



FIRST REPUBLIC INVESTMENT MANAGEMENT

It's a privilege to serve you®

WRAP FEE BROCHURE

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

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

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

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

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

Item 2 - Material Changes

The following updates have been made to the Wrap Fee Brochure since FRIM's update on March 28, 2018:

Item 5

- Additional disclosure related to fees paid by SEC-registered mutual funds

Item 9

- Enhanced disclosure of conflicts of interest related to fees paid by SEC-registered mutual funds to FRIM's affiliate and how FRIM manages these conflicts

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Item 4 - Service, Fees and Compensation

Program Description

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

The Program is available to all accounts that are held in custody through First Republic Securities Corporation, LLC ("FRSC"), an affiliate of FRIM, through its clearing broker Pershing LLC ("Pershing").

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

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

Investment Management Services

Through the Program, FRIM provides full service personalized wealth management solutions for individuals, trusts, families, foundations, endowments, pensions, defined contribution plans, profit sharing plans, banks, for-profit and not-for-profit corporations and other business entities ("Clients"). FRIM assists Clients in formulating long-term wealth management strategies that are customized to meet their unique needs or circumstances. These services are typically provided in the following two stages (collectively, the "Advisory Services") as set forth in the investment management agreement ("IMA") entered into between FRIM and the Client:

Initial Advisory Services The "Initial Advisory Services" include some or all of the following, as FRIM and Client determine to be appropriate: (i) evaluating Client's existing holdings and non-liquid assets; (ii) understanding Client's financial circumstances and establishing investment objectives with Client; (iii) exercising discretion (if granted) or making recommendations (if Client elects only non-discretionary Advisory Services) with respect to purchases and sales of equity, fixed income or other securities but not limited to, selecting appropriate managers or investment funds for same; and (iv) if Client elects only non-discretionary services, proposing an asset allocation for Client's Account(s) and following client instructions(s) to implement the allocation; and (v) if discretion is granted, implementing Client's asset allocation through making appropriate arrangements with investment managers and purchasing interests in appropriate investment funds (if applicable). Once the Initial Advisory Services have largely been completed, Advisor will coordinate with Client and any of Client's investment managers, custodians and/or advisers to effect the transfer of any monies or securities to the investment managers or investment funds and their respective custodians as necessary to implement Client's investment objectives as established by Client and Advisor for the Account and, for non-discretionary Advisory Services, upon instructions from

Client. Clients can impose reasonable restrictions on investing in certain securities or types of securities subject to the approval of FRIM. FRIM does not provide legal, tax, or accounting advice.

Ongoing Advisory Services FRIM shall provide certain “Ongoing Advisory Services,” which include some, but not necessarily all, of the following: (i) ongoing monitoring and rebalancing of Client’s portfolio including any of Client’s existing managers or funds that are not recommended by FRIM, but that Client has asked one of FRIM’s Investment Representatives (“Wealth Manager”) to keep as part of Client’s Account(s); (ii) if discretion is granted, ongoing rebalancing of the Client’s portfolio; (iii) conducting portfolio reviews; (iv) providing performance reporting upon request; (v) adjusting any investment strategies and asset allocations used (if discretion is granted) or recommended (if Client elects only non-discretionary Services) as Client’s needs and goals change and are communicated to Wealth Manager; and (vi) working with Client to address Client’s investment objectives.

Investment Management Program Fee

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

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

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

(1) All fixed income assets are charged a fee based on total fixed income assets managed (not on a tiered basis)

Registered funds, such as mutual funds (including money market funds), and privately-offered funds charge management fees. When an account invests in these funds, the client will, in effect, pay fees to the respective fund managers and a separate fee to FRIM.

Clients invested in pooled investment vehicles (e.g., Altair Funds or Private Funds) that are managed by FRIM and/or a third-party investment manager will pay the fees and expenses as agreed to under the relevant fund's Offering Documents, including in certain instances a performance-based fee or investment profit allocation. For direct investments in pooled investment vehicles managed by a third-party investment manager, in addition to the third-party pooled investment vehicle fees and expenses, FRIM will charge the client an advisory fee based on assets under management in that pooled investment vehicle. Further information regarding performance-based fees and investment profit allocations can be found in Item 6 below. In addition, information regarding redemption rights and termination of an investment in Altair Funds, Private Funds or other pooled investment vehicles managed by FRIM or invested in directly can be found in the Offering Documents for such vehicles.

