

Name of Investment Adviser: <b>IFC Advisory</b>				
Address:	(Number and Street)	(City)	(State)	(Zip Code)
	<b>6101 W. Centinela Ave., Suite 335,</b>	<b>Culver City,</b>	<b>CA</b>	<b>90230</b>
Area Code:			Telephone Number:	
<b>(310)</b>			<b>665-0570</b>	

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any government authority.**

### Table of Contents

<b><u>Item Number</u></b>	<b><u>Item</u></b>	<b><u>Page</u></b>
1	Advisory Services and Fees . . . . .	2
2	Types of Clients . . . . .	2
3	Types of Investments . . . . .	3
4	Methods of Analysis, Sources of Information and Investment Strategies . . . . .	3
5	Education and Business Standards . . . . .	4
6	Education and Business Background . . . . .	4
7	Other Business Activities . . . . .	4
8	Other Financial Industry Activities or Affiliations . . . . .	4
9	Participation or Interest in Client Transactions . . . . .	5
10	Conditions for Managing Accounts . . . . .	5
11	Review of Accounts . . . . .	5
12	Investment or Brokerage Discretion . . . . .	6
13	Additional Compensation . . . . .	6
14	Balance Sheet . . . . .	6
	Continuation Sheet . . . . .	Schedule F
	Balance Sheet, if required . . . . .	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.**

**FORM ADV****Part II - Page 2**

Applicant:

**IFC Advisory**

SEC File Number:

**801-63809**

Date:

**01/14/2009**

## Definitions for Part II

Related person -- Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services -- Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. <b>A. Advisory Services and Fees.</b> (check the applicable boxes)	For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)
Applicant:	
<input checked="" type="checkbox"/> (1) Provides investment supervisory services .....	15%
<input checked="" type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services .....	60%
<input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either services described above .....	10%
<input type="checkbox"/> (4) Issues periodicals about securities by subscription .....	%
<input type="checkbox"/> (5) Issues special reports about securities not included in any service described above .....	%
<input type="checkbox"/> (6) Issues, not as part of any services described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities .....	%
<input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities .....	15%
<input type="checkbox"/> (8) Provides a timing service .....	%
<input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above .....	%

(Percentages should be based on IFC's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

	Yes	No
B. Does the applicant call any of the services it checked above financial planning or some similar term? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>

C. Applicant offers investment advisory services for: (check all that apply):

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- ☐ the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- ☐ IFC's basic fee schedule, how fees are charged and whether its fees are negotiable
- ☐ when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input checked="" type="checkbox"/> G. Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities                   | <input checked="" type="checkbox"/> H. United States government securities     |
| <input checked="" type="checkbox"/> (1) exchange-listed securities         |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on:                              |
| <input checked="" type="checkbox"/> (3) foreign issues                     | <input checked="" type="checkbox"/> (1) securities                             |
|  | <input type="checkbox"/> (2) commodities                                       |
| <input checked="" type="checkbox"/> B. Warrants                            |  |
| <input checked="" type="checkbox"/> C. Corporate debt securities           | <input type="checkbox"/> J. Futures contracts on:                              |
| (other than commercial paper)  | <input type="checkbox"/> (1) tangibles   |
|  | <input type="checkbox"/> (2) intangibles                                       |
| <input checked="" type="checkbox"/> D. Commercial paper                    |  |
| <input checked="" type="checkbox"/> E. Certificates of deposit             | <input checked="" type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities                | <input checked="" type="checkbox"/> (1) real estate                            |
|  | <input checked="" type="checkbox"/> (2) oil and gas interests                  |
| <input checked="" type="checkbox"/> G. Investment company securities       | <input checked="" type="checkbox"/> (3) other (explain on Schedule F)          |
| <input checked="" type="checkbox"/> (1) variable life insurance            | <input type="checkbox"/> L. Other (explain on Schedule F)                      |
| <input checked="" type="checkbox"/> (2) variable annuities                 |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares                 |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. IFC's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

## B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)   |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales   |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- ☐ each member of the investment committee or group that determines general investment advice to be given to clients, or
- ☐ if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- ☐ each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- ☐ name ☐ formal education after high school
- ☐ year of birth ☐ business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? .....
- Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ..... Yes ☒ No ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**While the underlying securities within Investment Supervisory Service and Portfolio Management accounts are continuously monitored, these accounts will be formally reviewed at least quarterly by one of the Principals of IFC Advisory. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.**

**Financial Planning, Consulting and Selection and Monitoring service client accounts will be reviewed by IFC as contracted for at the inception of the advisory relationship.**

- B. Describe the nature and frequency of regular reports to clients on their accounts.

