

# The Eagle Managed Assets Program (“EMAP”) Wrap-Fee Disclosure Brochure



A REGISTERED INVESTMENT ADVISER

## *Form ADV, Part 2A – Appendix 1*

51 Madison Avenue, Room 151  
New York, NY 10010  
(888) 695-3245  
<http://www.eaglestrategies.com>

March, 2011

This Wrap-Fee Program Disclosure Brochure provides information about the qualifications and business practices of Eagle Strategies LLC (“Eagle”), Independent Portfolio Consultants, Inc. (“IPC”) and the Eagle Managed Assets Program that you should consider before becoming a client.

**If you have any questions about the contents of this brochure, please contact us at [eagleoperations@newyorklife.com](mailto:eagleoperations@newyorklife.com) or (888) 695-3245. The information in this brochure has not been approved or verified by any governmental authority, including the United States Securities and Exchange Commission or by any state securities authority.**

Additional information is also available about Eagle on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

\*\*\*\*\*

## **2. Summary of Material Changes**

\*\*\*\*\*

This document has been updated to comply with new Form ADV disclosure requirements imposed by the SEC. Accordingly, the format and content differs from our prior Form ADV, although many of the disclosures remain substantially similar to our prior Form ADV. There are no material changes to disclose as a result of creating the new Firm Brochure ADV Part 2A for 2011.

\*\*\*\*\*

### 3. TABLE OF CONTENTS

\*\*\*\*\*

<b>1. EMAP COVER PAGE .....</b>	<b>1</b>
<b>2. SUMMARY OF MATERIAL CHANGES.....</b>	<b>2</b>
<b>3. TABLE OF CONTENTS .....</b>	<b>3</b>
<b>4. SERVICES, FEES AND COMPENSATION.....</b>	<b>5</b>
INTRODUCTION.....	5
EAGLE MANAGED ASSETS PROGRAM .....	5
EAGLE MANAGED ASSETS PROGRAM SERVICES .....	6
<i>Multiple Strategy Portfolio Services .....</i>	<i>7</i>
Investment Philosophy and Style .....	7
EAGLE MANAGED ASSETS PROGRAM FEES .....	8
<i>EMAP Annual Fee Schedules.....</i>	<i>9</i>
Eagle Equity Accounts Up To \$1,000,000.....	9
Eagle Balanced Accounts Up To \$1,000,000.....	10
Eagle Fixed Income Accounts* .....	10
Eagle Preferred Equity/Balanced Accounts** (over \$1,000,000).....	10
Eagle Equity Opportunistic Accounts.....	10
Eagle Preferred Fixed Income Accounts (over \$1,000,000) .....	11
Multiple Strategy Portfolio Accounts .....	11
Asset Retention Incentive Program.....	11
<i>Additional Client Fees .....</i>	<i>12</i>
<i>Evaluating the Cost of the EMAP Wrap-Fee Program.....</i>	<i>13</i>
<b>5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS.....</b>	<b>13</b>
MINIMUM ACCOUNT SIZE; ACCOUNT TERMINATION .....	13
TYPES OF CLIENTS .....	14
<b>6. PORTFOLIO MANAGER SELECTION AND EVALUATION .....</b>	<b>14</b>
INVESTMENT MANAGER DUE DILIGENCE.....	14
<i>Selection of Investment Managers Available in the Program.....</i>	<i>14</i>
<i>Ongoing Evaluation of Investment Managers in the Program.....</i>	<i>16</i>
INVESTMENT MANAGER SELECTION .....	16
<i>Selection of Investment Managers for Client Portfolios .....</i>	<i>16</i>
<i>Ongoing Evaluation of Investment Managers for Client Portfolios.....</i>	<i>17</i>
<i>Voting Client Securities (Proxy Voting Policy Summary).....</i>	<i>17</i>
<b>7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS.....</b>	<b>18</b>
INVESTMENT POLICIES AND INVESTMENT MANAGER COMMUNICATIONS .....	18
<b>8. CLIENT CONTACT WITH PORTFOLIO MANAGERS.....</b>	<b>19</b>
<b>9. ADDITIONAL INFORMATION.....</b>	<b>19</b>
DISCIPLINARY INFORMATION .....	19
OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS.....	19
CODE OF ETHICS .....	20
PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING .....	20
<i>Brokerage Executions .....</i>	<i>20</i>
Brokerage Transactions.....	20

REVIEW OF CLIENT ACCOUNTS.....	21
<i>Client Reporting</i> .....	22
<i>Electronic Access of Communications</i> .....	23
CLIENT REFERRALS & OTHER COMPENSATION .....	23
<i>Referral Arrangements</i> .....	23
<i>Additional Compensation to Eagle and Its Affiliates</i> .....	23
OTHER CONFLICTS OF INTEREST .....	23
FINANCIAL INFORMATION .....	24

\*\*\*\*\*

## **4. Services, Fees and Compensation**

\*\*\*\*\*

### **INTRODUCTION**

Eagle Strategies LLC (“Eagle”) is an indirect wholly owned subsidiary of New York Life Insurance Company (“New York Life”), a mutual insurance company that has been in existence for over 165 years. Eagle Investment Adviser Representatives (“Eagle IARs” or “IARs”) are licensed (if and as required by State securities law) to provide investment advisory services and to sell investment products. The primary investment advisory business and the principal business activity of Eagle is to provide financial planning and investment management services. Eagle is an investment adviser registered with the Securities and Exchange Commission and is notice filed with appropriate state securities authorities. Registration does not imply a certain level of skill or training.

Eagle serves a variety of clients, including individuals, trusts, estates, charitable organizations, corporations and other business entities, and pension and profit sharing plans.

IPC is an investment adviser registered with the SEC and is notice filed with appropriate state securities authorities. Registration does not imply a certain level of skill or training. IPC is independent and employee owned, with corporate headquarters in Boca Raton, Florida, and has a history that dates back to 1987. IPC has achieved a solid history of supporting wrap-fee programs by employing a highly skilled group of experienced professionals, supported by an exceptional client services team. Individuals associated with IPC that provide these services are licensed, qualified and authorized to provide advisory services as investment adviser representatives.

