

Wrap Fee Program Brochure

July 31, 2018

IFP Advisors, Inc. Doing Business As Independent Financial Partners

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ITEM 1. Cover Page

This Wrap Fee Program Brochure provides information about the qualifications and business practices of IFP Advisors, Inc., (“IFP”).

If you have any questions about the contents of this Brochure, please contact us at (813) 341-0960. 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. IFP is a Registered Investment Adviser. Registration as an investment advisor does not imply any level of skill or training.

Additional information about IFP is also available on the SEC’s website at www.adviserinfo.gov.

ITEM 2. Material Changes

This is IFP's initial filing of a Wrap-Fee Brochure. IFP has never sponsored its own wrap fee program, only allowing our Investment Advisor Representatives ("IARs") to utilize third-party asset managers who sponsor wrap fee programs to offer asset-based and bundled services.

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ITEM 4. SERVICES, FEES AND COMPENSATION

Introductory Information

IFP is registered as an Investment Adviser (“RIA”) with the Securities and Exchange Commission (“SEC”). IFP’s SEC File Number is 801-69511. IFP’s home office is in Tampa, Florida. IFP has been registered with the SEC as an RIA since 2008. IFP is owned and controlled by WKW Enterprises, Inc., an S Corporation, which in turn is solely owned by William E. Hamm, its Chief Executive Officer and Karen Hamm, its Chief Administrative Officer.

For more information about IFP, a copy of our Form ADV Parts 1 and 2A are publicly available on the SEC’s web site at www.advserinfo.gov.

Services

IFP sponsors a Wrap-Fee Program which is designed to provide investment advice through your IFP Investment Advisor Representative (“IAR”) for an agreed upon fee. Acting under a written agreement, your IAR establishes an account for the purpose of creating a portfolio to be managed by your IAR. The portfolio is made up of select investments, chosen to meet your specific goals and objectives. You can elect discretionary or non-discretionary account management and impose restrictions on investing in certain securities or types of securities.

Through this program, IFP’s IARs provide discretionary and non-discretionary portfolio management services where the investment advice is tailored to meet your needs and investment objectives. At the inception of the relationship, your IAR gathers information from you such as your risk tolerance, investment objectives and other profile factors and will recommend an initial portfolio to you. Your IAR provides ongoing investment advice, including asset allocation and investment recommendations in accordance with the suitability information provided by you.

Your IAR will manage your account on a discretionary basis only with your written consent. If you grant discretionary authority, your IAR has full judgement over the selection and the amount of securities to be purchased or sold in the account, without obtaining your prior consent or approval. Once a portfolio is constructed, your IAR monitors the account and re-balances the portfolio as changes in market conditions and client circumstances warrant. For non-discretionary accounts, your IAR will obtain your

authorization prior to executing transactions. You can change the discretionary authorization at any time by submitting written instructions to your IAR and IFP.

Fees

IFP Wrap-Fee Program Comparison Guide – Asset-Based Pricing (in bps)

	Pershing	Fidelity	Charles Schwab	TD Ameritrade
\$0 - \$249,999	8	8	40	13
\$250,000 - \$499,999	8	8	20	10
\$499,999 - \$999,999	8	8	20	8
\$1,000,000 - \$4,999,999	7	7	12	6
\$5,000,000 +	6	6	12	6

Fees are negotiated between you and your IAR. The fee charged depends upon a number of factors including the amount of the assets under management, the nature and extent of other account relationships between you and IFP, the type and complexity of services requested, and other factors that your IAR deems relevant. The fees you negotiate will be different than the fees your IAR has negotiated with other clients or the fees other IARs have negotiated with other clients for similar services. The maximum client fee will be 2.5%.

The IFP Wrap-Fee Program is a “bundled” program, which means that transaction charges, advisory fees and certain administrative fees are included in the fee charged to you. If you expect to trade frequently, the IFP Wrap-Fee Program could be a cost-effective approach. If you and/or your IAR expect a lower level of trading activity, an unbundled pricing structure could be more appropriate. You should consider the value of services provided under a wrap-fee program, as the wrap-fee could exceed the aggregate cost of services if provided separately.

Other Fees and Expenses

You will pay certain annual maintenance fees and custodial fees within an account, when applicable. In addition, you are charged for specific account services, such as account transfer fees, asset movement fees, and checking fees as applicable on a per event basis. All such fees are subject to the pricing schedule set by the Custodian and in some cases are shared between the Custodian and IFP. Your IAR receives no portion of such charges. SEC fees will be assessed on liquidations at the effective SEC rate and are your

responsibility. Brokerage and other transaction costs and certain administrative fees incurred are included in the wrap fee.

