

Part 2A Appendix I of Form ADV
Wrap Fee Program Brochure

Item 1 – Cover Page

Navy Federal Asset Management, LLC
820 Follin Lane, Vienna, VA 22180
Phone: 877-221-8108

<https://www.navyfederal.org/financial-group/>

Date of Wrap Brochure: March 2016

This Part 2A Appendix I of Form ADV is our Wrap Fee Program Brochure, and may also be referred to as our "Wrap Disclosure Brochure" or "Wrap Brochure". This Wrap Disclosure Brochure is required by the Investment Advisers Act of 1940 and is a very important document between our members (you) and Navy Federal Asset Management, LLC (also referred to as Navy Federal Asset Management or NFAM throughout this Wrap Brochure). This Wrap Brochure provides information about our wrap fee program.

This wrap fee program brochure provides information about the qualifications and business practices of Navy Federal Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 877-221-8108 or nfbsoptions@navyfederal.org. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Navy Federal Asset Management, LLC is also available at the SEC's website www.adviserinfo.sec.gov (go to the website, select "investment adviser firm" and type in our firm name or our CRD number which is 144244). Results will provide you both Part 1 and 2 of our Form ADV.

Navy Federal Asset Management is an investment adviser registered with the SEC. Our registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, are information you use to evaluate us (and other investment advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

Item 2 – Material Changes

Recent material changes to this Disclosure Brochure:

This Brochure contains changes from the last annual amendment to the Brochure in March 2015. The following is a summary of the material changes. In Item 4, Fees and Compensation were updated.

Item 3 -Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 -Table of Contents	3
Item 4 – Services, Fees & Compensation	4
Members Trust Company.....	7
Retirement Plans	11
Program Fees.....	11
Other Fees	16
Termination of Services	17
Item 5 – Account Requirements & Types of Clients	17
Opening an Account.....	17
Account Minimums	17
Item 6 – Portfolio Manager Selection & Evaluation	19
Selecting Your Investment Strategy	19
Selecting Sub-Advisors.....	19
Voting Client Securities.....	19
Item 7 – Client Information Provided to Portfolio Managers.....	19
Item 8 – Client Contact with Portfolio Managers	20
Item 9 – Additional Information	20
Disciplinary Information.....	20
Other Financial Industry Activities and Affiliations.....	20
Review of Accounts.....	21
Code of Ethics Summary	21
Employee Personal Securities Transactions Disclosure	22
Client Referrals and Other Compensation.....	22
Financial Information	23

Item 4 – Services, Fees & Compensation

Navy Federal Asset Management is wholly owned by Navy Federal Financial Group, which is a wholly owned subsidiary of Navy Federal Credit Union. Navy Federal Asset Management began operations in June 2007. Navy Federal Asset Management's principal business activity is acting as an investment advisory firm.

NFAM offers advisory clients portfolio management services for a fee through its wrap fee programs. NFAM provides additional advisory services not described in this Wrap Brochure, such as financial planning services and referring clients to other money managers who will provide portfolio management services to clients for a fee, a portion of which the money manager will pay NFAM for such referrals. Additional advisory services provided by NFAM and the related fees received by NFAM are explained in NFAM's ADV Part 2A disclosure document which can be provided to clients upon request. These services, collectively referred to as "advisory services," are offered through investment advisory representatives of NFAM who are authorized in writing to act on its behalf. Currently, all investment advisory representatives are also registered with the firm's affiliated broker/dealer Navy Federal Brokerage Services, LLC. NFAM clients may also be clients of the broker/dealer, dependent upon the products and services the client has selected. NFAM provides advisory services to individuals, trusts, estates, charitable organizations, and corporations or other business entities.

Clients should have a conversation with their advisor representative and read this Wrap Brochure carefully as it explains, in detail, the NFAM Advisory Program.