Some SEC-registered mutual funds, or some share classes thereof, pay 12b-1 (distribution), service or administrative fees to FRIM's affiliates who sell fund shares or provide services to a fund's shareholders. These fees are deducted out of fund assets and reduce a shareholder's returns. FRIM's affiliates have earned and kept these 12b-1, service and administrative fees. FRIM's affiliates generally receive less compensation when these fees are reduced or waived completely, or when there is no fee. In some years, the amount of these fees has been material to FRIM and its affiliates. In the past, FRIM's affiliate has credited these fees to some advisory clients' accounts but not others. [In an effort to reduce client costs, minimize the conflicts of interest presented by mutual fund 12b-1 fees, and conform treatment of different types of FRIM client accounts, as of July 1, 2018](#), FRIM's affiliate will, for all advisory account clients on a going-forward basis, credit these fees to advisory clients' accounts. These credits will be subject to the advisory fee if they remain in a client account at the time of billing.

Other Charges

Clients in the Program will incur additional charges imposed by third parties (including Pershing), or in some cases by FRIM or its affiliates (including FRSC), in addition to the Program Fee. These fees will include fees and expenses charged by investment managers that are not affiliated with FRIM that FRIM engages to provide discretionary investment management services, Independent Managers (as defined in item 7 below) for certain Clients; fees and expenses imposed directly by an unregistered pooled investment vehicle ("Private Fund") (and the funds or managers in or with which a Private Fund invests); exchange-traded funds ("ETF") or mutual funds in the Account, which is disclosed in the fund's private placement memorandum or prospectus; deferred sales charges; "trading away" fees, odd-lot differentials; transfer taxes; margin fees and interest; wire transfer and electronic funds transfer fees; and other fees, expenses and taxes on accounts and transactions. Investments through an advisory account into mutual funds, ETFs, Private Funds or other pooled investment funds involves payment of two or more levels of investment management fees: one to the Adviser at the advisory account level, and another charged at the fund level to the manager of the investment fund. If the investment fund in turn invests in other funds, there can be additional levels of fees, which in the aggregate reduce net returns. The Program is not available for accounts that are not held in custody through FRSC at Pershing. Accounts not in the Program will be charged both advisory and transaction-based fees.

Recruitment of Advisors

Consistent with industry practice, FRIM from time to time recruits financial advisors and other employees to join FRIM and has in the past and likely will in the future enter into significant compensation arrangements with these employees to facilitate their transition to FRIM. Such compensation can take different forms, such as immediately payable, payable over time, and/or as a loan and has in the past and likely will in the future be contingent upon the Wealth Manager satisfying certain performance-based criteria including total client assets serviced and revenue generated from those assets.

Item 5 - Account Requirements and Types of Clients

FRIM provides full service personalized investment solutions for individuals, trusts, families, foundations, endowments, pensions, defined contribution plans, profit sharing plans, banks, for-profit and not-for-profit corporations and other business entities (“Clients”).

The Program is available to all accounts that are held in custody through FRSC

Item 6 - Portfolio Manager Selection and Evaluation

FRIM is the sponsor and portfolio manager of the Program.

Advisory Business

Please see Item 4 for a description of the services FRIM provides. In addition to those services noted in Item 4, FRIM offers Eagle Invest, an automated, online investment management service, with Advisor oversight and guidance, which offers an alternative version of FRIM’s advisory services. FRIM also provides financial planning services, insurance services and Private Funds. Further details about each service can be found in the Brochure.

Performance Based Fees and Side-By-Side Management

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

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

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

Clients should be aware that performance-based fees give FRIM a financial incentive to achieve gains and to choose investments that are riskier or more speculative than might otherwise be chosen. Also, performance-based fee arrangements present a potential conflict of interest with respect to other client accounts that are not subject to performance-based fee arrangements because such arrangements give FRIM an incentive to favor client accounts subject to performance-based fees over client accounts that are

not subject to performance-based fees by, for example, allocating our best investment ideas to accounts from which FRIM stands to earn additional compensation should the account perform well.

