



Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Blue Shores Capital, a division of Independent Portfolio Consultants, Inc. ("IPC"). If you have any questions about the contents of this brochure, please contact IPC at the address listed above, call us at (800) 346-4570, or send us an email at customerservice@ipcanswers.com. 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 IPC, an SEC-registered investment adviser, also is available on the SEC's website at www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

Material Changes

This section currently is not applicable. The SEC has adopted amendments to Part 2 of Form ADV and related rules under the Investment Advisers Act of 1940, as amended, (the “Adviser Act”), which significantly alters the disclosures that registered investment advisers must provide to clients. This brochure, dated May 18, 2012 (“Brochure”), is a new document prepared and provided in accordance with the new rules. As a result, it is different in structure and content from our previous Form ADV, Part II.

In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IARD) www.adviserinfo.sec.gov.

If you would like another copy of this Brochure or any other IPC brochure, please download it from the SEC website as indicated above or contact IPC at 800-346-4570 or customerservice@ipcanswers.com.

Table of Contents

ADVISORY BUSINESS	1
FEES AND COMPENSATION	5
TYPES OF CLIENTS.....	8
DISCIPLINARY INFORMATION.....	18
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	19
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	20
BROKERAGE PRACTICES.....	21
REVIEW OF ACCOUNTS	23
CLIENT REFERRALS AND OTHER COMPENSATION	24
CUSTODY	25
INVESTMENT DISCRETION	26
VOTING CLIENT SECURITIES	27
FINANCIAL INFORMATION	28

ADVISORY BUSINESS

Principal Owners

Blue Shores *Capital* (“BSC”) was established as a proprietary investment management division of Independent Portfolio Consultants Inc. (“IPC”), an SEC-registered investment adviser, in 2007. IPC specializes in providing investment advisory, consulting and investment management services through managed accounts (“wrap-fee”) programs to wealth management companies (“Wealth Management Companies”) and their clients. The Wealth Management Companies that IPC services include nationally recognized insurance companies, registered investment advisers, brokerage firms, and financial/estate planning organizations. IPC has provided these services since 1987.

BSC provides discretionary investment advisory services to institutional investors through separate account management (“separate accounts”) as well as to investors through wrap-fee programs.

IPC is an independent corporation and is employee-owned by directors Alan D. Bush, Frederick S. Joyce, Jr. and David R. Koburger. IPC’s corporate headquarters are located in Boca Raton, Florida.

Types of Advisory Services

BSC provides investment advisory services to clients using a multiple capitalization core equity investment strategy offered in a global investment mandate. BSC makes this investment mandate available through equity and balanced strategies, the latter of which incorporates investment in fixed income securities through exchange-traded funds (“ETFs”). BSC also offers a standalone fixed income ETF strategy. In some market environments, BSC may invest in ETFs for other investment reasons. BSC’s use of certain strategies, or a combination of strategies, may vary depending on a client’s individual investment needs. See Item 8 for more information about investment strategies.

As noted above, BSC provides investment advice on a discretionary basis. The basis for BSC’s recommendation of a particular investment strategy is based upon information gathered while developing an investment policy for a client, specifically information provided by a client on an investor profile form (“Investor Profile Form”). The Investor Profile Form seeks to obtain information about the purpose of the account, a client’s primary investment objective, tolerance for risk, liquidity needs, age, occupation, income, net worth and other special considerations that would impact how a client desires the account to be managed. BSC’s investment professionals are responsible for making investment decisions with respect to an investment strategy, including the selection of securities to be held in a portfolio, subject to a client’s investment objectives and account restrictions. BSC may recommend a change in strategy should a client communicate a

change in their financial situation or investment objectives, or if a client wishes to modify their investment objectives or account restrictions.

For each account, an agreement is signed between the client and BSC that outlines the terms by which the client's account is to be managed ("Investment Advisory Agreement"). Attached to the Investment Advisory Agreement is the Statement of Investment Policy, which is prepared based on responses to the Investor Profile Form and outlines the client's investment objectives. On a quarterly basis, BSC provides a reminder to clients to provide BSC with any information regarding significant changes to their financial condition and other information that may change their investment objectives. If a client communicates a significant change in their investment policy or investment strategy, this information may require the completion of another Investor Profile Form and typically requires an update to the client's Statement of Investment Policy.

Clients should promptly notify BSC when a client's financial situation or investment objectives change or if a client wants to modify their investment objectives and/or account restrictions at any time.

BSC or a client may terminate the Investment Advisory Agreement upon 30 days' prior written notice. In addition, a client has the right to terminate the agreement at no cost (excluding market fluctuations), upon written notice to BSC, any time within five business days after the date on which the client signed the Investment Advisory Agreement. If the Investment Advisory Agreement is terminated either by BSC or the client, a pro-rata fee from the date of termination through the end of the previous billing period will be billed.