You can elect to receive communications and documents from your Custodian, including confirmations and statements by authorizing electronic delivery where indicated in your Account Information Form. Unless you authorize electronic delivery, your Custodian will deliver communications and documents to you via U.S. mail, for which there will be a charge.

Interest on all cash account delinquencies (Cash Due Interest) in a client account are charged directly to the client account at the then current rate. Transfer agent servicing fees, if any, are passed through to you and can vary based upon the transfer agent and position.

Compensation and Expenses from Mutual Funds and Other Investment Products

For accounts that contain mutual funds, unit investment trusts, and/or ETFs, each mutual fund, unit investment trust and ETF bear its own internal fees, operating expenses and/or organization costs (none of which are shared with IFP or your IAR) as disclosed in the applicable prospectus, statement of additional information or product offering materials. This compensation is in addition to the advisory fee, resulting in increased costs to you.

Your IAR, in his/her separate capacity as an LPL Registered Representative, if applicable, and acting in compliance with IFP's compliance policies and procedures, earns commissions from the sale of mutual funds, variable annuities, ETFs and other securities in brokerage accounts. After considering your overall needs and objectives, along with your preferences, your IAR may recommend that you convert from a commission-based account to a fee-based account. To address possible conflicts related to such a conversion, IFP has implemented the following policies:

- When Class A, B or C shares of mutual funds are transferred into an advisory account, additional mutual fund purchases within the advisory account will be made at net asset value (NAV) in advisor or institutional share classes, which do not include 12b-1 fees. Such purchases will not result in your payment of a commission in addition to the annual advisory fee.

- IFP will attempt to convert Class A, B and C shares mutual fund holdings in an advisory account to advisor or institutional class shares where available. In the event a tax-free conversion cannot be effected or does not occur, 12b-1 fees received in fee-based accounts will be credited to your account.
- If your account is funded with a deposit of one or more open end mutual funds, or proceeds from the sale of open end funds, where LPL was paid a sales charge in its capacity as a broker/dealer within one year of the initial billing date, you are entitled to a fee offset. The fee offset varies depending on whether the mutual fund was subject to a front-end or a back-end sales charge. For mutual funds subject to a front-end sales charge, the fee offset is calculated by using the closing price of the security on the day prior to the initial billing date multiplied by the annual advisory fee. For mutual funds subject to a back-end sales charge, the fee offset is equal to the amount of the back-end sales charge incurred
 - Upon liquidation of a mutual fund in the account, or
 - Upon liquidation of a mutual fund within 60-days prior to the date the proceeds are transferred into the account.
- IFP agrees to hold alternative investments such as non-traded REITs in IFP Wrap-Fee Accounts at your request and for your convenience in order to avoid additional custodial fees and account maintenance costs. Although some alternative investment products are offered net of commissions to clients who pay an ongoing asset-based advisory fee, your IAR will execute your alternative investment transaction as a registered representative and will receive and share in commissions, and depending on the selected share class, ongoing distribution fees. IFP believes that alternative investments cannot be managed or administered on a fee-basis (due to their illiquidity, long-term holding period and inexact valuation); therefore, alternative investments are permanently excluded from billing.

Fee Information Applicable to Wrap Fee Accounts

A wrap fee structure allows you to pay an all-inclusive fee for account management, brokerage, clearance and administrative services. A portion of the wrap fee is paid to your IAR and to IFP for their respective services. You should consider that, depending upon the level of the wrap-fee charges, the amount of portfolio activity in your accounts, the

value of services that are provided under the investment program, and other factors, the wrap fee could exceed the aggregate cost of services if they were to be provided separately. Generally, wrap fee programs are relatively less expensive for actively traded accounts; however, they could result in higher overall costs to you in accounts that experience infrequent trading activity.

Fees are automatically deducted from wrap fee accounts in arrears on a quarterly basis and are noted on account statements sent to you by the custodian. Fees are assessed pro-rata. Fees are also prorated for deposits and withdrawals of \$10,000 or more. If the amount is under \$10,000, you will not receive a rebate of advisory fees. All fee changes are prorated unless the change is requested to occur on the first day of a calendar quarter. The wrap fee is shared by your IAR and IFP in connection with their respective services.