IPC and Eagle are not affiliates. For more information on Eagle please see their Form ADV Part 2A Disclosure Brochure. For more information on IPC, please see their CMAP ADV Part 2A-Appendix 1 Disclosure Brochure.

### **EAGLE MANAGED ASSETS PROGRAM**

Eagle Managed Assets Program (“EMAP”) is a wrap-fee program, sponsored by Eagle. Eagle has partnered with IPC, and IPC serves as a consultant and as an investment advisor in the program. Among other things, IPC also performs due diligence on participating investment management providers (“Investment Manager”). EMAP is specifically designed for select individuals and institutional clients who prefer to have their portfolio professionally managed in a personalized manner and seek professional assistance in determining appropriate investment objectives, based on their own unique investment goals, preferences and constraints. A hallmark of the Eagle Managed Assets Program is the ability for the client to interact personally and directly with the Investment Manager responsible for their account(s).

IPC provides research services, recommends appropriate Investment Managers, and provides ongoing evaluation of the Investment Manager(s) the Client selects. IPC also provides various reports, including the client quarterly report to assist the Eagle IAR in the review of the Client's account(s).

The review and selection of IPC was based on their ability to provide an overall set of services necessary to administer the program, which may include a variety of functions such as investment management, research, technology and administrative support.

The Eagle Managed Assets Program and its services are described below. However, for information on other Eagle Wrap-Fee Programs, please contact Eagle as noted in the information provided on the front cover of this Brochure.

### **EAGLE MANAGED ASSETS PROGRAM SERVICES**

It has been found that many Clients demand personalized portfolio management services and desire assistance in determining appropriate investment objectives, taking into account their overall financial circumstances, objectives and risk tolerance. Clients may also desire assistance in: choosing an appropriate Investment Manager, monitoring the results of their investment account and making future investment management decisions, based both on account performance and upon changes in the Client's overall financial circumstances. The Eagle Managed Assets Program is an advisory wrap-fee program that provides this array of services. Under EMAP, both Eagle and IPC act as an investment advisers to the Client.

EMAP provides the investment advisory services above as follows:

- (1) The Eagle IAR will work with the Client to gather information from the Client about the Client's financial circumstances and objectives. Taking into account the Client's overall financial circumstances and objectives, IPC will assist the Client in determining an appropriate amount to be committed to personalized asset management, help assess the Client's risk tolerance and formulate appropriate personalized investment objectives for the Client.
- (2) In light of the Client's selected investment objectives, IPC will recommend to the Client investment management firms that are believed to be competent and appropriate to manage the Client's investment account.
- (3) IPC has arranged for Managed Account Services, LLC ("MAS") to act as broker in effecting trades in the Client's investment account at the direction of the Investment Manager(s) the Client selects. MAS will also serve as custodian of the securities in the Client's investment account.
- (4) IPC will report to the Client quarterly concerning the investment performance of the Client's account, and the Eagle IAR will review with the Client whether the Investment Manager of the Client's account is satisfactorily meeting the Client's investment objectives.

- (5) IPC will monitor the general performance and continuing capability of the Investment Manager(s) the Client has chosen and will recommend to the Client that the Client change Investment Managers, if and when this should be considered appropriate. The Eagle IAR will generally discuss the account's performance with a client on a quarterly basis.
- (6) The Eagle IAR will review with the Client, at least on an annual basis, the continuing appropriateness of the investment objectives the Client has selected in light of investment results achieved and in light of the Client's overall financial circumstances and any changes therein.

The Program's full range of customized services described in this section above may also be referred to as the "full-service" account provided by EMAP.

## **Multiple Strategy Portfolio Services**

### *Investment Philosophy and Style*

Multiple Strategy Portfolio ("MSP") is an investment strategy using investment models that provide for additional diversified management using various equity asset classes and strategies. A model is a master investment portfolio. Client portfolios are designed to look like and attempt to replicate the master investment portfolio.

The MSP Model portfolios help a Client achieve their personal investment objectives by using "asset allocation strategies," which consider the historic rates of return of different asset classes over long periods of time. An asset class is a broad group of individual securities or investments that have similar characteristics, such as risk or market capitalizations.

These multiple diversified strategies are contained in a single custodial account, hence the name "Multiple Strategy Portfolio." The primary purpose for investing into an MSP is to provide further diversification to the Client's portfolio, without significantly increasing the expected equity sector volatility in the process. Certain Clients participating in EMAP described above, who are able to meet minimum asset size standards, may choose to have a portion of their assets invested in an MSP account.

IPC uses model portfolios provided by other registered investment advisers ("Model Managers") in managing the portfolio. The Model Managers will act as Sub-Advisers to IPC in the MSP investment styles and strategies. As the coordinating manager of the Sub-advisers and of the MSP Model portfolios ("Overlay Portfolio Manager"), IPC has discretion over the MSP account. However, under certain circumstances and at the client's request, IPC may also act as a manager in an MSP account without a Sub-Adviser relationship.

The philosophy of the MSP is to design and to allocate model portfolios based upon the specific investment strategies selected by the Client utilizing certain “specialty” asset classes. For purposes of the MSP, specialty asset classes are generally identified as “small capitalization,” “mid capitalization,” “tactical asset allocation,” “international investment,” “global” and “real estate investment” strategies.

In terms of asset size, each specialty asset class portfolio makes up a significantly smaller percentage of the Client portfolio than the EMAP “full-service” asset class portfolios described above. It would be difficult for a quality Investment Manager to provide a high level of customized service to these small portfolios, which generally makes these asset classes unavailable in the “full services” version of EMAP.

IPC selects the Model Manager Models for the MSP based upon their specialized management styles and strategies. The Model Manager selects the securities for the Client’s MSP. Changes in a model portfolio are based upon the Model Manager’s Investment Policy, Research and/or Focus Committees’ decisions.