BSC and IPC, and their various relationships, provide a broad range of financial services to clients. In offering such services, IPC, BSC, its 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.

In periods of market volatility, BSC may be unable to invest new money contributed to an account, or proceeds from the sale of securities, as quickly as it might have been able to do under normal market conditions. BSC may be unable to sell securities to raise cash, or to accommodate a terminating client's request to sell securities, as quickly, or at favorable prices, as it might have been able to do under normal market conditions. Depending on market movements, such delays could have an adverse impact on client accounts.

Investment Restrictions

As discussed above, prior to a client retaining BSC to manage all or part of their financial assets, BSC conducts a careful review to determine the client's objectives and risk tolerances. BSC then develops an investment plan or Statement of Investment Policy for

the client based upon the client's investment goals, objectives and financial circumstances. Once the client accepts the Statement of Investment Policy, the client enters into the Investment Advisory Agreement. Under the Investment Advisory Agreement, BSC has full discretion in the management of the investments of a client account and the client authorizes BSC, without prior consultation with, or approval from, the client, to invest and reinvest the assets of the client's account. As noted above, BSC will work with a client to develop their investment objectives and investment strategies when a client establishes an account with BSC and if investment objectives change over time; however, a client's input is primarily limited to decisions about the targeted allocation to equity, fixed income and cash equivalents in the client's portfolio and individual security restrictions.

Both cash and securities may be used to fund accounts. However, it is the intent of BSC that all securities received to fund accounts be liquidated prior to, or simultaneous with, the purchase of securities for the account.

Wrap-Fee Programs

The services provided by BSC to clients in wrap-fee programs may differ from the services provided to clients in separate accounts. The investment strategies BSC uses in managing accounts in wrap-fee programs are similar to those offered to its separate account clients, but may vary depending upon a client or account's investment objectives or investment policies. BSC receives a portion of the wrap-fee as compensation for its advisory services.

To extent that permitted by a wrap-fee program, BSC may trade with broker-dealers that are not associated with a wrap-fee program sponsor. In such cases, clients may incur transaction and other costs and fees in addition to the wrap-fee. Wrap-fee clients in fixed income strategies generally incur mark-ups and mark-downs in securities transactions in addition to the wrap-fee payable to the wrap sponsor.

Depending upon the level of the wrap-fee charged by a wrap sponsor, the level of activity (trading volume or frequency) in a client account, the value of custodial and other services under a wrap-fee program, and the associated costs of trading, a wrap-fee client should consider whether the wrap-fee charged is more or less than the aggregate cost of such services if they were to be provided separately and BSC were free to consider trading with non-wrap-fee program broker-dealers. A client should recognize the brokerage transactions are made "net" of commissions (i.e., without commissions) and a portion of the wrap-fee is generally considered as being in lieu of commissions. Similarly, a client in a separate account paying separate fees should consider whether the fees charged by different parties for custody, advisory services, portfolio management services, securities execution and other services would exceed the aggregate cost of such services if they were provided in a wrap-fee arrangement.

Wrap-fee program clients should review all the materials related to their program (including the program brochure) regarding the program's terms, conditions and fees, and

consider the advantages, disadvantages and overall appropriateness of the program in light of the client's particular circumstances.

Assets Under Management

As of March 31, 2012 BSC's assets under management were approximately \$66,712,602 in discretionary assets. As of March 31, 2012, IPC's total assets under management were approximately \$1,833,067,643 (comprised of \$220,303,734 in discretionary assets and \$1,612,763,909 in non-discretionary assets).

FEES AND COMPENSATION

BSC's advisory fees are based on a percentage of assets under management. BSC's fees and services may be negotiable based on factors such as the client's objective, pre-existing relationship, related accounts, amount of assets under management, or the anticipated level of transactions. BSC's fees are calculated on the total market value of a client account, recorded in BSC's portfolio management/accounting system reports and reconciled with the client custodian's reports on a daily basis.

Advisory Fees for Separate Accounts

Generally, each client account is charged an annual \$2,500 strategy fee and 1% of the market value of assets under management. Fees may differ than those just described, or may be negotiated.

Advisory Fees for Wrap-Fee Program Accounts

For accounts offered through wrap-fee programs, BSC's fee is determined by agreement between the wrap-fee program sponsor and BSC, and may be up to 2.50% of assets under management.

Deduction of Fees

BSC's fees are billed either monthly or quarterly, depending on the type of client or wrap-fee program. Fees are generally based upon the market value of the assets under management without reduction for any margin debit and including accrued interest. Fees are charged in arrears. Fee practices may differ for certain wrap-fee programs.

For separate account clients, IPC may directly debit fees from a client's account pursuant to authorization provided by a client in the Investment Advisory Agreement. A separate account client may select to either have fees directly debited or to be billed for fees incurred.

No fee adjustment will be made to a client's fee schedule during any billing period for contributions or withdrawals, nor shall any adjustment or refund be made with respect to partial withdrawals or deposits by a client during any billing period.

