determined based on a variety of different considerations, including but not limited to: the advisory fee that is charged; the anticipated frequency of transactions; the holding period for the mutual funds; the overall cost structure of the advisory program; share class eligibility requirements; and potential tax consequences.

In selecting a share class, the advisory representative may consider the overall profitability of the account or client relationship. Accordingly, the advisory fees that are charged on an account basis or in the aggregate at the relationship level may take into consideration the mutual fund share classes in which the client is invested. Clients that are invested in institutional or fee-based advisory share classes may have higher advisory fees.

12-b1 Fees

If a Client account holds certain shares of mutual funds or other investments that pay 12b-1 (commonly referred to as "trail commissions"), you should know that those 12b-1 fees are paid to our affiliated broker-dealer, which will be in addition to the management fees and normal brokerage fees paid to IAA. This can happen even when a share class of the same fund was available that would not provide the broker-dealer with additional compensation. This creates a conflict of interest as it can generate additional compensation for our affiliated broker-dealer. This conflict is mitigated by disclosures and IAA's fiduciary obligation to place the best interest of the Client first. Moreover, since IAA has a fiduciary duty to recommend the best, and often lowest cost share class to their Clients, IAA's policy prohibits our IARs from purchasing funds with 12b-1 fees in Client accounts. Further, when Clients transfer holdings that include funds with 12b-1 fees into accounts under management by IAA, IARs

will find suitable replacement funds for the client to exchange into.

Additional Compensation

IAA nor its employees receive compensation, other than the portfolio management fee, for the recommendation to the Client or the Client's participation in the Program.

Item 5 – Account Requirements and Types of Clients

IAA's Clients are generally individuals, small businesses, trusts, estates, high net-worth individuals, pooled investment vehicles, and charities. Client relationships vary in scope and length of service.

Clients are not required to have a certain amount of investment experience or sophistication. There is no minimum account size to become a client of IAA; however, certain Co-Advisory Platform accounts and TPM accounts have minimum account opening requirements.

Item 6 – Portfolio Manager Selection and Evaluation

Portfolio Manager Selection and Evaluation

IAA is the sole Portfolio Manager and Advisor for the Program. IAA develops each portfolio strategy around each Client's unique financial goals. The portfolio development process includes:

- Determining the timing targets of the Clients goals
- Analyzing the individual risk/return comfort level
- Developing specific investment strategies using a variety of investment methods (shown below) to match the clients total situation
- Monitoring the investments mix in an ongoing manner
- Providing ongoing meaningful communication between the advisor and the Client, assuring the investment plan is in concert with the total financial and family situations as they are now and as they evolve.

The following industry standards may be used to evaluate the Portfolio Manager's performance in security selection:

- Morningstar Risk Rating (is the holding's measure should be equal to or better than its return rating; a risk rating of average or lower is better than high; favorable example: low risk rating and average return rating)
- Morningstar Return Rating (the investment's rating should be equal to or better than its risk rating; a return rating of average or higher is better than low; unfavorable example: high risk rating and average return rating)
- Alpha (how an investment's return compares with the returns of its peer group); the investment's 3-year alpha should show no difference or a positive difference between its total return and the return of its peer group.
- Sharpe Ratio (evaluates a Mutual Fund's or Exchange Traded Fund's risk adjusted performance); The Sharpe Ratio is calculated by taking the excess return of a portfolio, relative to the risk-free rate, and dividing it by the Standard Deviation of the portfolio's excess returns (Standard Deviation is a statistical

measure of volatility over a period of time). The higher a portfolio's Sharpe Ratio, the better its risk-adjusted performance.

- Morningstar Category (this identifies the investment's general investment category; stocks have nine categories: large company, mid-cap company and small company for each of the growth, core, and value stock styles; bonds also have nine categories: short, intermediate, and long maturities for each of the high, medium, and low-quality ratings) The investment should be in the same category it was selected to fulfill in the portfolio's allocation strategy.

There is a natural potential conflict of interest with the Portfolio Manager conducting the ongoing review of the standards by which the Portfolio Manager's selection and management have been acceptable. The fact that the measures are completely objective, are provided by Morningstar, a well-known investment data provider, and not subject to manipulation act to mitigate this potential conflict.