While both cash and securities may be utilized to establish MSP accounts, it is the intent of IPC that all securities so received be liquidated prior to, or simultaneous with, the purchase of securities for the account.

## **EAGLE MANAGED ASSETS PROGRAM FEES**

EMAP is an advisory wrap-fee program offered on a discretionary basis. The fee schedule applicable to an EMAP Account is determined based on the type and size of the account as set out below. Except as otherwise noted, fees are calculated per manager, for each account, based upon an overall Client relationship (i.e., total amount of assets and accounts to be managed).

All fees are negotiable based upon a number of factors including, but not limited to, the Client’s objective, family or other related accounts, amount of assets under management, the anticipated level of transactions, the number of managers and the investment strategy(ies) employed. Under limited circumstances, Eagle, in its sole discretion, may discount this fee. The fees are billed at the end of each calendar month in arrears, based upon the market value of the assets under management (without reduction for any margin debit) including accrued interest. Fees will be debited from the account in accordance with the Client authorization as set forth in the Letter Agreement with Eagle or the MSP Investment Advisory Agreement.

The fees include the costs associated with consulting, advisory and research services and include:

- Investment Manager due diligence
- Developing a Client’s Statement of Investment Policy
- Assisting the Client in the selection of Investment Managers, Styles and Strategies
- Professional investment management services
- Monitoring of Investment Managers, and review services
- Performance monitoring and reporting
- Ongoing Consulting and advisory services



The fees also include brokerage commissions on the purchase and sale of securities, if Managed Account Services, LLC and their clearing Firm, First Clearing, LLC (“MAS”) acts as broker, and custody charges, if MAS is the custodian. Additional fees may be incurred for transactions executed other than through MAS or if a custodian other than MAS is used. Managed Account Services, LLC is a securities broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”) and is a member of the Security Investors Protection Corporation (“SIPC”). The primary business of Managed Accounts Services, LLC is as a securities broker-dealer.

The initial fee covers the period from the inception date through the last day of the first billing month and will be pro-rated accordingly. Thereafter, the Client will be charged on a monthly basis in arrears. The monthly fee will be calculated based on the market value of the account on the last business day of the billing cycle and will become due the first business day following the month for which the fee is charged.

In the event an account does not maintain a sufficient cash or money market fund balance to cover EMAP’s fee, the Client may deposit additional funds (subject to certain restrictions for IRA and qualified retirement plan accounts) within five days, or Managed Account Services, LLC may, at its discretion, sell securities held in the account sufficient to cover fees.

For Clients subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or other tax qualified accounts, the receipt of compensation and fees referred to in this Brochure are subject to the restrictions imposed by ERISA and any applicable exemption thereto.

The total fee paid by the Client includes a portion for Eagle and its IAR, IPC, brokerage costs (if MAS acts as the broker-dealer) and custodial costs (if MAS is the custodian). The fee also includes the investment management services provided by the Investment Manager, Sub-Adviser or Model Manager based upon the fee schedule selected. Applicable fee schedules are as follows:

## EMAP Annual Fee Schedules

### *Eagle Equity Accounts Up To \$1,000,000*

	Market Value Of Account	Client Fee	Eagle	Investment Manager	IPC
First	\$ 500,000	2.500 %	1.000 %	0.750 %	0.750 %
Next	\$ 500,000	2.250 %	0.900 %	0.750 %	0.600 %
Over	\$ 1,000,000	<b><u>See the Eagle Preferred Account Fee Schedule Below</u></b>			

*Eagle Balanced Accounts Up To \$1,000,000*

	<b>Market Value Of Account</b>	<b>Client Fee</b>	<b>Eagle</b>	<b>Investment Manager</b>	<b>IPC</b>
First	\$ 500,000	2.500 %	1.200 %	0.500 %	0.800 %
Next	\$ 500,000	2.000 %	1.000 %	0.500 %	0.500 %
Over	\$ 1,000,000	<b><u>See the Eagle Preferred Account Fee Schedule Below</u></b>			

*Eagle Fixed Income Accounts\**

	<b>Market Value Of Account</b>	<b>Client Fee</b>	<b>Eagle</b>	<b>Investment Manager</b>	<b>IPC</b>
First	\$ 1,000,000	1.250 %	0.400 %	0.350 %	0.500 %
Next	\$ 4,000,000	1.000 %	0.350 %	0.300 %	0.350 %
Over	\$ 5,000,000	<b>Negotiable</b>			

\* Fixed income accounts with a minimum of \$1,000,000 may be managed in a passive, ladder approach at one half (1/2) the published, fixed income accounts fee schedule.

*Eagle Preferred Equity/Balanced Accounts\*\* (over \$1,000,000)*

	<b>Market Value Of Account</b>	<b>Client Fee</b>	<b>Eagle</b>	<b>Investment Manager</b>	<b>IPC</b>
First	\$ 1,000,000	1.750 %	0.775 %	0.500 %	0.475 %
Next	\$ 1,000,000	1.650 %	0.760 %	0.500 %	0.390 %
Next	\$ 3,000,000	1.500 %	0.750 %	0.400 %	0.350 %
Over	\$ 5,000,000	<b>Negotiable</b>			

\*\* ESOP accounts with a minimum of \$1,000,000 may be managed in a low turnover, buy and hold strategy at two-thirds (2/3) the published, equities accounts fee schedule.