You are responsible for verifying that the fee you are charged is accurate. The custodian will not determine whether the fee is properly calculated. Should you find an error, you should contact your IAR immediately. If you are not satisfied with the action your IAR takes, you can contact us at the number on the cover page of this brochure.

General Wrap Fee Program Disclosure

- Wrap fee programs are not suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your individual financial circumstances and investment goals.
- The benefits under a wrap fee program depend, in part, upon the size of your account and the number of transactions expected in the account. For example, wrap fee accounts are likely not to be suitable for accounts with low balances or little trading activity.
- Participation in a wrap fee program could cost more or less than the cost of purchasing investment advice, brokerage, and other services separately.
- Your IAR could have a financial incentive to recommend a wrap fee program over another program or service, as the amount of your IAR receives could be more than what your IAR would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services.

ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Account Requirements

The minimum account size for an IFP Wrap-Fee Account is \$100,000. The account minimum can, however, be waived at IFP's discretion, taking into account various factors. Such factors may include, but are not limited to, length of client relationship or combined values of other household/family member accounts.

Types of Clients

IFP, through its IARs, offers investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, charitable organizations and corporations or other businesses. Our clients can have both fee-based advisory accounts and commission-based brokerage accounts. Our representatives offer clients advisory services, brokerage services, or both, depending on a client's preferences and needs.

ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION

IFP does not utilize any outside portfolio managers to provide account management in its Wrap-Fee Program. Accounts are managed by your IAR according to the financial information and investment objectives provided by you. Our IAR develops his or her own portfolio strategies using various methods to offer to clients. Any methods used are based on your IAR's professional judgement and experience.

Performance-Based Fees and Side-by-Side Management

Fees based on a share of capital gains or capital appreciation of assets of an advisory client are commonly referred to as "performance-based fees". IFP does not permit IARs to accept performance-based fees. IFP does not engage in side-by-side management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

IARs affiliated with IFP use a wide variety of methods of analysis, including charting, fundamental and technical analysis to determine investment strategies for clients. The primary sources of information used to conduct these types of analyses are financial newspapers and magazines, inspections, research prepared by others, ratings services, press releases, annual reports, prospectuses and other filings with the SEC. Investment strategies used by IARs affiliated with IFP include, but are not limited to:

- Long-term purchases;
- Short-term purchases;
- Asset allocation and rebalancing;
- Dollar cost averaging
- Trading;
- Short sales;
- Margin; and
- Options.

Prior to investing, you should ensure that you understand and agree with the investment strategy used by your IAR. The implementation of the strategies varies based upon the individual client.

Your account is managed on the basis of your financial situation, investment objectives and instructions. Your IAR works with you to obtain sufficient information to provide individualized investment advice and is reasonably available to consult with you on an ongoing basis. You are permitted to impose reasonable restrictions on the management of your account.

At the end of each calendar quarter, clients participating in the IFP Wrap-Fee Program are sent a performance report by their Custodian. No third party reviews or verifies the accuracy of performance or its compliance with any performance standards.

A quarterly custodial statement containing a description of all account activity is provided to you. Your IAR reviews overall performance of each account on a periodic basis in order to ensure that transactions are suitable based on your investment objectives, meets your quality expectations, and complies with any investment restrictions requested by you.

Tax Implications

Tax implications are a critical component of any investment strategy. Therefore, depending on the strategy you choose to implement, it is possible that any trading activity could result in a taxable event and lower investment returns. Since investments could have tax or legal consequences, you should consult your tax professionals and attorneys to help answer questions about specific situations or needs.

Risk of Loss

Investing in any type of securities involves risk of loss that you should be prepared to bear. IFP does not guarantee the performance of an account or any specific level of performance. Market values of the securities in the account will fluctuate with market conditions.