The Programs Sponsored by NFAM

The following pages list the wrap fee programs offered by Navy Federal Asset Management. In these programs, Navy Federal Asset Management has discretionary authority to hire and fire third-party portfolio managers ("Sub-Advisors") who will be responsible for the portfolio management through discretionary asset allocation programs. A Navy Federal Asset Management investment advisory representative meets with a potential client to discuss financial objectives, needs, risk tolerance, and financial status. The investment advisory representative will assist the client in determining the suitability and selection of the particular Program that will be used as well as the suitability of the model(s) selected within the program. The selected Sub-Advisor will recommend a portfolio allocation with a specific investment recommendation. If the allocation is accepted by the client, the Sub-Advisor is given discretionary authority to select and change portfolios as necessary.

NFAM Advisory Program

The NFAM Advisory Program is a wrap program sponsored by NFAM, which provides clients with personalized asset allocation services using a wide range of mutual funds and exchange traded funds based upon asset allocation models. Additionally, NFAM Advisory Program provides clients with account monitoring, monitoring and rebalancing of funds, performance reporting and other advisory services, as well as trade execution and internet access to positions for a "wrap" fee.

Under the NFAM Advisory Program, Navy Federal Asset Management has the discretionary authority to hire and fire third-party portfolio managers (Sub-Advisors). The Sub-Advisor shall act as the portfolio manager for accounts managed through the NFAM Advisory Program. The Sub-Advisor shall have the full authority to supervise and direct the investment of monies contributed by the client to the NFAM Advisory Program account without prior consultation with the client. Subject to the limitations described in client responses to the Profile and Investment Strategy Report or other appropriate suitability analysis, the Sub-Advisor shall have unlimited investment discretion with respect to any changes to investments in the NFAM Advisory Program accounts, within the parameters of the selected portfolio model. This includes discretion to adjust asset allocations and replace or reduce the investment options in the NFAM Advisory Program portfolios. The Sub-Advisor will have full authority to supervise and direct the investment of monies contributed by clients to the NFAM Advisory Program without prior consultation except that clients shall retain the ability to modify the Investment Strategy Report at any time and shall inform the Navy Federal Asset Management investment adviser representative of any such modifications. The Sub-Advisor may, in its discretion and within the terms of the NFAM Advisory Program agreement executed between Navy Federal Asset Management and the client, utilize model portfolios to achieve the objectives of the various portfolio options offered under the NFAM Advisory Program. Navy Federal Asset Management has no discretionary authority to select the investments in these NFAM Advisory Program accounts but will have discretion to select the Funds to be liquidated if necessary to cover a debit balance in relation to the monthly fees or if a client requests a withdrawal of funds and the funds are not readily available in the Program account money market. Other than these specific liquidations,

all transactions in NFAM Advisory Program accounts shall be initiated by Sub-Advisor. Clients participating in the NFAM Advisory Program will receive the Sub-Advisor's disclosure document in addition to Navy Federal Asset Management's brochure. Clients should review the Sub-Advisor's disclosure document for more information on the Sub-Advisor.

Navy Federal Asset Management shall be responsible for, among other things: (1) determining client suitability for the NFAM Advisory Program and the recommended portfolio option; and (2) confirming with the client the accuracy and completeness of the information contained in the Profile and Investment Strategy Report. Navy Federal Asset Management's investment adviser representatives shall communicate to clients the investments or separate account managers recommended by the Sub-Advisor. Navy Federal Asset Management will have discretionary authority to hire and fire the Sub-Advisor.

Investnet Portfolio Solution Programs- The following portfolio options are offered by Investnet Portfolio Solutions, under the NFAM Advisory Program:

NFAM Funds – Assets in this portfolio are limited to mutual funds. Mutual funds in this portfolio are selected based on each individual client's needs with an emphasis on reaching the client's overall investment objective. Each fund within this portfolio is selected for its individual strategy to fit within the confines of that client's objective. Investnet|PMC acts as the portfolio manager, objectively managing the portfolio in line with the client's investment objective. Portfolio Management Consultants ("PMC"), as the registered investment advisor, provides ongoing investment monitoring and rebalancing.

NFAM ETF – The NFAM ETF account is a 100% exchange traded fund (ETF) based managed account whereby Investnet|PMC acts as the portfolio manager, objectively managing the portfolio in line with the client's investment objective. The portfolios use exchange-traded funds (ETFs) designed to closely track the performance of a market index. PMC, as the registered investment advisor, provides ongoing investment monitoring and rebalancing.