*Eagle Equity Opportunistic Accounts*

	<b>Market Value Of Account</b>	<b>Client Fee</b>	<b>Eagle</b>	<b>Investment Manager</b>	<b>IPC</b>
First	\$ 1,000,000	1.750 %	0.775 %	0.550 %	0.425 %
Next	\$ 1,000,000	1.650 %	0.760 %	0.550 %	0.340 %
Next	\$ 3,000,000	1.500 %	0.750 %	0.550 %	0.200 %
Over	\$ 5,000,000	<b>Negotiable</b>			

*Eagle Preferred Fixed Income Accounts (over \$1,000,000)*

	<b>Market Value Of Account</b>	<b>Client Fee</b>	<b>Eagle</b>	<b>Investment Manager</b>	<b>IPC</b>
First	\$ 1,000,000	1.050 %	0.350 %	0.350 %	0.350 %
Next	\$ 2,000,000	1.000 %	0.350 %	0.300 %	0.350 %
Next	\$ 2,000,000	0.900 %	0.300 %	0.300 %	0.300 %
Next	\$ 5,000,000	0.800 %	0.300 %	0.250 %	0.250 %
Next	\$ 10,000,000	0.650 %	0.250 %	0.250 %	0.150 %
Over	\$ 20,000,000	<b>Negotiable</b>			

*Multiple Strategy Portfolio Accounts*

Clients will pay an annual fixed fee of 1% of assets under management in an MSP account plus \$2,500 per individual investment strategy model selected. However, the \$2,500 strategy model fee for the emerging market investment strategy may be waived if the client also selects the international investment model strategy. Generally, fees are not negotiable for the MSP and individual investment strategies. Exceptions are made for the Exchange-Traded Funds managed portfolios and portfolios managed by IPC without a Sub-Adviser arrangement. However, the overall MSP strategy fee may be negotiated under certain circumstances on a case-by-case basis. Eagle receives approximately 40% and IPC 60% of the annual fee for the investment advisory and management services provided.

Fees with respect to the portion of a Client's EMAP account not invested in the Multiple Strategy Portfolio will be calculated as set out in one of the other above stated fees schedules. Assets invested in the Multiple Strategy Portfolio Accounts will **not** be considered in establishing fees applicable to those other assets. For example, a Client has \$1,500,000 of investable assets and allocates \$500,000 to an MSP account and \$1,000,000 to an all equity "full-service" account. The MSP fee schedule would apply to the \$500,000 and the Eagle Preferred Accounts fee schedule above would apply to the \$1,000,000 account.

*Asset Retention Incentive Program*

Once the aggregate value of the Client accounts in the Eagle Managed Assets Program exceeds \$500,000 and an individual Client account has been retained in the Program for a minimum of one year, IPC will pay a portion of its fees relating to the individual Client account, excluding the Model Strategy Portfolio Accounts, to Eagle. Under the incentive program, IPC's portion of the fees relating to the individual Client account will decrease and Eagle's portion will increase by the following amounts:

<b>Market Value of Account</b>	<b>Incentive Amount</b>
\$ 0 to \$499,999	0%
\$ 500,000 to \$1,999,999	5% of IPC's Fees
\$ 2,000,000 to \$3,999,999	10% of IPC's Fees
\$ 4,000,000 and greater	15% of IPC's Fees

Eagle does not pay any amount of the incentive to its IARs.

## **Additional Client Fees**

The fee charged for participation in EMAP ("Program Fee") listed in this Brochure (including the Multiple Strategy Portfolio) is known as a "wrap-fee." The Program Fee covers the cost of most services provided by EMAP, Investment Managers, Sub-Advisers and Model Managers including fees for program operations, Managed Account Services, LLC ("MAS") custodial charges and all brokerage commissions of MAS. The Program Fees do not include: (1) custodial fees for assets held outside MAS; (2) account maintenance or trustee fees charged for MAS (or their clearing agent, First Clearing LLC) on qualified retirement plan, IRA, cash management or similar accounts; (3) transfer taxes; (4) dividend reinvestment costs; (5) odd-lot differentials; (6) foreign receives and delivers; (7) safekeeping fees or (8) any other charges imposed by law or otherwise agreed to with regard to Client accounts. These fees will be charged to Client accounts in addition to the Program Fees.

As with most wrap-fees, the Program Fee does not cover the management, distribution and other fees and expenses incurred by mutual funds, money market funds, unit trusts, exchange-traded funds or closed-end funds held in a Client's account. These fees are paid to the fund's investment advisers and other service providers, but ultimately are borne by all shareholders.

The Program Fee does not cover debit balances with MAS, any other custodian fees, nor margin interest on such margin debit balances. To the extent that margin is used, fees will be calculated on the total market value of the account without the reduction of any debit balance. Trades in securities that customarily trade in "dealer markets," such as fixed income securities, may be placed through broker-dealers other than MAS, and, accordingly, the net purchase or sale prices reflected on Client confirmations of such trades may reflect commissions or dealer "markups" or "markdowns" charged and "spreads" earned by such other broker-dealers. This is also true when Investment Managers select broker-dealers other than MAS for some, or all, of their trade executions.

IPC and the Client agree that MAS may withhold any tax to the extent required by law, and may remit such taxes to the appropriate governmental authority. Additionally, the cash that is in the Client's Account awaiting investment may be placed in money market funds with management expenses and distribution fees which are paid under distribution plans adopted by the funds pursuant to Rule 12b-1 under the Investment Company Act of 1940.

## **Evaluating the Cost of the EMAP Wrap-Fee Program**

Portfolio management services, if purchased separately, may cost more or less than if paid for on a wrap-fee basis as described in this Brochure. The wrap fee programs may cost more or less than participating in other programs or paying separately for investment advice, brokerage services, custodial services, etc. IPC, Eagle and Eagle IARs receive compensation as a result of client participation in the programs described herein. Similarly, the compensation received by IPC, Eagle and the Eagle IAR may be more or less than they would have received had the Client participated in another program or paid separately for investment advice, brokerage services, custodial and other services. Sales compensation varies between the wrap fee programs and other programs and financial products. IPC, Eagle and the IAR may have a financial incentive to recommend the programs described herein over other programs or services. Sales compensation varies between EMAP and various other financial products referred to herein and the IAR may have a financial incentive to recommend EMAP over other programs or services.