FRIM will only charge performance-based fees or carried interest in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations. FRIM's policies and procedures seek to provide that investment decisions are made in the best interests of clients and without consideration of FRIM's (or such personnel's) pecuniary investment or other financial interests. Further, potential conflicts of interest in relation to side-by-side management are largely mitigated due to the fact that the Altair Funds typically do not charge performance-based fees and due to the structure of the Altair Funds (as 'fund of fund(s)'). In a fund of fund(s) structure, the Altair Funds invest in the interests of other Private Fund(s) that are generally not traded or available for investment for other client accounts. In a situation where interests in an underlying Private Fund are available (and suitable) for investment by both an Altair Fund and one or more FRIM clients, but the fund has capacity constraints, FRIM will seek to allocate the interests in a fair manner.

Methods of Analysis, Investment Strategies and Risk of Loss

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

Analysis

FRIM's approach to equity management combines both quantitative and qualitative research as FRIM believes the blended approach produces better results than either method alone. The quantitative approach uses multiple numeric measures to gauge a stock's relative attractiveness. Qualitative analysis extends the quantitative analysis to identify stocks suitable for the investment strategy and trading at attractive prices. Members of the equity research team are assigned one or more sectors and conduct bottom up research on the stocks highly ranked by the quantitative model. After undergoing qualitative research to verify a stock's relative attractiveness, an equity security is deemed eligible to be combined into client portfolios, consistent with the objective specified in the clients Investment Policy Statement.

Investment Strategies

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

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

It is important to note that it is not possible to identify all of the risks associated with investing. The nature of the account, the investment strategy or strategies and the types of securities held all impact the risks applicable to a particular client.

FRIM's primary investment strategies are set forth below. FRIM has in the past and likely will in the future offer additional strategies or variations of the strategies described.

Cash Management

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

Fixed Income

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

Equity

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

Third-Party Investment Strategies

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

Model Management

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

Private Investments

As a part of its investment advisory services, FRIM provides certain Clients with the opportunity to invest in certain pooled private investment vehicles that present attractive investment return opportunities, typically involving longer investment horizons, limited liquidity, potential downside risk, and potential exposure to increased fees and expenses. FRIM's research approach to private investments includes in-house research and use of external consultants to provide useful and relevant information. Additionally, FRIM's team and consultants scrutinize operational aspects and risks including but not limited to counterparty risk, prime-broker relationships, and service providers (auditors and administrators). Once a potential manager is identified, an intensive due diligence process is conducted which involves quantitative and qualitative analysis.

FRIM will, from time to time and as appropriate, solicit clients to invest in such vehicles, and FRIM will decide which clients to approach for some or all of these investments, in its own discretion. Not all clients

will be offered the opportunity to invest, and not all clients that were offered that opportunity will choose to invest. Similarly, not all Wealth Managers are eligible to place clients into these investments. A subscription for interests in a Private Fund should be considered only by persons who do not anticipate any short-term need for their funds. Each investor should consult his or her own advisors regarding the legal, tax, and financial suitability of private investments.

Voting Client Securities

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

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

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

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

Proxies for securities in accounts managed by sub-advisors will be voted by the sub-advisors and will not be voted by FRIM, unless specifically agreed to by FRIM.

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

FRIM engages an unaffiliated third-party proxy vendor, Institutional Shareholder Services, Inc. (ISS), to administer proxy voting on FRIM's behalf. It is FRIM's policy to provide sufficient ongoing oversight of the third-party to ensure that the proxies are voted in the best interests of its clients. To avoid material conflicts of interest, FRIM will generally vote proxies according to the ISS Proxy Voting Guidelines. There are a limited number of situations where FRIM might vote against ISS recommendations. In those situations FRIM will document the reasons FRIM chose to vote against ISS.