**In addition to the at least quarterly statements and confirmations of transactions that Investment Supervisory Service and Portfolio Management clients receive from their broker dealer, IFC will provide a quarterly report that contains a breakdown of the client's assets, transactions and a market commentary.**

**Financial Planning, Consulting and Selection and Monitoring service clients will receive no regular reports from IFC unless specifically contracted for.**

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                                     |                                     |
|--|-------------------------------------|-------------------------------------|
|  | Yes                                 | No                                  |
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Yes                                 | No                                  |
| (2) Amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Yes                                 | No                                  |
| (3) broker or dealer to be used? .....                   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
|  | Yes                                 | No                                  |
| (4) commission rates paid? .....                         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? .....

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4), or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- ☐ the product, research and services
- ☐ whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- ☐ whether research is used to service all of IFC's accounts or just those accounts paying for it; and
- ☐ any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |    |  |                                     |                          |
|----|--|-------------------------------------|--------------------------|
| A. | is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                                 | No                       |
|    |  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|    |  | Yes                                 | No                       |
| B. | directly or indirectly compensates any person for client referrals? .....  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- ☐ has custody of client funds or securities; or
  - ☐ requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- |  |                          |                                     |
|--|--------------------------|-------------------------------------|
| Has applicant provided a Schedule G balance sheet? ..... | Yes                      | No                                  |
|  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

IFC Advisory

SEC File Number:

801-63809

Date:

01/14/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in item 1A of Part I of Form ADV:

IRS Empl. Ident. No.:

**IFC Advisory**

Item of Form

**Item 1(D)**

Answer

**20-1286682****ADVISORY SERVICES AND FEES*****INVESTMENT SUPERVISORY SERVICES***

IFC Advisory (hereinafter IFC) provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, IFC develops a client's personal investment policy and creates and manages a portfolio based on that policy. IFC provides this service to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. IFC will manage advisory accounts on a discretionary and non-discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).

When appropriate to the needs of the client, IFC may recommend the use of trading (securities sold within 30 days), margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

Please contact Mr. Heath Biddlecome, President and Chief Compliance Officer, if you have any questions about this Schedule F narrative. Additional information about IFC is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for IFC is 133810.

Individuals associated with IFC will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of the Firm. Such individuals are known as Investment Adviser Representatives (IARs).

Prior to engaging IFC to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with IFC setting forth the terms and conditions under which SWM shall render its services (collectively the "Agreement").

***PORTFOLIO MANAGEMENT***

IFC also manages investment advisory accounts not involving Investment Supervisory Services. Each portfolio is designed to meet a particular investment goal that IFC has determined is suitable to the client's circumstances. Once the appropriate portfolio has been determined, the portfolio will be continuously managed based on the portfolio's goal, rather than on each client's individual needs. However, each client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For these accounts, IFC will ensure that the following conditions are met and maintained:

- 1) IFC will manage each client's account on the basis of the client's financial situation and investment objectives and any reasonable investment restrictions the client may impose;

**Item 1(D)**  
**(Continued)**

- 2) IFC will obtain sufficient client information to be able to provide individualized investment advice to the client. At least annually, IFC will contact the client to determine whether there have been any changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions. On a quarterly basis IFC will notify the client in writing to notify IFC if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions. These quarterly notifications will include the means through which contact shall be made to IFC;
- 3) IFC will be reasonably available to consult with the client;
- 4) Each client is able to impose reasonable investment restrictions on the management of the account;
- 5) Each client will receive a quarterly statement with a description of all account activity; and,
- 6) Each client will retain certain indicia of ownership of the securities and funds in the account, e.g., the ability to withdraw securities, vote securities, among others.

***FINANCIAL PLANNING***

IFC also provides advice in the form of a Financial Plan. Clients purchasing this service will receive a written financial plan, providing the client with a detailed financial plan designed to achieve their stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern:

- PERSONAL: Family records, budgeting, personal liability, estate information and financial goals.
- TAX & CASH FLOW: Income tax and spending analysis and planning for past, current and future years. IFC will illustrate the impact of various investments on a client's current income tax and future tax liability.
- DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.

IFC gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, IFC suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

***CONSULTING***

Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. IFC also provides specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, IFC provides advice on non-securities matters. Generally, this is in



**Item 1(D)**  
**(Continued)**

connection with the rendering of estate planning, insurance, and/or annuity advice.