In the event an account does not maintain a sufficient cash or money market fund balance to cover BSC's fee, a client may deposit additional funds (subject to certain restrictions for IRA and qualified retirement plan accounts) within five days, or the program sponsor or broker-dealer may, at its discretion, sell securities held in the account sufficient to cover fees.

Other Fees and Expenses

As part of its investment strategies, BSC may invest in ETFs and other pooled investment vehicles for a client's account. Additionally, the cash that is in a 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, as amended (the "1940 Act"). Any fee paid by a client does not cover the management, distribution and other fees and expenses incurred by mutual funds, money market funds, unit trusts, ETFs or closed-end funds held in a client's account. These fees are described in the prospectus of each respective investment product and are paid to the fund's investment advisers and other service providers, but ultimately are borne by all shareholders. When BSC invests client assets in funds, the client will bear its proportionate share of fees and expenses as a shareholder in the fund in addition to BSC's advisory fee.

Separate account clients will generally incur brokerage and other transaction costs. In wrap-fee programs that permit BSC to trade away from the wrap sponsor or its broker-dealer affiliate when such sponsor or its affiliate cannot provide best price or execution under the circumstances, BSC may trade away from such parties. In such cases, clients may incur transaction and other costs and fees in addition to the wrap-fee. Wrap-fee program clients should review all materials available from a third party sponsor concerning the program, sponsor and the program's terms, conditions and fees. Additional information about BSC's brokerage practices and brokerage costs can be found under Item 12.

Compensation for the Sale of Securities

IPC employees do not receive compensation for the sale of securities in wrap-fee program accounts. For separate accounts, many IPC employees who offer advisory services are also registered securities representatives of a broker dealer, Managed Account Services, LLC ("MAS"), with which IPC has entered into an agreement to execute client transactions. Such employees may execute trades for clients who also participate in IPC's wrap-fee programs or other advisory programs, including BSC, but they do not receive separate compensation for the execution of these trades. IPC anticipates that most trades will be placed through certain broker-dealers because of their trading execution capabilities or because a wrap-fee program paid by clients covers trade charges only when trades are executed through these broker-dealers or their agents. See Item 10.

Clients have the option to purchase BSC and IPC's investment advisory services through other brokers besides MAS.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

BSC does not charge any performance-based fees, which are fees based upon a share of the capital gains on, or capital appreciation of, the assets in a Client's account.

TYPES OF CLIENTS

BSC provides advisory services to a wide variety of individual and institutional clients, including, but not limited to, pension funds, high-net worth individuals, corporations, trusts, nonprofit organizations, endowments, foundations and wrap-free program clients.

Generally, the minimum initial account size managed by BSC is \$200,000, although wrap-fee program sponsors may have lower minimums. Although BSC's general business practice is not to terminate accounts based on reduction in account value, BSC reserves the right to terminate an account that drops below the required minimum. Specific minimum investments and account sizes may vary by wrap-fee program.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment analysis is conducted and strategies are implemented by the BSC Investment Strategy Committee for the following investment strategies that are described generally below: Global Long/Short Core Equity Strategy, Global Long/Short Balanced (“Balanced”) Strategy and Fixed Income Strategy. Balanced portfolios include an allocation to select fixed income ETFs in addition to equity securities.

BSC’s equity investment strategies employ two primary methods of analysis. First, BSC uses a top-down approach that examines global macroeconomic data and technical market security data. The second method focuses on individual security selection for the client portfolios.

The top-down macroeconomic analysis consists of reviewing the broad business conditions and market cycles in an attempt to determine target market exposure. To implement hedges to reduce market exposure, BSC increases the cash allocation and/or purchases inverse ETFs, which have the effect of reducing total long exposure.

BSC also applies technical analysis to multiple asset classes and markets to assist in the timing of the implementation of investment decisions that lead to portfolio changes.

The BSC security selection process uses a discounted free cash flow model to determine the valuation of stocks. BSC attempts to purchase securities when they are below their fair value estimate and sell when they are at or above their fair value estimate. Attractively valued securities are then screened based upon fundamental characteristics to determine a security’s style alignment (i.e., growth or value) for proper representation in a portfolio based upon BSC’s top-down macroeconomic analysis.

In some situations a global investment theme may be implemented using ETFs. This may occur when BSC, through its research, does not find sufficient individual stock opportunities that meet their criteria as good candidates to implement the global macro investment theme. Additionally, this process is supplemented with the use of technical analysis to assist in the timing of purchase and sell decisions.