Class Action Lawsuit Recoveries

For the sake of efficiency, FRIM has engaged the services of an unaffiliated firm, Chicago Clearing Corporation, to participate in class action shareholder lawsuits, on a best efforts basis, for securities beneficially owned by clients during relevant class action periods. Chicago Clearing Corporation earns a

contingency fee of twenty percent (20%) of all monies recovered for clients through the filing and administration of class action lawsuit claims. Clients can choose to track their holdings versus relevant shareholder class action lawsuits, opt in or out and/or complete the paperwork instead and in lieu of Chicago Clearing Corporation, in their sole discretion.

Item 7 - Client Information Provided to Portfolio Managers

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

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

Item 8 - Client Contact With Portfolio Managers

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

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

Item 9 - Additional Information

Disciplinary Information

This is not applicable to the Adviser.

Other Financial Industry Activities and Affiliations

Affiliated Bank

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

the advisory services of FRIM, and are provided for separate and additional compensation.

Affiliated Broker-Dealer

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

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

Affiliated Trust Company

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

CFTC Registrations

First Republic Investment Management, Inc. is registered as a Commodity Trading Advisor (CTA) and a Commodities Pool Operator (CPO) with the Commodities Futures Trading Commission (CFTC). Certain of the Altair Funds, which are advised by FRIM, are exempt CPOs and CTAs and file these exemptions with the CFTC.

Relationships with Affiliates

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

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

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

Margin buying is buying securities with cash borrowed from a broker-dealer (including an affiliate of FRIM) by using other securities as collateral. In cases where margin is used in the management of client

accounts, the securities in the accounts are pledged for collateral to borrow and buy additional securities. This has the effect of magnifying any profit or loss. The securities serve as collateral for the loan, and this margin loan must be repaid even if the residual value of the client account is insufficient. FRIM and its representatives will have an incentive to borrow money on a client account and pledge the assets as collateral through FRIM's affiliated broker dealer, FRSC. Both entities are under common control, and FRSC receives compensation for use of margin. These conflicts are addressed as set forth below.

As described elsewhere in this brochure, FRSC receives 12b-1 (distribution) fees for the sale of certain open-ended investment companies (mutual funds). FRSC, an affiliate of FRIM, receives these fees for certain mutual funds purchased by advisory clients of FRIM, as determined by FRIM or one of its representatives, in their sole discretion.

Client assets are sometimes invested in shares of registered funds (such as mutual funds) that offer several classes of shares with different fees. Some share classes charge 12b-1 (distribution) fees, shareholder services fees or administrative fees and pay these fees to FRSC. Distribution payments, or 12b-1 fees, compensate FRSC for selling registered fund shares. Shareholder services and administrative fees compensate FRSC for customer account services and administration such as account and trade detail recordkeeping, customer statement preparation and delivery, tax reporting, and other services that the registered mutual fund otherwise would have provided. Distribution, shareholder services and administrative fees are deducted from the mutual fund's assets and indirectly paid by the fund's shareholders. Registered funds often offer one or more share classes that do not charge 12b-1 or shareholder services fees. Clients may be able to invest in lower-cost share classes directly.

FRSC generally receives less compensation when 12b-1, shareholder services and administrative fees are reduced or waived completely, or when there is no fee. FRSC has in the past earned and kept these fees. In some years, the amount of these fees has been material to FRSC. In the past, FRSC has credited these fees to some advisory clients' accounts but not others. [In an effort to reduce client costs, minimize the conflicts of interest presented by mutual fund 12b-1 fees, and conform treatment of different types of FRIM client accounts, as of July 1, 2018](#), FRSC will, for all advisory account clients on a going-forward basis, credit these fees to advisory clients' accounts. These credits will be subject to the advisory fee if they remain in a client account at the time of billing.