Financial plan and/or consulting recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. All recommendations are of a generic nature.

***SELECTION AND MONITORING SERVICES***

IFC provides several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, IFC will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Selection and Monitoring Services are comprised of four distinct services. Clients may choose to use any or all of these services.

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

IFC will meet with the client (in person or over the telephone) to determine the client's investment needs and goals. IFC will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

IFC will review various investments, consisting exclusively of mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the Investment Policy Statement.

Monitoring of Investment Performance:

Client investments will be monitored continuously based on the procedures and timing intervals delineated in the Investment Policy Statement. Although IFC will not be involved in any way in the purchase or sale of these investments, IFC will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

Employee Communications:

For pension, profit sharing and 401(k) plan clients wherein there are individual accounts with participants exercising control over assets in their own account ("self-directed plans"), IFC also provides quarterly educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by IFC and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

***FEE SCHEDULE***

***INVESTMENT SUPERVISORY SERVICES/PORTFOLIO MANAGEMENT***

The annual fee for investment supervisory services and/or portfolio management accounts will be charged as a percentage of assets under management generally ranging from 0.40% to 2.00%, depending on the nature and complexity of the client's situation. IFC will quote an exact percentage to each client based on both the nature and total dollar value of that account. IFC requires a minimum annual fee of \$2,000. However,

**Item 1(D)**  
**(Continued)**

IFC will ensure that this minimum does not exceed 3% of the client's assets per year.

Clients are requested to select one of two fee payment options in IFC's advisory agreement, as detailed below:

If selected by the client, the client will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter.

Alternatively, if selected, the client will be invoiced in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter.

***FINANCIAL PLANNING/CONSULTING***

Financial planning and/or consulting fees will be charged in one of two ways:

1. As a fixed fee, typically ranging from \$500 - \$5,000, depending on the nature and complexity of each client's circumstances. 50% of this fee is due upon signing the agreement, with the balance due upon presentation of the work to the client.
2. On an hourly basis, ranging from \$150 - \$250 per hour, depending on the nature and complexity of each client's circumstances. An estimate for total hours will be determined at the start of the advisory relationship. 50% of the estimated fee is due upon signing the advisory agreement, with the balance (based on actual hours) due upon presentation of the work to the client.

***SELECTION AND MONITORING SERVICES***

IFC charges a fixed fee for these services, typically ranging from \$5,000 - \$100,000, depending on the nature and complexity of each client's circumstances. IFC's Selection and Monitoring Service fees are payable quarterly as earned.

***GENERAL INFORMATION ON FEES***

Negotiability of Fees: In certain circumstances, IFC's fees may be negotiable.

Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Mutual Fund Fees and Expenses: All fees paid to IFC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus.

**Item 1(D)  
(Continued)**

These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of IFC. In that case, the client would not receive the services provided by IFC which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and the fees charged by IFC to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Proxies: As a matter of firm policy, IFC does not vote proxies on behalf of clients. Clients are responsible for voting their own proxies.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

IFC in General: This Schedule F narrative provides clients with information regarding IFC and its advisory services that should be considered before becoming a client of IFC. This narrative also provides information about the qualifications and business practices of IFC. The information in this Schedule F narrative has not been approved or verified by the SEC or by any state securities authority. Any representation to the contrary is illegal. Additional information about IFC is available on the Internet at "www.adviserinfo.sec.gov". You can search this site by a unique identifying number, known as a CRD number. The CRD number for IFC is 133810.

Use of Term "Registered Investment Adviser": Clients should be aware that the term "Registered Investment Adviser" does not imply any certain level of skill or training.

**Items 2(G) & 3(K)(3)**

**TYPES OF INVESTMENTS**

IFC may advise that certain qualified clients invest in partnerships investing in Fund of Funds/Hedge Funds and Private Offerings. One of these Private Offerings is investments offered through Homestead Properties, L.P. a Delaware Limited Partnership doing business in the State of California as Homestead MHC, L.P. whose general partner is Homestead Holdings, LLC, a Delaware Limited Liability Company doing business in the State of California as Homestead Northland MHC, LLC. IFC is the adviser to Homestead Properties, L.P. and Mr. Biddlecome is the managing member of Homestead Holdings, LLC. This private offering is only available to Accredited Investors and is separately described to such clients through a Private Placement Memorandum and Member Agreement.

**Item 4(B)(8)**

**SOURCES OF INFORMATION**

In evaluating alternative investment products and services, IFC may gather supplemental information directly from the providers of those products and services. Written questionnaires, meetings and telephone conversations are the primary means of collecting supplemental information.