When the portfolio management team has a neutral outlook on the global equity market, the portfolio typically maintains a 60% exposure to broad equity market movements. This exposure is increased and decreased as warranted by the portfolio management team’s interpretation of current market conditions. Oftentimes, broad market or sector ETFs may be purchased as temporary allocations until individual stock opportunities present themselves. At times, ETFs or exchange-traded notes (“ETNs”) that track the performance of commodities or currencies may be used. There is the risk that BSC’s hedging (or market timing) may be untimely, as the portfolio is hedged when markets go up, or not, when markets go down, thus resulting in portfolio values that are less than what they may have been otherwise. BSC may also invest in real estate investment trusts.

Fixed income allocations are managed based entirely on the top-down approach described above and implemented with fixed income ETFs. Fixed income allocations generally are intermediate in term structure and generally investment grade. Adjustments to duration and credit quality are made based on the top-down analysis approach.

General descriptions of BSC's investment strategies are described below. These descriptions are not intended to serve as account guidelines. BSC reserves the right to limit the availability of any investment strategy and may develop other investment strategies from time to time. BSC determines the use of a particular investment strategy or strategies based in part on a client's individual investment objectives. Therefore, investment strategies may vary by client.

Global Long/Short Core Equity Strategy

The Global Long/Short Core Equity portfolio consists of a diversified group of strategic individual equity holdings, in addition to, various tactical positions. An individual company is purchased for the portfolio primarily on the basis of the portfolio management team perceiving the business to possess some form of competitive advantage, in addition to, its stock trading at attractive absolute valuation levels. Tactical positions take into account ever-changing global business and market conditions and are implemented via the use of traditional and alternative ETFs and ETNs. Such securities often include, but are not limited to, synthetic short equity positions, as well as, long and short currency and commodity positions. Typically, when the portfolio management team has a neutral outlook on global equity markets, the portfolio will have an approximate 60% net long exposure to broad stock market movements. This exposure may be adjusted between 0%-100% as market conditions evolve with the goal of participating in up markets, while avoiding substantial losses in large corrections and bear markets.

Global Long/Short Core Balanced Strategy

In addition to investments in accordance with the Global Long/Short Core Equity Strategy described above, balanced portfolios have an allocation to select fixed income ETFs. Such accounts seek a balance between capital growth, capital preservation, and current income. The amount of client assets allocated to fixed income securities is determined based upon each client's unique return and risk objectives. Currently, BSC will only use fixed income ETFs for the portion of the portfolio to be allocated to fixed income and will not use bonds or debt securities.

Fixed Income Strategy

Depending upon a client's investment objectives, BSC may employ a fixed income strategy in conjunction with an equity strategy or as a standalone strategy in managing a client's account. The fixed income strategy seeks to provide low-risk current income and limited capital appreciation utilizing an intermediate fixed income investment strategy. The strategy also seeks investment results that correspond generally to the price and yield

performance, before fees and expenses, of the generally investment grade credit sector of (1) the U.S. bond market and the intermediate U.S. treasury market, as defined by the Barclays Capital U.S. Intermediate Government/Credit Bond Index for taxable investments and (2) the U.S. municipal bond market, as defined by the Barclays Capital Five Year Municipal Bond Index for tax-exempt investments.

The fixed income positions of a client's portfolio may be repositioned from time-to-time to adjust for certain interest rate scenarios based upon BSC's research and analysis of the yield curve. BSC uses research by select economists and/or market strategists for interest rate forecasts. Proprietary technical analysis (the use of price and volume patterns to forecast security price movements) is used to confirm any interest rate forecast before changes to the fixed income strategy security allocations are implemented.

Currently, BSC seeks exposure to fixed income securities through ETFs.

Risk Information

There can be no assurance that any investment, investment strategy or the investment asset allocation selected will be profitable or successful in achieving its investment objectives. Clients should understand the primary risk of investing in securities involves a loss of capital and should be prepared to bear such a loss. Investment in securities comes with inherent risks in exchange for a return on that investment. In general, an investor may lose all or a portion of their principal and experience volatility in the value of that principal over time for various reasons as outlined below. This list is representative of many risks and is not necessarily a complete indication of all the risks a client may assume.

Market risk is defined as the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates, commodity prices, and other relevant market rate or price changes (e.g., equity prices).

1. Fixed Income Securities (Bonds) Risk

BSC may invest in ETFs to gain exposure to taxable and tax-free fixed income securities. When an account invests in ETFs, it is subject to substantially the same risks as those associated with the direct ownership of the securities or other properly held by the ETF. Fixed income securities are debt obligations of the issuer. An investment strategy that invests in fixed income securities includes corporate bonds, government bonds, municipal bonds, other debt instruments, and ETFs and mutual funds that invest in these securities. Issuers generally pay a fixed, variable or floating interest rate and must also repay the amount borrowed at maturity. Some debt instruments, such as zero-coupon bonds, do not pay current interest, but are sold at a discount from their face value. Prices of fixed income securities generally decline when interest rates rise and rise when interest rates fall.