Factors affecting the total cost of the services and the IAR's compensation include, but are not limited to the:

- costs associated with separate professional services; combination of such fees may be higher or lower than a single wrap-fee
- frequency or volume of trading activity, or lack thereof
- associated costs of trading
- the value of custodial and other brokerage services
- the advisory services and consulting services provided
- professional account management services

\*\*\*\*\*

## **5. Account Requirements and Types of Clients**

\*\*\*\*\*

### **MINIMUM ACCOUNT SIZE; ACCOUNT TERMINATION**

Generally, the minimum dollar relationship size for each manager within EMAP is \$1,000,000, with the exception of the MSP. The maximum number of individual accounts permitted in a \$1,000,000 relationship is three. The minimum account size is \$250,000 within a relationship.

An MSP Account is available to Clients who have opened an EMAP "full-service" account with at least \$1,000,000 under management. In order to open a MSP account, a Client must have a minimum investment of \$500,000 for the MSP account. The MSP is an accommodation offered to further diversify a Client's other EMAP investments and is not offered as a stand-alone service or product. Eagle and IPC reserves the right to terminate a Client's account within the MSP, if that Client fails to maintain a full-service managed account within EMAP.

The MSP minimum account size is \$500,000. However, within the MSP account, the average minimum investment per style or strategy is \$250,000. For example, a Client may have selected two investment styles within an MSP, one style with \$400,000 while the other style is invested with \$100,000, totaling \$500,000. The two investments meet the average minimum investment requirement of \$250,000.

These minimum and maximum constraints may be waived at Eagle's and IPC's discretion. Although Eagle's general business practice is not to terminate accounts based upon reduction in account value, Eagle reserves the right to terminate an account that drops below the required minimum size.

Either Eagle or the Client may terminate the management agreement(s) upon 30 days' prior written notice. In addition, the Client has the right to terminate the agreement(s) at no cost (excluding market fluctuations or possible tax ramifications in event of a liquidation), upon written notice to Eagle, any time within five business days after the effective date in which the Client signed the agreement(s). If participation in a wrap-fee program is terminated by either Eagle or the Client, a pro-rata fee from the date of termination through the end of the previous billing period will be billed.

## **TYPES OF CLIENTS**

Clients include, but are not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable or non-profit organizations, corporations, and municipalities. Tax-qualified pension and profit-sharing plans or other retirement vehicles subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or the Internal Revenue Code of 1986, as amended are subject to special rules.

\*\*\*\*\*

## **6. Portfolio Manager Selection and Evaluation**

\*\*\*\*\*

## **INVESTMENT MANAGER DUE DILIGENCE**

### **Selection of Investment Managers Available in the Program**

IPC provides research and consulting services to assist in its recommendations of appropriate Investment Managers. IPC also performs periodic due diligence and evaluations of the Investment Manager.

The Investment Managers available in EMAP are chosen by IPC through a detailed assessment of the Investment Managers investment philosophy, style, methodology and technical procedures. The program utilizes Investment Managers with varying investment styles and geographic locations. The Investment Managers chosen for EMAP generally possess or exhibit:

- Specifically stated goals
- Identifiable and consistent investment strategies
- A proven track record
- An appropriate level of assets under management
- Upon acceptance to EMAP, claim compliance to the Global Investment Performance Standards (“GIPS®”\*) (except for MSP Model Managers)

\*The Global Investment Performance Standards (“GIPS®”) are a set of standardized, industry-wide ethical principles that provide investment firms with guidance on how to calculate and report their investment results to prospective clients. The GIPS® standards are voluntary and are based on the principles of full disclosure and fair representation of investment performance results.

After IPC determines that the above parameters have been satisfied, IPC’s review continues. This review which may include, but is not limited to, the development of a company profile, analysis of the organization and its procedures and an assessment of the firm’s adherence with regard to some of the general requirements and disclosures of the Investment Advisers Act of 1940. An evaluation of the following may also be completed: (1) the company’s compliance with industry standards; (2) operations; (3) marketing and Client support services; (4) growth characteristics and (5) regulatory/compliance history.

IPC conducts performance reviews of the Investment Managers to determine (1) the methodology used in calculating performance, (2) the standards that are being applied and (3) the methods by which the performance composites that are used in the program are constructed. Generally, Investment Managers indicate that performance is presented in conformity with the Global Investment Performance Standards. However, not all Investment Managers calculate and report performance in a uniform and consistent basis. Additionally, not all Investment Managers receive a third-party audit of their GIPS® compliance. Inquiries are made by IPC into the methodology used in order to gain a comfortable understanding that the composite performance of the style for which IPC engaged the Investment Manager is calculated in a prudent manner and in compliance with applicable rules and regulations. While IPC reasonably believes such performance numbers are accurate, IPC does not perform a review of the numbers themselves and neither IPC, Eagle nor a third party independently verify nor attest to the stated performance of any Investment Manager.

Other resources that may be used to identify and monitor Investment Managers include the database services, Form ADV, other disclosure documents, detailed questionnaires completed by each Investment Manager and on-site visits to each Investment Manager.

Due diligence will also be conducted by IPC on the Model Manager. However, the MSP services may not include the due diligence specific to a performance composite as it relates to the management style. This may result as some Model Managers contract with various firms (“contracted firms”) to provide investment models but may not have many individual Clients of their own that are necessary to create their own performance composite.



Currently, per industry regulations, such Model Managers are not permitted to show other (contracted firm's) Clients as their Client.

Investment Managers recognize the importance of knowing the Clients' objectives and needs and, working with the Eagle IAR and IPC Consultant, will strive to foster a relationship of trust and understanding.

EMAP's equity Investment Managers' investment strengths and styles fall within the broadly defined categories of growth, core, value and yield/value; however, a commitment to preservation of capital, liquidity and investment quality is key to each. Fixed income management is based on investing in a diversified selection of high quality bonds that provide satisfactory levels of income. Tax considerations are important, and Investment Managers are utilized in both taxable and tax-exempt markets.