**Item 5**

**EDUCATION AND BUSINESS STANDARDS**

Advisory persons associated with IFC must possess, minimally, the following: A college degree and/or appropriate business experience and all required licenses.

**Item 6****EDUCATION AND BUSINESS BACKGROUND****HEATH M. BIDDLECOME, born 1968****Education:**

Graduated in 1992 with a Bachelor of Arts in Economics & Bachelor of Arts in International Relations from University of Southern California.

Attended University of Cambridge, England in 1991; emphasis in Economics;  
Attended the Institute of Business & Finance in 1994. Certified Fund Specialist

**Employment:**

President of California Wealth Management Group, Inc., IFC's parent company, from 5/04 to Present.

President of California Retirement Planners Group, Inc. from 1997 to Present.

Principal of IFC Advisory from 7/04 to Present.

Registered Representative of Purshe Kaplan Securities from 11/04 to Present.

Registered Representative of SunAmerica Securities from 11/97 to 11/04.

**EDITH SUZANNE GARRETT, born 1964****Education:**

Graduated in 1987 with a Bachelor of Arts from the University of Texas, at Austin.

**Employment:**

Marketing Director of IFC Advisory from 6/04 to Present.

Marketing Director of California Retirement Planners Group, Inc. from 1/01 to 6/04

Executive Vice President of Merchandising for Daisytek International, Inc. from 4/91 to 5/03

**SALVADOR VIDRIO, born 1973****Education:**

Graduated in 2004 with a Bachelor of Science in Business Administration from the University of Southern California.

**Employment:**

Manager, Investment Operations of IFC Advisory from 5/08 to Present.

Financial Advisor for Merrill Lynch from 10/06 to 05/08

Private Banker for Wells Fargo Bank from 01/05 to 09/06

University of Southern California, Student 2001 to 2004

**WILLIAM TAK, born 1966****Education:**

Graduated in 1988 with a Bachelor of Arts in Economics from the University of Missouri.

Series 22, 1988

Series 7, 1989

Series 63, 1989  
California State Insurance License, 1989

Employment

IFC Advisory/PKS Investments-Senior Vice President Aug. 2006-present.  
UBS-Senior Vice President Dec.2004-August 2006.  
Wachovia Securities-Senior Vice President Dec.2001-Dec.2004.  
Washington Mutual Financial Services-Senior Vice President May 1990-Dec,2001

**KELLY M. SMITH, born 1969**

Education:

California Polytechnic University:  
Bachelors of Science (1993)

College for Financial Planning:  
Accredited Asset Management Specialist Credential (2004)

University California, Santa Barbara  
Professional Financial Planning (March 2009)  
Certified Financial Planning Certification Test Date (July 2009)

Currently hold the following securities licenses:  
Series 7, 63, 65

California Life & Variable Contracts Insurance License  
California Long Term Care Partnership Insurance License

Employment

IFC Advisory/PKS Investments-Vice President, Private Client Group November 2005-present.  
Registered Representative, Edward Jones Investments, Inc., June 2000-November 2005

**Items 7(C) & 9(B)**

**OTHER BUSINESS ACTIVITIES**

IFC is an SEC registered investment adviser. However, certain of the principal executive officers and other employees are separately licensed as registered representatives of Purshe Kaplan Securities and/or insurance agents or brokers for one or more insurance companies.

Health Insurance services are provided by California Wealth Management Group, Inc., IFC's parent company, on a case by case basis.

While these individuals endeavor at all times to put the interest of the clients first as part of IFC's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

**Items 7(C) & 9(B)  
(Continued)**

The officers and employees of IFC will typically spend up to 25% of their time on these other activities.

**Item 8(C)(1)**

**OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS**

The Investment Adviser Representative of the IFC, Mr. Heath Biddlecome is a registered representative of Purshe Kaplan Securities, which is an independent broker dealer. As a

national firm, Purshe Kaplan Securities is licensed for securities in many states and is a member of the SIPC.

**Item 9 (B), (D), (E) &  
Miscellaneous**

**PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

IFC or individuals associated with the Firm may buy or sell – for their personal account(s) - investment products identical to those recommended to clients. It is the expressed policy of the Adviser that no person employed by the Firm may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

Furthermore, as discussed in Item 3(K)(3) above, IFC is the adviser to Homestead Properties, L.P. and Mr. Biddlecome is the managing member of Homestead Holdings, LLC. Thus, a potential conflict of interest may exist. Shares and/or Limited Partnership interests will only be available to qualified investors who are clients of IFC. IFC may recommend to its clients that they buy interests in Homestead Properties L.P. in which IFC and/or its related persons may have a financial interest in.