Related Persons as Program Managers

IAA is the only Portfolio Manager for the Program. We do not offer access to additional Portfolio Managers but offer one fee to our Clients in order to eliminate concerns regarding variable transaction costs. To the extent that we receive the Program Fee as a result of recommending itself, we are in a conflict of interest with our Clients.

Additional Program Information

IAA and its investment adviser representatives ("IARs") offer a variety of discretionary and non-discretionary investment advisory services on a wrap and non-wrap fee basis. This Brochure describes the advisory programs and advisory services offered by the IAA on a wrap fee basis. For more information on IAA's non-wrap fee program services, please see IAA's Form ADV 2A.

CLIENT-TAILORED SERVICES AND CLIENT-IMPOSED RESTRICTIONS

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities. These restrictions may, however, prohibit engagement with IAA.

WRAP FEE PROGRAMS MANAGEMENT VS NON-WRAP ACCOUNT MANAGEMENT

IAA offers Asset Management services through the IAA Wrap Fee Program. IAA is both sponsor and portfolio manager of the program. In a Wrap Fee account, clients are charged a single bundled fee as a percentage of the assets managed in the wrap fee program that can include advisory fees, transaction fees, and other expenses related to the wrap fee program.

There is no significant difference between how the Firm manages wrap fee accounts versus non-wrap fee accounts. However, as stated above, if a client determines to engage IAA on a wrap fee basis the client will pay a single fee for investment management and transaction fees. The services included in a wrap fee agreement will depend upon each client's particular need.

When managing a client's account on a wrap fee basis, IAA shall receive, as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Since transaction fees in a wrap fee account are paid by IAA, a conflict of interest exists as IAA has the Firm has a disincentive to trade securities in the client account.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Fees are not based on a share of the capital gains or capital appreciation of managed securities. IAA does not use a performance-based fee structure nor “side-by-side” management because of the conflict of interest. Performance-based compensation may create an incentive for IAA to recommend an investment that may carry a higher degree of risk to the Client.

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns. Security analysis methods may include:

Fundamental analysis concentrates on factors that determine a company’s value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

In developing a financial plan for a Client, IAA’s analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the Client’s specific situation.

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the SEC.

TPMs utilized by IAA may use various methods of analysis to determine the proper strategy for the Client referred and these will be disclosed in the TPM’s Form ADV Part 2. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns. Other strategies utilized by

TPMs may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options, or spreading strategies).

INVESTMENT STRATEGY

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to IAA. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

RISKS OF INVESTMENTS AND STRATEGIES UTILIZED

Investing in securities involves risk of loss that Clients should be prepared to bear. IAA's investment approach constantly keeps the risk of loss in mind. Investors may face the following investment risks:

General Investment and Trading Risks. Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, leverage, and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

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

Inflation Risk. When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.

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

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

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

Management Risk. The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the Client's portfolio may suffer.

Cybersecurity Risk. IAA and its service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting IAA and its service providers may adversely impact Clients. For instance, cyberattacks may interfere with the processing of transactions, cause the release of private information about Clients, impede trading, subject IAA to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which Clients may invest in, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions. Cybersecurity

incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damages, and loss from damage or interruption of systems. Although IAA has established its systems to reduce the risk of these incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that IAA does not directly control the cybersecurity measures and policies employed by third party service providers.

Options Trading. The risks involved with trading options are that they are very time sensitive investments. An options contract is generally for a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less tangible than some other investments. An option is a “book-entry” only investment without a paper certificate of ownership.

Trading on Margin. In a cash account, the risk is limited to the amount of money that has been invested. In a margin account, risk includes the amount of money invested plus the amount that has been loaned. As market conditions fluctuate, the value of marginable securities will also fluctuate, causing a change in the overall account balance and debt ratio. As a result, if the value of the securities held in a margin account depreciates, the Client will be required to deposit additional cash or make full payment of the margin loan to bring the account back up to maintenance levels. Clients who cannot comply with such a margin call may be sold out or bought in by the brokerage firm.

Exchange-Traded Funds. ETFs are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying reference units; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

Mutual Fund Risks. An investment in mutual funds could lose money over short or even long periods. A mutual fund’s share price and total return are expected to fluctuate within a wide range, like the fluctuations of the overall stock market.

Common Stocks and Equity-Related Securities. Certain ETFs or mutual funds hold common stock. Prices of common stock react to the economic condition of the company that issued the security, industry and market conditions, and other factors which may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer’s actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants, and options may also vary widely.