- **Market risk:** The risk that changes in the overall market will have an adverse effect on individual securities, regardless of the issuer's circumstances.
- **Business risk:** Whether because of management or unfortunate circumstances, some businesses will inevitably fail. This is especially true during economic recessions. For example, a company stock can become worthless in the event of a bankruptcy, which would result in a loss of capital to the shareholders.
- **Interest rate risk:** If the Federal Reserve raises interest rates, the market prices of bonds can be affected. When interest rates rise, the market prices bonds typically fall.
- **Inflation risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Regulatory risk:** Legislative, regulatory and/or judicial changes that impact businesses can drastically change entire industries.
- **Industry/company risk:** These risks are associated with a particular industry or a specific company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, which is a lengthy process, before they can generate a profit. They carry a higher risk of fluctuations in profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- Liquidity risk: Certain investments lack liquidity or the ability to access their principal quickly, without incurring substantial penalties, or the inability to sell the investment until sometime in the future.
- Opportunity risk: A client or IAR can choose a conservative product to invest in, which could cause the client to miss out on market upswings which potentially could have increased the value of securities with higher risk. The opposite is also true; market downturns could cause a client to lose a significant amount of principal invested in higher risk securities, when their funds could have been invested in lower risk options.
- Reinvestment risk: There is a possibility that you will be unable to make additional purchases of a security already in your portfolio at the same rate at which the original purchase was made.
- Currency or exchange risk: Foreign securities face the uncertainty that the value of either the foreign currency or the domestic currency will increase or decrease; either of which will cause the value of the client's portfolio to fluctuate.
- Short sale risk: Positions have unlimited capability to increase in value, which in turn increases your risk, as you could be required to purchase the securities at a high rate in order to cover the short side.
- Margin risk: Margin values could significantly increase if a position declines in value.
- Options risk: Holding options for long-term periods could weaken and/or reduce the value of the underlying stock or create the possibility of a worthless position.
- Global risk: International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets are not as politically and economically stable as the United States and other nations.
- Exchange-Traded Funds: ETFs face market trading risks, including the potential lack of an active market for fund shares, losses from trading in the secondary markets, and disruption in the creation and redemption process of the ETF. Any of these factors can lead to liquidity risk and/or the fund's shares trading at a premium or discount to its "net asset value".

You should understand and be willing to accept these and other types of risks before choosing to invest in securities or receive investment advisory services.

Voting Client Securities

Neither IFP nor your IAR will take any action or give any advice with respect to voting proxies solicited by, or with respect to, the issuers of securities in which your assets may be invested. Generally, all proxy materials will be sent directly to you. Any proxy materials received directly by IFP or your IAR will be forwarded to you for direct action and you understand and agree that you retain the right to vote all proxies which are solicited for securities held in the investment advisory account.

ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Your IAR will gather relevant information from you such as your risk tolerance, investment objectives, time horizon, net worth, annual income and liquidity needs and will maintain updated information as it is supplied by you. It is important that you notify your IAR promptly when changes to your financial situation, objectives, or other personal information occur, so that your IAR may make adjustments to the management of your portfolio, if necessary.

Your IAR will contact you at least annually to determine if any changes have occurred that could affect the ongoing suitability of the investments selected and to determine if any new restrictions should be imposed on the management of the account.

ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS

There are no restrictions placed upon your ability to contact and consult with your IAR who manages your program account.

ITEM 9. ADDITIONAL INFORMATION

Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of IFP or the integrity of IFP's management.

IFP discloses the following disciplinary information:

1. On January 13, of 2012, IFP agreed to and signed a Stipulation and Consent Order with the State of Florida Office of Financial Regulation that IFP and two of its IARs engaged in investment advisory business in the state of Florida without being properly registered. IFP paid a \$20,000 fine and also paid \$10,000 fines on behalf of each IAR.
2. On October 7, 2013, IFP agreed to and paid an Administrative Penalty in the amount of \$2,500 to the State of California, Department of Business Oversight for failing to properly register an IAR in the State of California.
3. On December 3, 2013, IFP agreed to and signed a Cease and Desist Order with the State of Oregon, Department of Consumer and Business Services, Division of Finance and Corporate Securities for failing to properly license an IAR who had a place of business in the state of Oregon. IFP paid a \$3,600 fine.

Other Financial Industry Activities and Affiliations

Affiliations

The majority of IFP's Investment Adviser Representatives ("IARs") also solicit, recommend, offer and sell securities through LPL as Registered Representatives. The majority are also licensed as independent insurance agents and hold insurance licenses in the states where they solicit, offer and sell insurance products and are appointed with and represent various insurance companies. As such, IARs are able to receive separate, yet customary commission compensation resulting from the purchase and sales of securities and insurance product transactions on behalf of their investment advisory clients. Clients are not under any obligation to purchase or sell securities or insurance products through the IAR when considering whether to implement any investment advisory recommendations made by the IAR. The decision to implement any or all recommendations is solely based on the discretion of the client.