NFAM Members Trust Portfolios – The NFAM Members Trust Portfolios account is a blend of mutual funds (including index funds) and exchange traded fund (ETF) based managed account, whereby Investnet|PMC acts as the portfolio manager, objectively managing the portfolio in line with the client's investment objective. PMC, as the registered investment advisor, provides ongoing investment monitoring and rebalancing.

NFAM Index Plus – This strategy offers portfolios that seek to provide investors with the best complement of strategies available. It enables the advisor to leverage the resources from professional money managers to monitor and make changes to meet an individual client's goals. These portfolios use active mutual funds in the categories where active managers have been more likely to outperform, and passive investments where, on average, active managers have been less likely to beat their benchmark. Investnet|PMC acts as the portfolio manager, objectively managing the portfolio in line with the client's investment objective. PMC, as the registered investment advisor, provides ongoing investment monitoring and rebalancing.

NFAM Active Passive Portfolios – The Investnet Portfolio Solutions Active Passive Funds are the building blocks used to create the NFAM Active Passive Portfolios. The Sub-Advisor Investnet Portfolio Solutions aims to enhance value to client portfolios through careful combinations of these funds, which feature both actively managed and passive (index-based) investments. The Sub-Advisor for NFAM Active Passive Portfolios is Investnet Portfolio Solutions.

NFAM Strategist Portfolios – The NFAM Strategist Portfolios offers mutual fund and exchange traded fund (ETF) Solutions that offer individual investors an actively managed portfolio comprised of carefully selected mutual funds and/or ETFs.

Managers:

Blue Marble Investments, LLC.

Blue Marble Investments, LLC. manages the EarthFolio® portfolio series. The EarthFolio® is a collection of online professionally managed model portfolios that feature "socially responsible" mutual funds and ETFs. The EarthFolio® model portfolios are designed to diversify the client's assets *based on the client's investment objectives and risk tolerance* and are available in the following asset allocation strategies:

- EarthFolio® Aggressive
- EarthFolio® Balanced
- EarthFolio® Conservative
- EarthFolio® Growth

Brinker Capital, Inc.

Brinker Capital is an investment management firm that provides customized investment products and services and offers a variety of asset allocation strategies, each targeting a specific investment objective, for both taxable and tax-exempt accounts. The strategies provide different balances of risk and reward depending on a client's risk tolerance and time horizon and are designed to offer consistent, competitive performance while seeking to achieve attractive risk-adjusted returns over the long term. Brinker Capital monitors the performance of each fund and investment strategy and updates and modifies these strategies based on market conditions and Brinker's investment outlook. Available Model Portfolios Include:

- Brinker Capital Defensive Non-Taxable
- Brinker Capital Defensive Taxable
- Brinker Capital Destinations Aggressive Equity Non-Taxable
- Brinker Capital Destinations Aggressive Equity Taxable
- Brinker Capital Destinations Aggressive Non-Taxable
- Brinker Capital Destinations Aggressive Taxable
- Brinker Capital Destinations Balanced Income Non-Taxable
- Brinker Capital Destinations Balanced Income Taxable
- Brinker Capital Destinations Conservative Non-Taxable
- Brinker Capital Destinations Conservative Taxable
- Brinker Capital Destinations Conservative Government Focused
- Brinker Capital Destinations Moderate Non-Taxable
- Brinker Capital Destinations Moderate Taxable
- Brinker Capital Destinations Moderately Aggressive Non-Taxable
- Brinker Capital Destinations Moderately Aggressive Taxable
- Brinker Capital Destinations Moderately Conservative Non-Taxable
- Brinker Capital Destinations Moderately Conservative Taxable

Lazard Asset Management, LLC.