Small- and Mid-Cap Risks. Certain ETFs and mutual funds hold securities of small- and mid-cap issuers. Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses, and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts, and may be subject to wider price swings and thus may create a greater

chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments, and to market rumors than are the market prices of large-cap issuers.

Futures, Commodities, and Derivative Investments. Certain ETFs and mutual funds hold commodities, commodities contracts, and/or derivative instruments, including futures, options, and swap agreements. The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts, and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options, and swap agreements also depends upon the price of the commodities underlying them. In addition, Client assets are subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

Highly Volatile Markets. The prices of financial instruments can be highly volatile. Price movements of forward and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

Non-U.S. Securities. Certain ETFs and mutual funds hold securities of non-U.S. issuers. Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility, and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing, and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers.

Emerging Markets. Certain ETFs and mutual funds hold securities of emerging markets issuers. In addition to the risks associated with investments outside of the United States, investments in emerging markets (i.e., the developing countries) may involve additional risks. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices, and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices.

Capitalization Risks. Investing in Companies within the same market capitalization category carries the risk that the category may be out of favor due to current market conditions or investor sentiment.

Market Risks. Turbulence in the financial markets and reduced liquidity may negatively affect the Companies, which could have an adverse effect on each of them. If the securities of the Companies experience poor liquidity, investors may be unable to transact at advantageous times or prices, which may decrease the Company's returns. In addition, there is a risk that policy changes by central governments and governmental agencies,

including the Federal Reserve or the European Central Bank, which could include increasing interest rates, could cause increased volatility in financial markets, which could have a negative impact on the Companies. Furthermore, local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Companies. For example, the rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many Companies' securities; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained economic downturn or a global recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. The Companies' values could decline over short periods due to short-term market movements and over longer periods during market downturns.

Inverse and Leveraged Products. IAA may recommend and engage in trading with leveraged and inverse products. These products are aggressive in nature and carry unusual and significant risk. They are not appropriate for inexperienced investors. These products are intended to be used/traded daily. Most leveraged and inverse ETFs reset on a daily basis and have published prospectuses that state (1) they're designed to achieve their stated objective within one day, (2) clients can lose all of their investment potentially in one day, and (3) holding these securities for periods longer than one day could lead to losses even if the underlying index moves in the anticipated direction. Regulatory organizations, such as FINRA & SEC, have released alerts stating that inverse and leveraged ETFs that reset daily typically are not suitable for retail investors who plan to hold them longer than one day. Managers may hold these products in client accounts for periods of time significantly greater than one day. Investors with holding periods longer than a day expose themselves to substantial risk as the holding period returns will deviate from the returns to a leveraged or inverse investment in the index. It is possible for an investor in a leveraged ETF to experience negative returns even when the underlying index has positive returns.

Penny Stock Risks. Generally, Penny Stocks are low-priced shares of small companies that are not traded on an exchange. Penny Stocks typically trade over-the-counter, such as on the OTC Bulletin Board or Pink Sheets. Penny Stocks, unlike listed stocks, are not subject to SEC reporting requirements or the listing standards of stock exchanges. Because of this, information about the Penny Stock companies can be difficult to find and verify. Penny Stocks also have lower liquidity as they are traded less frequently. This also leads to higher volatility. For these reasons, Penny Stocks are considered to be speculative investments and Clients who trade in penny stocks should be prepared for the possibility that they may lose their entire investment, or an amount in excess of their investment if they purchased Penny Stocks on margin.

Variable Annuity Risk. A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate, and the remainder of the funds accumulated are forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an

income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker

Alternative Investments. When appropriate for a Client's objective, risk tolerance and qualifications, IAA recommends the client participate in private issues, such as single purpose vehicles, funds of funds, private equity, and hedge funds. These are usually structured as limited partnerships with differing minimum investments, liquidity, fees and carries.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with IAA.

VOTING CLIENT SECURITIES

IAA does not have any authority to vote client securities or proxies on your behalf. Proxy information for any securities which are held in your accounts will be sent to you by the custodian of your funds and securities. We will not be providing you with this information. However, if you have any questions about a particular solicitation, you may contact us for general information.

Item 7 – Client Information Provided to Portfolio Managers

IAA is the sole Portfolio Manager of the Program and collects and shares nonpublic information (such as financial information, investment objectives, and risk tolerance) about Clients to aid in providing appropriate and suitable investment advice. Nonpublic personal information about Clients will be shared consistent with the disclosures made on IAA's Privacy Policy.