FRIM has a conflict of interest in recommending these funds or share classes, both in making investment decisions in light of the receipt of these fees and in selecting a more expensive 12b-1 fee paying share class when a lower-cost share class is available for the same fund. The conflict of interest arises from FRIM's financial incentive to recommend or select registered funds or share classes for clients that pay higher 12b-1 fees, because such registered funds or share classes generally result in higher compensation for FRSC. Although there can be legitimate reasons that a particular client is invested in a more expensive 12b-1 fee paying share class, FRIM has taken steps to minimize the conflict of interest: through advisory account credits beginning on July 1, 2018; through disclosure in this brochure; through internal policies and procedures that require investment advice to be appropriate for advisory clients; by ensuring that individual Wealth Managers are not directly compensated for recommendations to purchase share classes of registered funds that pay such fees to FRSC; by restricting Wealth Managers' recommendations to funds and share classes on FRIM's approved list; and by systematically evaluating when a lower fee share class of a registered fund on FRIM's approved list is available. It will not always be possible or in the client's best interest for FRIM to select SEC-registered mutual fund investments that do not pay these fees. Accordingly, despite the foregoing efforts to minimize conflicts of interest, FRIM clients should not assume that they will be invested in the registered fund or share class with the lowest possible 12b-1 fees.

FRSC has an insurance division, "Grand Eagle", which sells variable life insurance products. FRIM Investment Adviser Representatives, Access Persons (as defined in item 11) and FRSC Registered

Representatives, in their capacity as licensed life insurance agents, receive compensation from Grand Eagle for the sale of insurance products. This creates a conflict of interest with clients. These conflicts are addressed as set forth below.

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

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

The Eagle One BDSP Account is an FDIC-insured deposit account at First Republic Bank available to investment advisory clients of FRIM whose brokerage accounts are held in custody through Fidelity Brokerage Services LLC and its affiliate, National Financial Services LLC.

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

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

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

Conflicts Related to Affiliations and Affiliated Activities

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

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

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

Conflicts Related to Unaffiliated Activities

FRIM is also an insurance agency under Eagle Private Insurance Services. The agency was created for the purpose of offering risk management services and certain insurance related products to clients not otherwise available through an affiliated entity. These services and products are offered through an agreement with FRIM and M Financial Holdings Incorporated, a Delaware Corporation and an unaffiliated entity of FRIM or any of its affiliates. As a result, certain FRIM supervised persons and related sales personnel are securities registered with M Holdings Securities, Inc. ("MHS"), a member firm of the Financial Regulatory Authority (FINRA), and an unaffiliated broker-dealer. FRIM, supervised persons and related sales personnel receive compensation on certain insurance or securities products offered through MHS. Thus, FRIM and its supervised persons have an incentive to recommend certain insurance and securities products through MHS for which FRIM and the supervised persons receive compensation. All such compensation will be fully disclosed.

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

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

Procedures established in the Code are intended to prevent and detect any conflicts of interest and

prohibited activities in connection with personal trading or other activities on the part of FRIM's employees. All of the provisions of the Code apply to all of FRIM's employees.

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

- A. **Beneficial Ownership**
All accounts in which an Access Person has a Beneficial Ownership interest, examples include: Brokerage, IRA, Joint, UGMA/UTMA, Trust accounts, discretionary (managed) accounts.
- B. **Immediate Family**
All accounts of Access Person's household, including but not limited to spouse, domestic partner, parents, children, or anyone for whom the Access Person provides material financial support.
- C. **Investment Control**
All accounts over which an Access Person has direct or indirect control or influence on investment decisions including, any arrangement where the Access Person serves as an agent, executor, and trustee, hold power of attorney, or in another similar capacity.

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

- Prohibitions on Initial Public Offerings & Initial Coin Offerings;
- Restriction on Private Investments;
- Prohibition on Short Term Trading Profits (30 day Holding requirement);
- One full trading day black out period for changes to FRIM's recommended list;
- For investment professionals, a prohibition on buying or selling a security of an issuer traded in an associated client account within 5 days (2 days prior to the client trade, same day or 2 days after) the client trade, except for De-Minimis trades defined as daily transactions in Covered Securities involving less than 10,000 shares or \$100,000 (whichever is greater) in securities with market capitalization larger than \$5 billion;
- Prohibition of Trading in FRC Stock during the "Closed Period";
- Prohibition on cross trades or transfer of ownership;
- Limits relating to gifts given and received;
- Restriction on trading securities on Watch List and Restricted List;
- Pre clearance of all outside business activities and political activity;
- Reporting requirements to Compliance including:
 - Initial disclosure and quarterly certification of account holdings
 - Initial and annual Code of Ethics and Compliance Manual attestation
 - Initial and quarterly Conflicts of Interest Policy attestation
 - Quarterly transactions certification
 - Timely disclosure and quarterly certification of gifts
 - Initial and quarterly Private Investment certification
 - Initial disclosure and quarterly certification of brokerage accounts
 - Initial disclosure and quarterly certification of Outside Business Affiliations
 - Initial disclosure and quarterly certification of Political Activity
 - Initial disclosure and quarterly certification of employee/ client affiliations