Lazard Asset Management (LAM) manages assets according to a variety of equity, fixed-income and alternative investment strategies, including among them investment strategies focusing on global, regional and international equity, U.S. equity, U.S. and global fixed income, and emerging markets equity and debt. LAM's alternative investment products include convertible event, emerging market currency and debt and long/short equity strategies, among others. Available Model Portfolios Include:

Navy Federal Asset Management

ADV Part 2A Appendix I Wrap Fee Brochure

- Lazard Capital Allocator Series - Global Diversified 25/75 Non-Taxable
- Lazard Capital Allocator Series - Global Diversified 25/75 Taxable
- Lazard Capital Allocator Series - Global Diversified 40/60 Non-Taxable
- Lazard Capital Allocator Series - Global Diversified 40/60 Taxable
- Lazard Capital Allocator Series - Global Diversified 60/40 Non-Taxable
- Lazard Capital Allocator Series - Global Diversified 60/40 Taxable
- Lazard Capital Allocator Series - Global Diversified 75/25 Non-Taxable
- Lazard Capital Allocator Series - Global Diversified 75/25 Taxable
- Lazard Capital Allocator Series - Global Equity
- Lazard Capital Allocator Series - Global Fixed Income 0/100 Non-Taxable

Members Trust Company

Members Trust Company is organized as a national trust company that is owned by a consortium of credit unions and related organizations located throughout the U.S. Members Trust Company provides fee-based investment management and trust services. The service offerings of Members Trust Company include managed ETF portfolios and managed mutual fund portfolios, as well as customized managed account solutions.

Navy Federal Financial Group, the parent company of Navy Federal Asset Management owns a portion (currently less than 10%) of Members Trust Company. The COO of Navy Federal Asset Management serves as a member of the Board of Directors of Members Trust Company. The relationship between Navy Federal Financial Group, Navy Federal Asset Management and Members Trust Company creates a material conflict of interest. Navy Federal Asset Management addresses that conflict of interest through due diligence reviews, financial audits, and an account review process to verify Members Trust Company fits the client's investment needs. Further, advisory representatives with Navy Federal Asset Management are not incentivized or given any additional compensation for using Members Trust Company portfolios.

Members Trust Company uses a conservative investment philosophy. In making portfolio decisions, Members Trust Company maintains a disciplined approach that is intended to manage downside risks. Members Trust Company provides active management utilizing passive Exchange Traded Funds (ETFs) to gain broad-based market exposures thereby eliminating company specific risk. ETFs provide portfolio managers greater flexibility and efficiency in maintaining and readjusting portfolio allocations across asset classes than individual bonds, stocks or mutual funds. Other benefits of ETFs can include lower costs and increased liquidity and transparency. Portfolio options offered by Members Trust Company for the NFAM Advisory Program are based on long term risk and return characteristics while incorporating Modern Portfolio Theory along with other portfolio design tools.

The following Portfolio Options are offered by Members Trust Company as Sub-Advisor under the NFAM Advisory Program:

- Members Trust Balanced ETF Portfolio
- Members Trust Conservative ETF Portfolio
- Members Trust Growth ETF Portfolio
- Members Trust Income ETF Portfolio
- Members Trust Moderate Growth ETF Portfolio

Members Trust Company, Third-Party Money Manager Referral Program – Navy Federal Asset Management refers certain clients to Members Trust Company and Navy Federal Asset Management receives through its parent company, Navy Federal Financial Group, an ongoing solicitor fee if such clients still maintain assets under the management of Members Trust Company. In light of Navy Federal Financial Group, the parent company of Navy Federal Asset Management, owning a portion (less than 10%) of Members Trust Company and Navy Federal Asset Management COO's

role as a member of the board of directors of Members Trust Company, Navy Federal Asset Management has a conflict of interest. Please refer to Item 10.C.2 for additional details.

OBS Financial Services, Inc.