Item 8 – Client Contact with Portfolio Managers

Clients are always free to directly contact their Portfolio Manager(s) with any questions or concerns they have about their portfolios or other matters.

Item 9 – Additional Information

Disciplinary Information

IAA and its management have not been involved in any criminal or civil actions, administrative or self-regulatory enforcement proceedings, nor any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of IAA or the integrity of its management.

Other Financial Industry Activities and Affiliations

REGISTRATION AS A BROKER-DEALER OR BROKER-DEALER REPRESENTATIVE

Certain Investment Advisor Representatives (IAR) of IAA may also be registered as Registered Representatives (RR) of LPL Financial, a dually registered Investment Advisor and Broker-Dealer. This registration allows those IARs to perform brokerage services for Clients by executing security transactions. This practice represents a conflict of interest because Investment Advisor Representatives are able to choose between offering Clients fee-based programs and services (as is typical of an advisory relationship) and/or commission-based products and services (as is typical of a brokerage relationship). While a Client generally pays a fee to their Investment Advisor Representatives on an advisory account based on the value of account assets and not the number of transactions, in their capacities as Registered Representatives, an Investment Advisor Representative can offer securities and receive a commission, markup, or markdown on each transaction.

This conflict is mitigated by disclosures, procedures, and IAA's fiduciary duty to place the best interest of the Client first. Moreover, Clients are not required to engage the broker-dealer or its representatives if they do not wish to. More information on this can be found in the respective Investment Advisor Representative's Form U4 and ADV 2B.

REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, OR A COMMODITY TRADING ADVISOR

Neither IAA nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading advisor.

RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND POSSIBLE CONFLICTS OF INTEREST

Certain advisory representatives are also licensed as independent insurance agents and appointed through various insurance companies to offer a variety of types of insurance depending upon the individual. The types of insurance that may be available include life insurance, long term care insurance, fixed annuities, and disability insurance. In such capacity, the advisory representatives can sell insurance products to clients and receive normal and customary compensation in the form of commissions. Client's purchasing insurance from advisory representatives will receive certain disclosure documents and complete an insurance application process when conducting such transactions.

IAA co-owns Sage Insurance Partners ("Sage,") which offers Property & Casualty Insurance products. IAA IARs can refer IAA clients to Sage for their Property & Casualty Insurance needs and receive a referral fee from Sage. This represents a conflict of interest as the IAR is incentivized to refer IAA clients to Sage for that referral fee. However, IAA and its IARs have a fiduciary duty to all clients to put the client's interest ahead of the Firm's or the IARs. Further, IAA clients are under no obligation to engage Sage for their insurance needs. Similar insurance products and services are available through other carriers.

Many of IAA's IARs have their own legal business entities whose trade names and logos are used for marketing purposes and may appear on marketing materials and/or client statements. The clients should understand that the businesses are legal entities of the IAR's and not of IAA. The IARs are under our supervision and the advisory services of the IARs are provided through our firm.

SELECTION OF OTHER ADVISORS OR MANAGERS

IAA may select and appoint one or more Sub-Advisor(s) to provide Sub-Advisor Services to Client Accounts. When selecting Sub-Advisors, the Client's best interest will be the main determining factor of IAA. IAA ensures that before selecting other Sub-Advisors that they are properly licensed or registered as an investment advisor.

Clients placed with TPMs will be billed in accordance with the TPM's fee schedule which will be disclosed to the Client prior to signing an agreement. When referring Clients to a TPM, the Client's best interest will be the main determining factor of IAA. IAA ensures that before selecting other advisors for Client that the other advisors are properly licensed or registered as an investment advisor.

These practices represent conflicts of interest because IAA is compensated directly or indirectly for recommending certain TPMs and may choose to recommend a particular TPM based on the compensation that IAA is to receive. This conflict is mitigated by disclosures, procedures, and IAA's fiduciary obligation to act in the best interest of its Clients. Clients are not required to accept any recommendation of TPMs given by IAA and have the option to receive investment advice through other money managers of their choosing.