## **Ongoing Evaluation of Investment Managers in the Program**

Ongoing Investment Manager due diligence reviews are also a part of EMAP services provided. The extent of the review is determined by, among other things, the length of time the Investment Manager has been in EMAP and changes in Investment Manager's personnel or processes. Also, information is obtained from each Investment Manager concerning specific composite performance results for each quarter. In addition, periodic visits are made to each of the Investment Managers to review the firm and update information.

IPC may decide the Investment Manager is no longer appropriate for the Program for various reasons; including, but not limited to: (1) deviation from its stated style and philosophy, (2) performance that varies significantly from its stated benchmark over a market cycle, (3) the loss of key firm personnel, (4) the development of material regulatory problems or compliance issues, or (5) failure to claim compliance with the Global Investment Performance Standards (GIPS®), except as noted above for the MSP. In such cases, the IPC may recommend that the Client select a different Investment Manager.

An Investment Manager will not be recommended for termination from the program solely for having short-term performance that is sub-par in relation to market performance if they have maintained their stated investment style and philosophy, even if such strategy is currently not popular.

## **INVESTMENT MANAGER SELECTION**

### **Selection of Investment Managers for Client Portfolios**

IPC recommends an unbiased, individual portfolio strategy, assisting each Client in the selection of one or more of the available Investment Managers and the appropriate styles/strategies that best meet the Client's investment objectives. When making a recommendation, the following are typically reviewed: the Client's investment objectives and goals, net worth, current income, future income needs, liquidity needs, risk tolerances, tax considerations, current investment structure and other specific needs if communicated by



the Client. An assessment is made based upon economic and market conditions in relation to the information reviewed above. A recommendation as to the Client's appropriate Statement of Investment Policy is developed from the assessment.

## **Ongoing Evaluation of Investment Managers for Client Portfolios**

Performance for each account in EMAP is calculated and reported to the Client by IPC in conformance with industry standards that IPC believes are reasonable. Discrepancies between account performance and Investment Manager or Model Manager composite performance may occur as a result of an account's individual investment guidelines and/or restrictions. The performance of Client account(s) may deviate from the Investment Manager's or Model Managers composite performance for the accounts it manages in the same style because of the size of the Client's account(s), the presence or absence of investment restrictions, the timing of trades and the presence or absence of cash deposits and withdrawals.

The Investment Manager or Model Manager may no longer be appropriate for the Client for various reasons; including, but not limited to:

- the results based upon IPC's Ongoing Evaluation of Investment Managers in EMAP (as described above in Section 6) where the Investment Manager would be terminated in EMAP
- the Investment Manager's deviation from its stated style and philosophy within a Client's account
- Investment Manager continuously deviates from the investment mandate in the Client's Statement of Investment Policy, unless Client authorizes such changes
- performance that varies significantly from the Client's stated benchmark over a market cycle
- the development of material regulatory problems or compliance issues or
- changes in the Client's circumstances

In such cases, IPC may recommend that the Client select a different Investment Manager.

If a Client decides to switch Investment Manager, IPC's Ongoing Consulting Group will work the Eagle IAR and the Client to establish an updated Statement of Investment Policy and recommend a new Investment Manager. However, the Client should be aware that a new Investment Manager might not accept all or any of the securities acquired by the former Investment Manager; therefore, liquidation of the portfolio may result in tax consequences for the Client.

## **Voting Client Securities (Proxy Voting Policy Summary)**

Within the MSP, IPC has responsibility for voting proxies consistent with the best economic interests of the Clients. IPC's policy and practice includes the implementation of a Proxy Voting Service for corporate actions and Client proxies. Clients may retain the right to vote any proxies or take action relating to specified securities held in the Account provided the

Client gives timely, written prior notice to Eagle and IPC. Clients are provided the option to vote their proxies in the Investment Management Agreements and Investment Advisory Agreements. IPC makes the information available to Clients about the voting of proxies for their portfolio securities upon request. A copy of the Policy and voting information may be obtained by writing to: Independent Portfolio Consultants, Inc., Attention: Compliance, 5002 T-Rex Avenue, Suite 225, Boca Raton, FL 33431.

\*\*\*\*\*

## **7. Client Information Provided to Portfolio Managers**

\*\*\*\*\*

### **INVESTMENT POLICIES AND INVESTMENT MANAGER COMMUNICATIONS**

For each account, an investment management agreement is signed between the Client and the Investment Manager or IPC as the Overlay Portfolio Manager. This agreement outlines the terms by which the Client's account is to be managed. Attached, to the EMAP "full-service" account investment management agreement is a statement of investment objectives that outlines the Client's investment objectives. This includes such information as: the purpose of the account, the Client's primary investment objective, tolerance for risk, liquidity needs, age, occupation, income, net worth and other special considerations that would impact how the Client desires the account to be managed. This information is passed on to the Investment Manager(s) selected by the Client. However, the MSP accounts are managed by IPC and no information is provided to the Model Manager(s) or Sub-Adviser(s).

If a Client's financial situation or investment objectives change and a Client wants to modify their investment objectives and or account restrictions at any time, the Client should notify their Eagle IAR or IPC. On a quarterly basis, the Client will be reminded to provide their Eagle IAR with any information regarding significant changes to his or her financial condition and other information that may change their investment objectives. IPC will communicate this to the Client's Investment Manager(s) or Overlay Portfolio Manager. This information typically requires the completion of a new Investor Profile Questionnaire and may require an update to the Client's Statement of Investment Policy which, if changed, will be provided to the Investment Manager.

EMAP provides Investment Managers but not Sub-Advisers with electronic access to Client portfolio holdings on a regular basis. Investment Managers may access Client portfolio statements that are balanced and reconciled monthly. Additionally, the electronic access enables the Investment Manager to view Client accounts daily and includes a list of the Client's holdings, a cash ledger of activity in the account for the current month, as well as a performance report for the Client's portfolio. Also, EMAP provides the Investment Manager with access to an electronic copy of the Client's quarterly portfolio report and the personalized EMAP consulting letter as described below in Section 9.