Investment strategies that invest in U.S. Government securities include securities issued or guaranteed by the U.S. Treasury, issued by a U.S. Government agency, or issued by a Government-Sponsored Enterprise (“GSE”). U.S. Treasury securities include direct obligations of the U.S. Treasury (i.e., Treasury bills, notes and bonds). Securities issued by a U.S. Government agency are backed by the full faith and credit of the U.S. Government or guaranteed by the U.S. Treasury (such as securities of the Government National Mortgage Association (“GNMA” or “Ginnie Mae”)). GSE securities are issued by certain federally-chartered but privately-owned corporations, but are neither direct obligations of, nor backed by the full faith and credit of, the U.S. Government. GSE securities include: bonds issued by Federal Home Loan Banks (“FHLB”), Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”) and the Federal National Mortgage Association (“FNMA” or “Fannie Mae”).

The market value (price) of fixed income securities can vary over time for various reasons such as those listed below:

Duration Risk: Duration is a measure of sensitivity of the change in market value to a given change in interest rates over time. Longer duration bonds, which typically have longer maturities, have more sensitivity to interest rate changes than short duration bonds. Additionally, longer-term debt and zero-coupon bonds are more sensitive to interest rate changes than debt instruments with shorter maturities.

Credit Risk: Fixed income securities are also subject to credit risk, which is the chance that an issuer will fail to pay interest and/or principal on time. Many fixed income securities receive credit ratings from Nationally Recognized Statistical Rating Organizations (“NRSROs”). These NRSROs assign ratings to securities by assessing the likelihood of issuer default. Changes in the credit strength of an issuer may reduce the credit rating of its debt investments and may affect their value. High-quality debt instruments are rated at least AA or its equivalent by any NRSRO or are unrated debt instruments of equivalent quality. Issuers of high-grade debt instruments are considered to have a very strong capacity to pay principal and interest. Investment-grade debt instruments are rated at least Baa or its equivalent by any NRSRO or are unrated debt instruments of equivalent quality. Baa-rated securities are considered to have adequate capacity to pay principal and interest, although they also have speculative characteristics. Lower-rated debt securities tend to pay higher interest and are more likely to be adversely affected by changes in economic conditions than higher-rated debt securities.

An issuer suffering an adverse change in its financial condition could cause a lowering of the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security’s liquidity, making it more difficult to sell. Investment strategies investing in lower quality debt securities, although generally having a higher

yield, are more susceptible to these problems and their value may be more volatile.

Non-Investment Grade Debt Risk: Credit risk is more pronounced for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality. The risk of default may be greater and the market for these securities may be less active, making it more difficult to sell the securities at reasonable prices, and also making valuation of the securities more difficult.

Additional Risks Associated with Municipal Securities: Income from municipal bonds held by a portfolio could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of a bond issuer. Certain municipal bonds may generate income that is subject to the alternative minimum tax.

2. *Equity Securities (Stocks) Risk*

Stocks generally represent an ownership share in a company. The market value (price) of those ownership shares fluctuate over time. Equity securities include common stocks and preferred stocks, as well as convertible securities and mutual funds and ETFs that invest in equity securities. Equity markets can be volatile. Stock prices rise and fall based on changes in an individual company's financial condition and overall market conditions. Stock prices can decline significantly in response to adverse market conditions, company-specific events, and other domestic and international political and economic developments. Stocks are also subject to the risks listed below:

Loss of Capital: An owner of stock can lose some or all of their investment.

Risk Related to Company Size: Investment strategies that include investing in mid, small and micro capitalization companies generally involves greater risks than investment strategies investing in larger, more established companies, and possibly have a higher probability of experiencing a loss of principal in exchange for potentially higher growth. The market may value companies according to size or market capitalization rather than financial performance. As a result, if mid-cap, small-cap or micro-cap investing is out of favor, these holdings may decline in price, even though their fundamentals are sound. They may be more difficult to buy and sell, subject to greater business risks and more sensitive to market changes than larger capitalization securities. However, the pattern of their volatility may be different than those of larger stocks; and, therefore, may have diversification benefits, possibly reducing the overall portfolio volatility.

Short Sales Risk: As part of the strategies described above, BSC will sell securities short. A short sale results in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale results in a loss if the price of the securities or commodity interests sold short increases. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend or interest that the portfolio may be required to pay with respect to the borrowed securities, offset (wholly or partly) by short interest credits. In a generally rising market, the portfolio's short positions may be more likely to result in losses because securities sold short may be more likely to increase in value. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss, except that short sales of fixed income securities, such as bonds, generally do not have an unlimited risk of loss.

To make a short sale, the portfolio must borrow the securities being sold short. It may not be possible for the portfolio to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities or commodities markets. In addition, special rules, which differ from jurisdiction to jurisdiction, apply to short sales at prices below the last sale price, which may prevent the portfolio from executing short sales at the most desirable time. If the prices of securities sold short increase, the portfolio may be required to provide additional funds or collateral to maintain the short positions. This could require the portfolio to liquidate other investments to provide additional margin, and such liquidations might not be at favorable prices. Further, the lender of securities can request return of the borrowed securities and the portfolio may not be able to borrow those securities from other lenders. Consequently, this will cause a "buy-in" of the short position, which may be disadvantageous to the portfolio.