IFP also offers a non-qualified deferred compensation and executive benefits platform through its affiliation with IFP Insurance Group. IFP Insurance Group is also affiliated with The Leaders Group, member FINRA and SIPC. The Leaders Group is not affiliated with and does not own or control IFP Advisors.

IFP Insurance Group:

IFP Insurance Group may be utilized by IFP's IARs to place fixed insurance business. However, IFP's IARs are not contractually obligated to place fixed insurance business through IFP Insurance Group. Core services offered include:

- Case Design
- Consultation
- Field Underwriting

IFP Asset Management

IFP Asset Management ("IFPAM") is a team of investment professionals designed to provide a resource for advisors with investment related questions or who want to outsource the asset management portion of their business, similar to selecting a third-party asset manager. IFP Asset Management receives a portion of the advisory fee paid by the client to the IAR. By serving a large and diverse advisor group, IFP Asset Management is exposed to a variety of needs and is therefore able to recognize and adapt to changing industry trends. Core services offered include:

- **Model Portfolios:** Constructing model portfolios that provide IFP's financial advisors access to a wide variety of asset management strategies. Advisors can implement the models themselves or can have IFP Asset Management manage their assets and implement the strategies within their clients' accounts.
- **Investment Strategy and Consulting:** Helping advisors understand IFPAM's strategies and working with them to select a model portfolio that best fits the profile of their client. IFPAM also provides custom strategies for higher net worth clients.
- **Investment Research and Due Diligence:** Performing due diligence and commentary on a wide range of investments.
- **Financial Planning:** Offering a full service, turnkey program from data gathering all the way up to plan implementation/integration.
- **Investment Proposals:** Working with advisors on custom recommendations and proposals for prospects and clients.

IFP Plan Advisors

IFP Plan Advisors (“IFPPA”) is a division of IFP, presenting a community of over 150 plan specialists who provide investment advice to over 1,700 retirement plans with over \$41 billion in assets under care. IFPPA advisors provide plan sponsor clients and plan participants with a variety of services as fiduciaries [as defined in the Employee Retirement Income Security Act of 1974 (“ERISA”)], including non-discretionary investment recommendations as specified in ERISA Section 3(21)(A)(ii) and serving as discretionary investment managers as specified in ERISA Section 3(38). IFPPA advisors also offer a variety of services while not acting as ERISA fiduciaries. These non-ERISA fiduciary duties include assisting plan sponsors by providing:

- Guidance regarding plan governance and committee education
- Help selecting and reviewing other service providers
- Employee/participant investment education and communication, and
- Consulting services to assist with plan design (“settlor”) decisions.

IFP Institutional Services

IFP Institutional Services works with financial institutions to deliver a turnkey solution to introduce wealth services into the organization or assist in re-engineering an existing program. A portion of the client’s investment advisory fee will be paid by IFP to the financial institution pursuant to a fee sharing arrangement for as long as the agreement with the institution is in effect. The financial institution does not provide any investment advisory services to the client.

By leveraging LPL’s broker-dealer platform, IFP Institutional Services can assist IFP’s IARs in building or growing their independent practices through alignment with a financial institution. Core services offered include:

- **Advisor Consulting:** Assist advisors to research, identify and cultivate financial institution relationships
- **Marketing:** Collateral, website and event support for Financial Institutions to effectively build wealth program experience
- **Negotiating:** Custom program design, contract negotiations, side-by-side guidance for the IAR and the Financial Institution.

- **Program Administration:** IFP Institutional Services' turnkey solution contributes strategic guidance and regulatory oversight.
- **Program Launch:** Recruiting, onboarding, introductory coordination of RIA, securities and insurance.

Certain IARs within Financial Institutions are registered IARs through LPL only. Through IFP's relationship with LPL, IFP performs supervisory functions related to brokerage business conducted by the RR.

Potential Conflicts of Interest with Associated Independent Registered Investment Advisors

In addition to or in lieu of their registrations as IARs of IFP, certain IARs have their own registered independent investment advisory firms ("an Independent RIA"). An Independent RIA can have three different but concurrent roles:

- As a registered representative of LPL who receives commissions for recommending securities
- As an IAR of IFP who receives a fee for rendering advisory services on behalf of IFP
- As an independent IAR of an Independent RIA who offers services outside of IFP (see references to LPL Financial, LLC and Sheridan Road Investment Advisors.