\*\*\*\*\*

## **8. Client Contact with Portfolio Managers**

\*\*\*\*\*

A Client may choose to meet or speak with their Investment Manager directly to review their account objectives and performance. The Eagle IAR, through the Ongoing Consulting Group, coordinates the conferences or meetings with their Investment Manager(s). The Investment Manager is the person who is making the investment decisions pertaining to the Client's account on a day-to-day basis. Clients may communicate directly with their Investment Manager(s), consistent with the reasonable constraints of the Investment Manager's business. The Investment Manager will make personnel knowledgeable about the account and its management reasonably available for consultation with clients

However, the MSP services described above in Section 4 do not provide the Client with the following services:

- direct contact with the Sub-Adviser or Model Manager,
- an extensive amount of individual portfolio customization, in-depth, coordinated tax planning or
- the ability to consider previously existing holdings.

For these accounts, Client's input is primarily limited to decisions about the target amount of cash equivalents in the investment policy target allocation and the individual security restrictions. The Client's Eagle IAR and IPC Consultant will meet or conference with the Client, at the Client's request, to review their account objectives and performance. While an initial Client presentation, via a telephone conference call, may be provided by a specific Model Manager, ongoing Client consultation will be provided primarily by an IPC Consultant and the Eagle IAR. The Model Manager will make personnel knowledgeable about the account and its management reasonably available for consultation with clients

\*\*\*\*\*

## **9. Additional Information**

\*\*\*\*\*

### **DISCIPLINARY INFORMATION**

In March 2011, Eagle paid a \$21,500 civil penalty to the State of Illinois Securities Department for not properly registering one investment adviser representative in his state of residence.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

Please see Eagle's ADV Part 2A Disclosure Brochure and IPC's CMAP ADV Part 2A-Appendix 1 Disclosure Brochure for further information.

## **CODE OF ETHICS**

Please see Eagle's ADV Part 2A Disclosure Brochure and IPC's CMAP ADV Part 2A-Appendix 1 Disclosure Brochure for further information.

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING**

Please see Eagle's ADV Part 2A Disclosure Brochure and IPC's CMAP ADV Part 2A-Appendix 1 Disclosure Brochure for further information.

### **Brokerage Executions**

The wrap-fees charged under EMAP cover brokerage execution at no additional charge for trades executed by MAS and/or its clearing entity, First Clearing, LLC ("MAS Trading"). Wrap-fees do not cover charges resulting from trades affected with or through broker-dealers other than MAS or their agents nor mark-ups nor markdowns by such other broker-dealers.

#### *Brokerage Transactions*

The program's policy is to not accept advisory Clients' instructions for directing a Client's brokerage transactions to a particular broker-dealer.

Investment Managers in the EMAP are generally free to consider MAS trading capability versus other brokers' trading capability. However, IPC anticipates that most trades will be placed through MAS for execution because of their execution capabilities and because the wrap-fee paid by Clients covers trade charges only when trades are executed through MAS or their agents. Wrap-fees do not cover charges resulting from trades effected with, or through, broker-dealers other than MAS or their agents nor mark-ups nor mark-downs by such other broker-dealers. Further, it is expected that Investment Managers would typically consider trades executed via MAS are without commissions or retail mark-ups or mark-downs when comparing the cost of trading for equity securities with other brokers. IPC would expect such a comparison by an Investment Manager would generally result in a decision to execute most trades through MAS Trading.

IPC has full discretion in the management of accounts in its capacity as a Portfolio Manager or Overlay Portfolio Manager for the MSP accounts. Clients direct IPC to use the brokerage services offered by MAS to effect transactions for the Client's account. IPC may use another broker or dealer to effect transactions for the account when it reasonably believes it can achieve best execution by using such other broker or dealer. However, because commissions for transactions executed by MAS are included in the wrap-fee the Client pays, IPC will not seek to negotiate commission rates with MAS and will use MAS to execute most, if not all, transactions for the account. However, if IPC believes that it would not be able to achieve best execution on a securities transaction by placing trades for the Client's account through MAS, IPC may execute securities

transactions through another broker-dealer, and the account will pay separate transaction costs.

### *Custody*

Managed Account Services, LLC utilizes First Clearing, LLC (“First Clearing”) member NYSE/SIPC, on a fully-disclosed basis for clearing and custody services. First Clearing, LLC, a non-bank affiliate of Wells Fargo & Company, produces account statements and trade confirms, and provides IPC with other recordkeeping, operational, clearing and custodial services. First Clearing, LLC is a member of FINRA, the Securities Investor Protection Corporation (“SIPC”), the New York Stock Exchange, the NASDAQ Stock Market and other major regional stock exchanges. Clients who maintain securities accounts with Managed Account Services, LLC, through First Clearing, are protected by the SIPC up to \$500,000 for cash and securities, with a limit of \$250,000 for cash awaiting reinvestment. For additional security, First Clearing also provides coverage in excess of the \$500,000 SIPC limits through its policy with Lloyds of London Syndicate, the underwriter of this additional protection. This additional protection covers missing securities and cash in Client brokerage accounts up to a firm aggregate limit of \$1 billion, of which \$1.9 million may cover cash awaiting reinvestment at the individual account level. However, this protection does not cover market losses. Assets held at outside custodians are not protected by First Clearing’s SIPC coverage or the additional insurance. Additionally, custody fees may be incurred if a custodian other than MAS is used. Neither IPC nor Eagle maintain physical custody of Clients’ funds or securities.

Information about trade aggregation practices, can be found in the Form ADV Part 2A Disclosure Brochures for the individual Investment Managers as well as IPC’s CMAP ADV Part 2A-Appendix 1 Disclosure Brochure.

## **REVIEW OF CLIENT ACCOUNTS**

On a daily basis, account activity is reviewed by IPC for exceptions (entries that are not consistent with the Client account) and violations of Client restrictions. Each EMAP account is balanced and reconciled, at least monthly, against the Client’s custodian’s statement. The IPC Manager of Advisory Operations is responsible for overseeing this activity.