**CODE OF ETHICS**

Pursuant to Securities & Exchange Commission Rules and Regulations, as these situations may represent a conflict of interest, IFC has established the following restrictions in order to ensure its fiduciary responsibilities:

- IFC emphasizes the unrestricted right of the client to specify investment objectives, guidelines, and/or conditions on the overall management of their account. IFC's standard investment process begins with reviewing applicable federal and state statutes, investment policy, and permitted investment language provided by the client.
- Associated persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by reason of the associated person's employment, unless the information is also available to the investing public on reasonable inquiry. No associated person of the Firm shall prefer his or her own interest to that of the advisory client.
- IFC and its associated persons generally may not purchase and sell securities being considered for, or held by client accounts without pre-clearance of the Firm's Compliance Officer. Moreover, investment personnel may be subject to a blackout period from trading in such securities.
- IFC and its employees generally may not participate in private placements or initial public offerings (IPOs) without pre-clearance from the Firm's Compliance Officer.
- The Firm requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- Records will be maintained of all securities bought or sold by the Firm, associated persons of the Firm, and related entities. Mr. Heath Biddlecome will review these records on a regular basis.
- Any individual not in observance of the above may be subject to termination.

**Item 9 (B), (D), (E) &  
Miscellaneous  
(Continued)**

IFC's Code requires Covered Persons to comply with all state and federal securities laws. In addition, Covered Persons are prohibited from defrauding, misleading, or manipulating a client in any way in connection with the purchase or sale of a security. Further, Covered Persons may not favor the interests of one client over another client.

In the course of normal business, Covered Persons may receive confidential information concerning clients and potential clients. The general rule, as discussed in the Code, is that this information should never be communicated to anyone other than financial advisors, assistants, and employees of IFC who need to know, and where appropriate, to the participants involved in a specific transaction.

**Item 10**

**CONDITIONS FOR MANAGING AN ACCOUNT**

As disclosed under Item 1(D), IFC requires a minimum annual fee of \$2,000. However, IFC will ensure that this minimum does not exceed 3% of the client's assets per year.

**Items 12(A)(1) &  
12(A)(2)**

**INVESTMENT DISCRETION**

For discretionary clients, IFC requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold.

The discretionary authority of IFC with respect to investment activities and brokerage placement decisions is sometimes, though not usually, limited by the client's objectives and guidelines. In instances where the Adviser has discretionary authority over a client's account, the Adviser will use its best efforts to select a financially responsible broker who will provide the best net execution (price received and commission paid) as well as be able to provide value added services including effective service in clearing and settling the transactions. IFC will not always execute transaction where it can receive the lowest price because it believes that timing and quality of clearing executions are crucial factors in effective portfolio management. While the price may not always be the lowest price, IFC anticipates competitiveness of the commission and fee structure, taking into consideration all factors impacting the execution of the order, including liquidity and amount of capital under management at the broker-dealer.

IFC anticipates that there will be occasions in which portfolio transactions may be executed as a part of concurrent authorizations to purchase or sell securities for more than one account serviced by Adviser. Although such concurrent authorizations could be either advantageous or disadvantageous to any one or more of the particular accounts, they will be effectuated only when Adviser believes that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the execution in a manner deemed equitable to the accounts involved. Clients are typically allocated securities with prices averaged on a per-share or per contract bases.

Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

**Item 12(B)**

**BROKERAGE RECOMMENDATIONS**

**INVESTMENT SUPERVISORY SERVICES/PORTFOLIO MANAGEMENT**

IFC participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Company, Inc., an NASD registered broker dealer. IFC also participates in the Fidelity Investments Institutional Brokerage Group (FIIBG) program, sponsored by Fidelity Brokerage Services, Inc., an NASD registered broker dealer. As IFC does not have the discretion to choose the broker dealer or the commission rates to be paid, clients must direct the use of a

particular broker dealer. IFC requests that clients direct IFC to place all trades through Schwab or Fidelity. IFC has evaluated Schwab and Fidelity and believes that each will provide IFC clients with a blend of execution services, commission costs and professionalism that will assist IFC in obtaining best execution for transactions.

While IFC has a reasonable belief that Schwab and Fidelity are able to obtain best execution and competitive prices, IFC will not be independently seeking best execution price capability through other broker dealers. IFC reserves the right to decline acceptance of any client account that directs the use of a broker dealer other than Schwab or Fidelity, if IFC believes that this would adversely affect IFC's duty to obtain best execution. In directing the use of Schwab or Fidelity, it should be understood that IFC will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.