Foreign Securities Risk: Investments in foreign securities involve certain risks that differ from the risks of investing in domestic securities. Adverse political, economic, social or other conditions in a foreign country may make the securities of that country difficult or impossible to sell. It is more difficult to obtain reliable information about some foreign securities. The costs of investing in some foreign markets may be higher than investing in domestic markets.

- However, some of this investment risk may be reduced by investing in foreign securities typically through ADRs. ADRs are certificates deposited with a U.S. bank that represent the right to own a foreign security. Since ADRs are traded in U.S. markets and the issuers are subject to the same auditing, accounting and financial reporting standards as domestic securities, owning ADRs has advantages over owning other foreign securities.

- Other risks an investor should be aware of when selecting an investment strategy that invests in foreign or international securities are:
 - i. **Currency Risk** – the risk that the U.S. Dollar’s exchange rate versus other currencies may change, thus increasing or decreasing the value of the stock once exchanged back into U.S. Dollars.
 - ii. **Political or Sovereign Risk** – Countries outside the U.S. have different legal, economic and political structures that can affect the value of investments in those countries.
 - iii. **Emerging Markets** – Investment strategies that invest in emerging international markets may experience additional risks beyond those listed above. Emerging markets may have less developed legal, economic and political structures that are in the process of emerging, and, therefore, may experience additional volatility beyond that of more economically developed countries.

Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been, and may continue to be, affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been, and may continue to be, affected adversely by economic conditions in the countries in which they trade. Because of the special risks associated with investing in Emerging Markets, investments in such securities should be considered speculative. Investors in such strategies are advised to consider carefully the special risks of investing in emerging market securities.

The risk also exists that an emergency situation may arise in one or more developing markets, as a result of which trading of securities may cease or may be substantially curtailed and prices for an investment strategy’s securities in such markets may not be readily available. Investors should note that changes in the political climate in Emerging Markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting to foreign investors the benefit

of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of the investment strategy.

3. *REIT Risk*

REITs are entities that invest in different kinds of real estate or real estate related assets, including shopping centers, office buildings, hotels, and mortgages secured by real estate. There are three types of REITs:

- Equity REITs, the most common type of REIT, invest in or own real estate and potentially make money for investors from rents they collect as well as from price appreciation;
- Mortgage REITs lend money to owners and developers or invest in financial instruments secured by mortgages on real estate; and
- Hybrid REITs are a combination of equity and mortgage REITs.

Investing in real estate and REITs involves special risks, such as: limited liquidity, changes in tax laws, tenant turnover or defaults, competition, casualty losses and use of leverage. Real estate values may fluctuate based on economic and other factors. An investment in real estate or REITs may not be suitable for all investors, and there are no assurances that the investment objectives of any real estate program or strategy will be attained.

4. *Exchange-Traded Funds Risk*

ETFs are open-end investment companies, unit investment trusts or depository receipts that may hold portfolios of bonds, stocks, commodities and/or currencies that are commonly designed, before expenses, to closely track the performance and/or yield of (i) a specific index, (ii) a basket of securities, commodities or currencies, or (iii) a particular commodity or currency. The types of indices sought to be replicated by ETFs most often include domestic equity indices, fixed income indices, sector indices and foreign or international indices. ETF shares are traded on exchanges and are traded and priced throughout the trading day. ETFs permit an investor to purchase a selling interest in a portfolio of stocks throughout the trading day. Because ETFs trade on an exchange, they may not trade at net asset value (“NAV”), which is the value of the underlying securities after expenses. Sometimes, the prices of ETFs may vary significantly from the NAVs of the ETFs’ underlying securities. Additionally, if an investor decides to redeem ETF shares rather than selling them on a secondary market, the investor may receive the underlying securities which must be sold in order to obtain cash.

Also, ETFs consisting of bonds and bond funds will generally decrease in value as interest rates rise. ETFs consisting of commodities exhibit their own unique potential risk as these markets have historically been extremely volatile. Inverse ETF funds should lose money when their benchmark indexes rise – a result that is opposite from traditional mutual funds. Inverse ETF funds also entail certain risks, including inverse correlation, leverage, market price variance and short sales risks.

DISCIPLINARY INFORMATION

Neither BSC nor IPC has any legal or disciplinary events that are material to a client's or prospective client's evaluation of their advisory business or the integrity of their management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain management persons of BSC are registered, or have an application pending to register as registered representatives and associated persons of a broker-dealer.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CODE OF ETHICS

IPC has adopted a code of ethics, in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 (“Code of Ethics”). The Code of Ethics sets forth the rules for business conduct and personal investing activities of IPC’s employees. The Code of Ethics, among other things, sets ethical standards and requires compliance with the securities laws, safeguards material, nonpublic information about clients’ transactions and portfolio holdings, and requires initial and annual reports of securities holdings for access persons.