On a quarterly basis, the IPC’s Consulting Group reviews each actively managed account relationship. These individuals review accounts to look at asset allocation, holdings, performance, as well as industry, sector and issue concentrations and for general adherence to an Investment Manager’s stated style. Any discrepancies noted will be reviewed with the Investment Manager. Other items reviewed may include the risk profile of the portfolio, the Client’s objectives and performance versus a comparable benchmark. The IPC Manager of Advisory Operations & Performance Analyst is also responsible for reviewing the performance for all accounts. Any account performance that significantly varies from a comparable benchmark is flagged. Accounts are also reviewed for dispersion characteristics. An

inexplicable or unsatisfactory response from the Investment Manager may subject them to a review by the Vice President of Due Diligence.

Account reviewers follow IPC's policies and procedures that are reasonably designed to detect or prevent violation of a Client's investment guidelines. If an issue is raised during a review, an inquiry must be made until such issue is resolved.

The Eagle IAR, along with IPC's Ongoing Consulting Group will review the Client's investment objectives and, on at least an annual basis, IPC will inquire if his or her financial situation or investment objectives have changed.

On a monthly basis, the Overlay Portfolio Manager(s) for the Multiple Strategy Portfolio ("MSP") accounts is responsible for reviewing these MSP accounts for performance dispersion. IPC develops its own internal Model Manager strategy performance composites for each model to track the Model strategy's overall composite performance. On a quarterly basis, IPC's composite strategy performance results are compared to the performance results that the Model Manager's strategy Model achieved in their own managed accounts which are reported in the Model Manager's composite results. Any significant divergence of MSP strategy results, as compared to Model Manager composite results, will be reviewed in order to determine if the divergence is logical, or if the divergence may be due to a problem with the implementation of the Model Manager's Model portfolio.

## **Client Reporting**

EMAP Clients are provided a quarterly report that includes portfolio analysis, portfolio performance, asset allocation, portfolio holdings, capital gains and losses report and a cash ledger detailing account transactions for the quarter. MSP Clients are provided a quarterly report that includes portfolio performance, asset allocation, portfolio holdings, capital gains and losses and contributions, withdrawals and income transactions for the quarter. The reports are generated following the quarters ending March 31st, June 30th, September 30th and December 31st.

EMAP also makes available quarterly a personalized EMAP consulting letter for Clients. The purpose of the consulting letter is to provide Clients with a meaningful framework within which to review their portfolio's recent quarterly performance, as well as the last 12 months' performance and inception-to-date performance, if available. The quarterly consulting letter is not provided for MSP accounts.

Portfolio performance reporting is calculated and presented by IPC independently of the Investment Manager and Model Managers. This third-party consultation about performance allows for a system of checks and balances when reporting a Client's performance. IPC follows industry standards in the calculation of performance information for a Client's account.

Clients generally receive confirmation of transactions, as well as monthly statements, from Managed Account Services, LLC in accordance with their EMAP agreement(s). If the Client



has selected a custodian other than Managed Account Services, LLC, the nature and frequency of reports will be determined by the agreement between the Client and the custodian. Eagle advises Clients to compare the information on their IPC statement with the statement from their custodian. If Clients have any questions about their statements, they should call their Eagle IAR or contact IPC Client Services at 561-912-1040 or 800-346-4570.

## **Electronic Access of Communications**

The Client may consent to electronic delivery of account communications (“Account Communications”) at IPC’s discretion. IPC will provide this delivery of Account Communications by giving Clients access to their account information via IPC’s internet site utilizing an access password and account number. This may include all current and future advisory account statements, trade confirmations, notices, disclosures, regulatory communications, and other information, documents, data, and records regarding Client’s EMAP account. However, IPC is not able to provide electronic access or delivery of the Client’s custodian statements and information. This consent to electronic delivery, when given, will be effective immediately and will remain in effect unless, and until, revoked. Clients may revoke this consent at anytime and request paper copies by writing to: Independent Portfolio Consultants, Inc., Attention: Compliance, 5002 T-Rex Avenue – Suite 225, Boca Raton, FL 33431.

## **CLIENT REFERRALS & OTHER COMPENSATION**

### **Referral Arrangements**

Eagle does not directly compensate person(s) for client referrals. For information on IPC Referral Arrangements, please see the IPC CMAP ADV Part 2A-Appendix 1 Disclosure Brochure for further information.

### **Additional Compensation to Eagle and Its Affiliates**

The primary compensation under EMAP is derived from the wrap-fee. Please see Eagle’s ADV Part 2A Disclosure Brochure and IPC’s CMAP ADV Part 2A-Appendix 1 Disclosure Brochure for further information.

## **OTHER CONFLICTS OF INTEREST**

Eagle and IPC, with their various relationships, provide a broad range of financial services to Clients. In offering such services, Eagle and IPC, their employees, officers and affiliates may give advice and take action in the performance of their duties to certain of their Clients which may differ from advice given, or the timing and nature of action taken, with respect to other advisory Clients’ accounts.

IPC does provide a video conferencing unit to some Eagle IARs in their Eagle Strategies LLC company office at no cost to Eagle or the Eagle IAR. IPC believes that a video installation increases the effectiveness of the communication between the Eagle IAR, IPC and the Client.

The installation of a video conferencing unit to communicate with IPC may be considered an inducement for the Eagle IAR to recommend EMAP over other managed account services.

For additional information about other conflicts of interest, please see Eagle's ADV Part 2A Disclosure Brochure and IPC's CMAP ADV Part 2A-Appendix 1 Disclosure Brochure for further information.

## **FINANCIAL INFORMATION**

A copy of Eagle's most recent audited financial statement is attached to Eagle's Form ADV Part 2A Disclosure Brochure, which you received at the same time you received this Wrap Fee Program Disclosure Brochure.