As described elsewhere in this brochure, IAA refers clients to third party investment advisory firms for advisory services. IAA receives a portion of the investment advisory fee paid by the client to the third-party advisor for the referral. This referral fee from the third-party advisory firm may be a percentage of assets under management (generally ranges from 0% to 1.00%) or as a flat annual fee (maximum of \$800). This presents a conflict of interest as IAA does not refer clients to other third-party advisors that do not share the advisory fee. In some cases, the third-party investment advisory firm will also pay additional compensation to IAA in the form of an asset retention bonus or loyalty program payment. This also presents a conflict of interest in that IAA has a financial incentive to recommend that you maintain your account with a third-party advisory firm that pays an asset retention bonus or loyalty program payment.

As discussed previously, advisory representatives of IAA may also be registered representatives of LPL. Because of this relationship, LPL may have access to certain confidential information (for example, financial information, investment objectives, transactions, and holdings) about IAA's clients, even if the client does not establish an account through LPL. If you would like a copy of LPL's privacy policy, please contact your IAA advisory representative to request a copy.

Code of Ethics

The affiliated persons (affiliated persons include employees and/or independent contractors) of IAA have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of IAA affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of IAA. The Code reflects IAA and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

IAA's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of IAA may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

IAA's Code is based on the guiding principle that the interests of the Client are our top priority. IAA's officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

IAA will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS

LPL's parent company, LPL Investment Holdings Inc., is a publicly traded company (Symbol: LPLA). IAA does not recommend or solicit orders of LPL Investment Holdings Inc. stock in Program accounts.

ADVISORY FIRM PURCHASE OF SAME SECURITIES RECOMMENDED TO CLIENTS AND CONFLICTS OF INTEREST

IAA and its affiliated persons may invest in the same securities (or related securities, e.g., warrants, options, or futures) that IAA or an affiliated person recommends to Clients. In order to mitigate conflicts of interest, such as frontrunning, IAA's Chief Compliance Officer, or their designee, will no less than quarterly, review firm and/or personal holdings of its affiliated persons. These reviews ensure that the personal trading of affiliated persons does not disadvantage Clients of IAA.

CLIENT SECURITIES RECOMMENDATIONS OR TRADES AND CONCURRENT ADVISORY FIRM SECURITIES TRANSACTIONS AND CONFLICTS OF INTEREST

IAA and its affiliated persons may recommend securities, or buy or sell securities for Clients accounts, at or about the same time, that they also buy or sell the same securities in their own account(s). IAA, for instance, will place trades in an account in an attempt to earn better than money market rates. In order to mitigate conflicts of interest, such as frontrunning, IAA's Chief Compliance Officer, or their designee, will no less than quarterly, review firm and/or personal holdings of its affiliated persons. These reviews ensure that the personal trading of affiliated persons does not disadvantage Clients of IAA.

Review of Accounts

FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO MAKES THOSE REVIEWS

Advisory representatives conduct reviews of client Program accounts on a periodic basis (at least annually).

Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target allocations of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

Financial plans are updated as requested by the Client and pursuant to a new or amended agreement, IAA suggests updating at least annually.

FACTORS THAT WILL TRIGGER A NON-PERIODIC REVIEW OF CLIENT ACCOUNTS

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation. Client account reviews may also be triggered upon client request

CONTENT AND FREQUENCY OF REGULAR REPORTS

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by the Client's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. IAA may also send periodic or other event-inspired reports based on market or portfolio activity. Reports will generally be provided in electronic format. Additional reporting may also be available upon request from your advisory representative.

Client Referrals and Other Compensation

ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES

IAA and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 above). LPL also provides other compensation to IAA and its Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits.

The receipt of any such compensation creates a financial incentive for your representative to recommend LPL Financial as custodian for the assets in your advisory account. We encourage you to discuss any such conflicts of interest with your representative before making a decision to custody your assets at LPL Financial.

COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS

IAA enters into agreements with individuals and organizations, which may be affiliated or unaffiliated with IAA, which refer Clients to IAA in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal or State regulation. If a Client is introduced to IAA by a solicitor or promoter, IAA may pay that solicitor a fee. While the specific terms of each agreement may differ, generally, the compensation will be a flat fee per referral or a percentage of the introduced capital. Any such fee shall be paid solely from IAA's investment management fee and shall not result in any additional charge to the Client.

Each prospective Client who is referred to IAA under such an arrangement will be provided a written disclosure document that describes the nature of the relationship between the solicitor and IAA.

Financial Information

IAA does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. IAA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy petition.