Furthermore, brokers or dealers may potentially refer clients to IFC. IFC will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and IFC's interest in receiving future referrals. Under such circumstances, clients should be aware of their various brokerage options, including utilizing the services of the referring broker, choosing another broker, or utilizing a firm recommended by IFC to provide custody and execution services.

#### **FINANCIAL PLANNING/CONSULTING**

Certain of the associated persons of IFC are separately registered as representatives of Purshe Kaplan Securities, an NASD-registered broker-dealer. In general, IFC will recommend the use of Purshe Kaplan and these individuals to clients for implementation of financial planning and/or consulting recommendations, provided that this recommendation is consistent with IFC's fiduciary duty to the client. Any commissions or other compensation received from the implementation of financial planning or consulting recommendations is separate and distinct from IFC's advisory fee.

However, IFC emphasizes that no financial planning/consulting client is obligated to use Purshe Kaplan Securities to implement any recommended transactions.

#### **SELECTION AND MONITORING SERVICES**

IFC does not arrange for the execution of securities transactions for pension plans as a part of its Selection and Monitoring service. Transactions are executed directly through employee plan participation.

### **Item 13(A)**

#### **ADDITIONAL COMPENSATION**

As disclosed under Item 12B, IFC requests that Investment Supervisory Service and Portfolio Management clients establish brokerage accounts with either the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab) or with Fidelity Investments Institutional Brokerage Group (FIIBG) program, sponsored by Fidelity Brokerage Services, Inc.

These institutional programs provide IFC with access to its institutional trading and operations services, which are typically not available to retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at



Schwab or Fidelity. Program services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. The programs also make available to IFC other products and services that benefit IFC but may not benefit its clients' accounts. Some of these other products and services assist IFC in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of IFC's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of IFC's accounts, including accounts not maintained at Schwab Institutional. Schwab and Fidelity may also provide IFC with other services intended to help IFC manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. The availability to IFC of the foregoing products and services is not contingent upon Advisor committing to Schwab or Fidelity any specific amount of business (assets in custody or trading).

**Item 13(B)**

IFC may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. IFC is aware of the special considerations promulgated pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all written instruments will be maintained by IFC and all applicable Federal and/or State laws will be observed.

IFC receives client referrals from Hewitt Financial Services LLC ("Hewitt") through IFC's participation in Hewitt Advisor Connection<sup>TM</sup> ("the Service"). The Service is designed to help investors find independent investment advisors. Hewitt is a registered investment adviser and broker-dealer independent of and unaffiliated with IFC.

Hewitt does not supervise IFC and has no responsibility for IFC's management of clients' portfolios or IFC's other advice or services. IFC pays Hewitt fees to receive client referrals through the Service. IFC's participation in the Service may raise potential conflicts of interest described below.

**Item 13(B)  
(Continued)**

IFC pays Hewitt a participation fee on all referred clients' accounts that are maintained in custody through one or more broker-dealers maintaining a fee-sharing relationship with Hewitt and a separate fee on all accounts that are maintained at, or transferred to, another custodian. The participation fee paid by IFC includes a percentage of the fees the client owes to IFC and an annual retainer. IFC pays Hewitt the participation fee for so long as the referred client's account remains in custody at Hewitt. The part of the participation fee based on the fees the client owes to IFC is billed to IFC quarterly and may be increased, decreased or waived by Hewitt from time to time. The participation fee is paid by IFC and not by the client. IFC has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs IFC charges clients with similar portfolios who were not referred through the Service.

For accounts of IFC's clients referred by Hewitt and maintained in custody at broker-dealers having a fee sharing relationship with Hewitt, Hewitt will not charge the client separately for custody but will receive compensation indirectly from such clients in the form of commissions or other transaction-related compensation on securities trades executed through this participating broker-dealer. IFC acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody

through Hewitt's arrangements with third party broker-dealers may be executed through a different broker-dealer than trades for IFC's other clients. Thus trades for accounts custodied through these broker-dealers may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

IFC generally pays Hewitt a separate fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, broker-dealers having fee sharing agreements with Hewitt. This separate fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Hewitt. The fee is higher than the participation fees IFC generally would pay in a single year. Thus, IFC will have an incentive to recommend that client accounts be held in custody through broker-dealers having fee sharing agreements with Hewitt.

**Complete amended pages in full, circle amended items and file with execution page (page 1).**