A copy of the Code of Ethics may be obtained by a client or prospective client upon request in writing to: Independent Portfolio Consultants, Inc., Attention: Compliance, 5002 T-Rex Avenue – Suite 225, Boca Raton, FL 33431.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

IPC’s employees and officers may maintain positions in, or buy or sell the same securities or related options as clients buy or sell. In cases such as this, employees and officers of IPC would have an interest in the success of a security that may be recommended to, owned by, sold for or purchased for a client.

Employee trades are reviewed, so that no employee’s trade execution receives a better execution price than a client’s for the same security traded on the same day in a BSC account. IPC employees are not permitted to buy or sell any securities that are included on an “IPC Restricted Security List” (security trades placed by IPC acting in the capacity of a portfolio manager) for a 24 hour period. However, this restriction does not apply to employee accounts under contract with, and managed by, a professional investment manager. IPC will distribute the “IPC Restricted Security List” daily via an office-wide e-mail prior to trading securities for a BSC managed investment account. The time stamp and date on the e-mail begins the 24 hour restriction. Employee trades will be reviewed at least monthly and, if an employee traded a security on the “IPC Restricted Security List,” the employee trade may, on a case-by-case basis, be busted to an error account, except as noted above. The intent of such a restriction and corrective action is to avoid potential conflicts of interest that may arise in the trading activities on behalf of clients.

BSC’s policy is to not engage in any principal or agency cross-transactions.

BROKERAGE PRACTICES

Generally, BSC has the authority to determine the securities which are bought and sold in a client's account and the amount of securities to be bought or sold. For separate account clients, BSC has the authority to determine the broker dealer to be used and the brokerage commissions, dealer spreads (for fixed income securities) and other fees to be paid. For wrap-fee program clients, BSC is generally free to consider the trading capability of and use broker-dealers other than that broker-dealer associated with the wrap-fee program sponsor, if BSC believes that it can achieve best execution through such other broker-dealers. However, BSC anticipates that most trades for wrap-fee program clients will be placed with the program sponsor or its broker-dealer affiliate because of their execution capabilities and because the wrap-fee paid by clients includes costs of trading.

For securities invested for a client's account, BSC, as a matter of policy seeks to obtain best execution for client transactions, *i.e.*, seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. Best execution means not only seeking to achieve the best price but also the consideration of many factors, such as the characteristics of specific trades, the stock being traded, specific needs of BSC clients, conditions in the market at the time the order is placed and the overall efficiency of market structure. When choosing broker-dealers, BSC will also consider execution capability, commission rate, the likelihood of price improvement, the speed of execution and likelihood of execution for limited orders, the ability to minimize market impact, the maintenance of confidentiality orders, and responsiveness of broker-dealers. In addition, for wrap-fee program accounts, BSC takes into account the fact that the client's fees include the cost of trades executed with the wrap sponsor or its broker-dealer affiliate.

IPC's policy is to not accept an advisory client's instructions for directing a client's brokerage transactions to a particular broker-dealer.

Also, as a matter of policy, IPC does not have any formal or informal arrangements or commitments to use research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

Trade Aggregation and Allocation

The aggregation or blocking of client transactions allows BSC to execute transactions in a more timely, equitable and efficient manner. Blocking is done in an attempt to achieve a better overall price execution for a client.

As a matter of policy, IPC's allocation procedures must be fair and equitable to all clients, with no particular group or client(s) being favored or disfavored over any other clients. IPC's policy prohibits any allocation of trades in a manner that favors IPC's proprietary accounts or any particular client(s) or group of clients.

IPC's policy with respect to the allocation and aggregation of trades is as follows: for client accounts managed by BSC on a discretionary basis, IPC may aggregate client trades, provided that the following conditions are met: (1) IPC will not aggregate transactions, unless it believes that aggregation is consistent with its duty to seek best execution for its clients; (2) no advisory client will be favored over any other client; (3) each client that participates in an aggregated order will participate at the average share price for a given order, in a given security, on a given business day, and (4) if the aggregated order is not filled in its entirety, it will be allocated proportionately to receive the same allocation as the proportion of the total pre-trade allocation at the average price. For remaining portions that are filled on the following business day, clients will receive the same allocation as the proportion of the total pre-trade allocation at the average price of the business day.