Clients should be aware that the receipt of additional compensation while acting in concurrent roles creates a conflict of interest and impair the objectivity of these IARs when making advisory recommendations. Clients are not obligated to purchase recommended investment products from our IARs or associated Independent RIAs.

Potential Conflicts of Interest with Accountant or Accounting Firms

Some IARs provide tax and/or accounting services through an accounting firm. IARs providing these types of services do so outside of their affiliation with IFP. While these activities are approved as outside business activities, the services are not offered through IFP or endorsed by IFP.

Potential Conflicts of Interest with Lawyers or Law Firms

Some IARs provide legal services through a law firm. IARs providing these types of services do so outside of their affiliation with IFP. While these activities are approved as outside business activities, the services are not offered through IFP or endorsed by IFP.

Code of Ethics

IFP has adopted a Code of Ethics that includes a Personal Trading Policy that applies to all of our employees and IARs. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. Upon employment or affiliation and at least annually thereafter, all supervised persons will acknowledge that they have read, understand and agree to comply with IFP's Code of Ethics.

In compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988 ("ITSFEA"), IFP has established and will maintain and enforce written policies reasonably designed to prevent the misuse of material, nonpublic information by IFP or any person associated with IFP. In consideration of and in compliance with ITSFEA, IFP forbids any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or to communicate such information to others in violation of the law.

An investment adviser is considered a fiduciary as defined under the Investment Advisers Act of 1940. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. IFP, its employees, and its IARs have a fiduciary duty to all advisory clients. To assist our employees and IARs in meeting these obligations, IFP has adopted standards of business conduct that are outlined in our Code of Ethics. IFP requires all of its supervised persons to conduct business with integrity and to comply with all federal and state securities laws at all times.

Participation or Interest in Client Transactions

There may be instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which IFP, its affiliates, the IAR and/or other clients may also have a position or interest.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances the affiliated and client accounts will share execution costs equally and receive a total average price. IFP will retain records of the trade order specifying each participating account and its allocation. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained on the trade order. Additional information on IFP's trade aggregation policies can be found in Item 12.

Personal Trading

Subject to IFP's Code of Ethics and applicable securities laws, the employees and IARs of IFP and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased by IFP's clients. The Code of Ethics is designed to assure that the personal securities transactions of the employees and IAR will not interfere with (1) making recommendations and decisions in the best interest of investment advisory clients and (2) when implementing such decisions allowing employees to invest for their own accounts.

IFP and its IARs may or may not maintain investment positions in their personal portfolios that are recommended to clients. In fact, IFP and its IARs may take positions or execute transactions for their personal accounts which are materially different than the positions or transactions recommended for their clients. Employees and IARs are expected to purchase or sell a security for their personal accounts only after trading of that same security has been executed in customer accounts.

Because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity in clients' accounts with a security also held by an employee. Therefore, a conflict of interest exists when IFP and its IARs purchase and sell the same securities owned by our clients. Trading activity of IARs and

employees is reviewed and monitored under the Code of Ethics to help reasonably prevent this conflict of interest in trading between IFP and its clients.

IFP's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the firm at the address noted on the cover of this brochure.

Brokerage Practices

Research and Other Benefits

The custodians used by IFP may make available other products and services that benefit IFP but may not directly benefit the client or their accounts. These products and services assist IFP and the IAR in managing and administering the clients' accounts. These include investment research, access to client account data (such as duplicate trade confirmations and account statements), facilitation of trade execution, allocation of aggregated trade orders for multiple client accounts, pricing and other market data, facilitation of payment of our fees from clients' accounts, assistance with back-office functions, recordkeeping, and client reporting.

Some services help IFP manage and further develop its business operations. These services include publications, educational conferences and events, and consulting on technology, compliance, legal, and other business needs.

Selection of Brokers/ Dealers and/or Custodians

The Custodians will hold customer assets and buy and sell securities based on the investment discretion of the IAR or, if the client does not authorize the IAR discretion, based on the instructions for each transaction by the client. Clients will enter into a separate account agreement directly with the Custodian.

IFP allows its IARs to manage accounts through a number of different Custodians. Every Custodian approved by IFP has an affiliated broker/dealer that is registered with the SEC and is a member of FINRA and SIPC. Clients are free to select and implement investment recommendations with any of these approved custodians. When clients decide to implement the investment recommendations from their IAR, the client will be required to establish an investment advisory account through one of these Custodians.

Clients should understand that not all investment advisers require, request or recommend that clients custody their accounts and trade through specific broker-dealers.