A full copy of the aforementioned Code of Ethics is available to any client or prospective client upon

request to the CCO at the address, fax or phone number provided on the cover page of this brochure.

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

Where a Wealth Manager's interests are aligned and they invest in the same strategy as the client, and that Wealth Manager trades the same way alongside clients, that is buys or sells the same securities at the same time and at the same price as for FRIM's clients, and aggregates and average prices these purchases and sales, they are exempt from pre clearance rules.

Neither FRIM nor any related person is an issuer of any securities purchased for clients on a discretionary basis, and neither FRIM nor any related person has a material financial interest in any security purchased for any client on a discretionary basis.

Neither FRIM nor any related person acts as a general partner to a partnership in which clients are solicited to invest or offered to advisory clients, however, FRIM is an Adviser to the Altair family of private pooled investment vehicles, and the conflict that this represents is described in the Private Placement Memorandum for each such fund.

Registered representatives of FRIM-affiliate FRSC recommend mutual funds that participate in Pershing's FundVest Program, through which Pershing waives transaction charges for purchases of mutual funds in brokerage accounts (not advised or managed by FRIM) that would normally carry a transaction charge. Once certain asset thresholds of FundVest mutual funds are met, Pershing shares revenue with FRSC, providing an incentive for registered representatives of FRSC to recommend mutual funds that participate in the FundVest Program. Redemptions of shares of mutual funds that participate in the FundVest Program have in the past and likely will in the future be assessed a short-term redemption fee by Pershing if sold within six months, which FRSC can absorb or increase at its discretion.

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

Review of Accounts

Periodic Reviews

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

Review Triggers

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

Regular Reports

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

Referrals and Other Compensation

FRB refers clients of the Bank to FRIM and vice versa. FRIM encourages Bank referrals and offers compensation, recognition and awards for bankers who refer business to FRIM. Additionally, FRTC and FRTC-DE refer clients to FRIM and vice versa. FRIM offers compensation for these referrals.

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

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

Registered representatives of FRIM-affiliate FRSC recommend mutual funds that participate in Pershing's FundVest Program, through which Pershing waives transaction charges for purchases of mutual funds in brokerage accounts (not advised or managed by FRIM) that would normally carry a transaction charge. Once certain asset thresholds of FundVest mutual funds are met, Pershing shares revenue with FRSC, providing an incentive for registered representatives of FRSC to recommend mutual funds that participate in the FundVest Program. Redemptions of shares of mutual funds that participate in the FundVest Program have in the past and likely will in the future be assessed a short-term redemption fee by Pershing if sold within six months, which FRSC can absorb or increase at its discretion. Pershing, in its sole discretion, will add or remove mutual funds from the FundVest Program without prior notice. FRSC's participation in the FundVest Program presents a potential conflict of interest because it provides an incentive for registered representatives of FRIM-affiliate FRSC to recommend mutual funds that participate in the FundVest Program; however, FRSC has adopted internal policies and procedures that require its registered representatives to make recommendations that are suitable for clients.

Additional Compensation

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

FRIM provides investment advisory services to clients through managed account programs (dual contract)

sponsored by unaffiliated broker-dealers and other financial intermediaries. In a dual contract program, FRIM provides its advisory services pursuant to an advisory agreement directly with the client. A client can separately arrange with one or more unaffiliated third parties for custody, financial advisory and certain trading services to be provided. For these accounts, FRIM is appointed to act as an investment adviser through a process generally administered or assisted by the program sponsor. Clients participating in a program, generally with assistance from the sponsor, can select FRIM to provide investment advisory services for their account (or a portion thereof) for a particular strategy.

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

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

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

Financial Information

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

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

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

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