Error Correction Practices

In the event an error occurs in BSC's handling of any transactions, due to BSC's actions, or inaction, or actions of others, BSC's policy is to seek to identify and correct any errors as promptly as possible, without disadvantaging the client. Losses that are incurred as a result of an error made by BSC are passed onto BSC to pay. Generally, gains resulting from a trade error are retained by BSC in an error account. Exceptions to this general rule can be made for ERISA accounts in which case gains, resulting from the error correction, may be awarded to the client. This is only permitted to the extent that the trade does not violate legal or client guidelines. Trade error and resolution may be governed by certain wrap-fee program sponsors' policies and procedures.

REVIEW OF ACCOUNTS

The allocation of client assets to particular investment strategies and investments is subject to the risk/return objective set forth in a client's Statement of Investment Policy. A BSC portfolio manager reviews the daily trades for client accounts. Also, the portfolio manager reviews the accounts weekly to ensure appropriate security structure and cash level in relation to the BSC investment model. Equity holdings are reviewed in relation to the model. Additionally, account activity is reviewed on a daily basis for exceptions and restrictions under the supervision of the BSC's Manager of Advisory Operations. Each account is balanced and reconciled by IPC at least monthly versus the client's custodian statement.

On a quarterly basis, a consultant of 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 BSC's stated style. Any discrepancies will be noted and reviewed.

Clients will also receive a written quarterly performance report, which the client can review with their BSC advisor or financial advisor as often as is determined to be necessary, but at least annually. The quarterly report includes portfolio performance, asset allocation, portfolio holdings, capital gains and losses and contributions, withdrawals and income transactions for the quarter. The quarterly reports are generated following the quarters ending March 31st, June 30th, September 30th, and December 31st. BSC follows industry standards in the calculation and presentation of performance information.

Electronic Access of Communications

Separate account clients may consent to electronic delivery of account communications from IPC ("Account Communications"), at IPC's discretion. IPC will provide this delivery of Account Communications by giving Clients access to their IPC account information via IPC's internet site utilizing an access password and account number. This may include the quarterly performance reports described above, all current and future advisory account statements, trade confirmations, notices, disclosures, regulatory communications, and other information, documents, data, and records regarding client's IPC 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 AND OTHER COMPENSATION

Referral Arrangements

BSC, through IPC, may enter into referral arrangements with individuals, including independent financial planners, CPAs, registered investment advisers, Wealth Management Companies and broker dealers who are not employees or agents of IPC (collectively, “solicitors”). IPC has a written agreement with all paid solicitors. These arrangements are done in compliance with the rules and regulations of 1940 Act, and the terms of the arrangements are fully disclosed to the client at the time the referral is made.

Other Compensation

IPC, and its various relationships, provide a broad range of financial services to clients. In offering such services, IPC, its 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.

Video Conferencing

IPC provides a video conferencing unit to some wealth management companies at no cost. IPC believes that a video installation increases the effectiveness of the communication between IPC and the client. The installation of a video conferencing unit to communicate with IPC may be considered an inducement for the wealth management company or an investment executive to recommend advisory services offered by IPC, including BSC, over other advisory services.

CUSTODY

IPC does not maintain custody of clients' funds or securities. Client funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. The client selects a custodian to have possession of the assets of the account, to settle transactions for the account, and to accept instructions from BSC regarding the assets in the account. In addition, these custodians provide BSC with information on the additions to or withdrawals from the account.

Clients will receive account statements from the independent, qualified custodian(s) holding client funds and securities at least quarterly. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Irene Nigen, Managing Director at 561-912-1050.

IPC may directly debit a client's account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from a client's accounts causes our firm to exercise limited custody over your funds or securities. IPC is not a qualified custodian and IPC does not have physical custody of clients' funds and/or securities. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period.

INVESTMENT DISCRETION

BSC provides discretionary investment advisory services to clients via equity, fixed income and balanced (equity and fixed income securities) accounts. Prior to a client retaining BSC to manage all or part of their financial assets, a careful review is conducted to determine the client's objectives and risk tolerances. BSC then develops an investment plan or Statement of Investment Policy for the Client based upon the client's investment goals, objectives and financial circumstances. Once the client accepts the Statement of Investment Policy, the Client enters into the Investment Advisory Agreement. Under the Investment Advisory Agreement, BSC has full discretion in the management of the investments of a client account. The client authorizes BSC, without prior consultation with, or approval from, the client, to invest and reinvest the assets of the client's account. A client's input is primarily limited to decisions about the targeted allocation to equity, fixed income and cash equivalents in the client's portfolio and individual security restrictions.

VOTING CLIENT SECURITIES

BSC, as a matter of policy, has responsibility for voting proxies consistent with the best economic interests of the clients. BSC uses 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 an account provided the client gives timely, written prior notice to IPC. If a client identifies a conflict of interest with BSC and notifies BSC to vote a certain way, BSC will execute the client's voting instructions. Clients are provided the option to vote their proxies in the 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.

FINANCIAL INFORMATION

BSC does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and, therefore, has not included a balance sheet for its most recent fiscal year. BSC is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has BSC been the subject of a bankruptcy petition at any time during the past ten years.