OBS Financial Services, Inc. is a registered investment advisor whose core business is building model portfolios. OBS delivers comprehensive outsourced investment solutions to the financial institution marketplace. Available portfolios include:

- OBS DFA/EFS 0/100% (Capital Preservation)
- OBS DFA/EFS 100/0% (Aggressive Growth)
- OBS DFA/EFS 20/80% (Conservative)
- OBS DFA/EFS 40/60% (Conservative Growth)
- OBS DFA/EFS 50/50% (Moderate)
- OBS DFA/EFS 60/40% (Moderate Growth)
- OBS DFA/EFS 70/30% (Growth)
- OBS DFA/EFS 80/20% (Growth)
- OBS Financial EFS Income Portfolio

Portfolio Management Consultants ("PMC")

PMC is an investment management firm founded in 1985 that build asset allocation strategies of a variety of mutual fund and ETF asset managers. PMC provides overlay management of the portfolios and provides ongoing investment monitoring and rebalancing.

For the _CAM Mutual Fund Model, ActivePassive Portfolios, and NFAM Index Plus, PMC's available portfolios include:

- Balanced,
- Balanced Equity
- Balanced Equity Tax Sensitive
- Balanced Tax Sensitive
- Capital Preservation
- Capital Preservation Tax Sensitive
- Diversified Equity
- Diversified Equity Tax Sensitive
- Diversified Equity w/Income
- Diversified Equity w/Income Tax Sensitive
- Diversified Income
- Diversified Income w/Tax Sensitive
- Income
- Income Tax-Sensitive

For the NFAM ETF Program, PMC's available portfolios are:

- Balanced
- Balanced Equity
- Capital Preservation
- Diversified Equity

- Diversified Equity w/Income
- Diversified Income
- Income

Russell Investment Management Co.

Russell Investment Management Co. provides investment advisers and broker/dealers with model strategies designed to optimize asset allocation strategies based on various investment principles. RIMCo may also provide marketing assistance and subject matter expertise to these investment advisers. The model strategies marketed include strategic asset allocation strategies and enhanced asset allocation strategies. Available Asset Allocation Strategies Include:

- Russell Balanced Model Strategy
- Russell Conservative Model Strategy
- Russell Equity Growth Model Strategy
- Russell Growth Model Strategy
- Russell Moderate Model Strategy
- Russell Tax-Managed Balanced Model Strategy
- Russell Tax-Managed Conservative Model Strategy
- Russell Tax-Managed Equity Growth Model Strategy
- Russell Tax-Managed Growth Model Strategy
- Russell Tax-Managed Moderate Model Strategy

SEI Investments Management Corporation

SIMC's SEI Advisor Network provides independent financial intermediaries, such as registered investment advisors, financial planning firms, broker/dealers and banks and other financial institutions ("Financial Professionals") with turnkey wealth management services through outsourced investment strategies; administration and technology platforms; trust, banking, and institutional services; and practice management programs. Available Strategies Include:

- SEI Private Client Aggressive Strategy
- SEI Private Client Conservative Strategy
- SEI Private Client Core Market Strategy
- SEI Private Client Defensive Strategy
- SEI Private Client Equity Strategy
- SEI Private Client Market Growth Strategy
- SEI Private Client Moderate Strategy
- SEI Private Client Short Term Strategy
- SEI Private Client Tax-Managed Aggressive Strategy
- SEI Private Client Tax-Managed Conservative Strategy
- SEI Private Client Tax-Managed Core Market Strategy
- SEI Private Client Tax-Managed Defensive Strategy
- SEI Private Client Tax-Managed Equity Strategy
- SEI Private Client Tax-Managed Market Growth Strategy
- SEI Private Client Tax-Managed Moderate Strategy
- SEI Private Client Tax-Managed Short Term Strategy

Smedley Financial Services, Inc.

Smedley Financial Services, Inc. a registered investment advisory firm since 1982, provides wealth management to individuals and institutions seeking superior performance. It manages both tax-efficient and active portfolios focusing on factors that have been historically tested and academically proven to reward investors. Available model portfolios include:

- SFS Power Yield Portfolio
- SFS Proactive Conservative Growth Portfolio
- SFS Proactive Global Strategies Portfolio
- SFS Proactive Income Strategies Portfolio
- SFS Proactive Protected Growth Portfolio
- SFS Proactive Strategic Growth Portfolio
- SFS Proactive Tactical Opportunities Portfolio
- SFS Quant Phase2 Intermediate Portfolio
- SFS Quant Phase2 Standard Portfolio
- SFS Quant Phase3 Intermediate Portfolio
- SFS Quant Phase3 Standard Portfolio
- SFS Quant Phase4 Intermediate Portfolio
- SFS Quant Phase4 Standard Portfolio
- SFS Quant Phase5-Plus Standard Portfolio
- SFS Tax-Efficient Growth Portfolio
- SFS Tax-Efficient Growth & Income Portfolio
- SFS Tax-Efficient Income Portfolio

Standard & Poor's Investment Advisory Services LLC (SPIAS)

Standard & Poor's Investment Advisory Services LLC develops asset allocation models, which may be at the asset class or economic sector level based on available investments. Such asset allocation models, which are customized to clients' needs, investment objectives and restrictions, are developed based on modern portfolio theory. SPIAS uses both quantitative and qualitative factors in working with clients to develop the client's allocation strategies and models. SPIAS provides multi-manager, equity and fixed income strategies. Available Strategies Include:

- S&P Capital Appreciation MAP - ETF – Conservative
- S&P Capital Appreciation MAP – ETF – Conservative (Non-SPDJ)
- S&P Capital Appreciation MAP - ETF - Enhanced Growth
- S&P Capital Appreciation MAP - ETF - Enhanced Growth (Non-SPDJ)
- S&P Capital Appreciation MAP - ETF –Growth
- S&P Capital Appreciation MAP - ETF - Growth (Non-SPDJ)
- S&P Capital Appreciation MAP - ETF - Moderate Growth
- S&P Capital Appreciation MAP - ETF - Moderate Growth (Non-SPDJ)
- S&P Capital Appreciation MAP - ETF – Moderate
- S&P Capital Appreciation MAP - ETF - Moderate (Non-SPDJ)
- S&P Capital Appreciation MAP - ETF - Moderate Conservative
- S&P Capital Appreciation MAP - ETF - Moderate Conservative (Non-SPDJ)
- S&P Capital Appreciation MAP - FUND - Conservative
- S&P Capital Appreciation MAP - FUND - Enhanced Growth

- S&P Capital Appreciation MAP - FUND - Growth
- S&P Capital Appreciation MAP - FUND - Moderate Growth
- S&P Capital Appreciation MAP - FUND - Moderate
- S&P Capital Appreciation MAP - FUND - Moderate Conservative
- S&P Current Income MAP - FUND - Income Generation
- S&P Current Income MAP - FUND - Purchasing Power Preservation

Retirement Plans

Navy Federal Asset Management offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan we provide fiduciary management services through the NFAM Advisory Programs, as described above.

If you elect to utilize any of Navy Federal Asset Management's Fiduciary Management Services, then Navy Federal Asset Management will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and Navy Federal Asset Management hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

The exact suite of services provided to a client will be listed and detailed in the advisory services agreement between Navy Federal Asset Management and the retirement plan.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the responsibility of each individual client to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, Navy Federal Asset Management cannot assure that investments will be profitable or assure that no losses will occur in the client portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

Navy Federal Asset Management will disclose to the client, to the extent required by ERISA Regulation Section 2550.408b-2(c), any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the advisory services agreement between Navy Federal Asset Management and the retirement plan and any compensation or fees received in connection with such agreement that is required for the ERISA-covered plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to the client the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

Program Fees

Navy Federal Asset Management charges fees as a percentage of assets under management for assets managed through the Programs ("NFAM fees"). These fees cover the initial and ongoing investment advisory services provided through Navy Federal Asset Management as well as the execution of securities transactions in connection with Navy Federal Asset Management accounts. The NFAM fees also cover the client's account custodial fees that will be established by the custodian to hold the assets. However, the NFAM fees will not cover mark-up or mark-down charges on

over-the-counter securities ("OTC") transactions effected for the client's account, if any. These fees also do not cover compensation for any securities transactions requested involving assets or securities not held in a Navy Federal Asset Management account, nor do they cover short-term mutual fund redemption fees in certain instances.

A portion of the NFAM fees will be paid to Navy Federal Asset Management investment advisor representatives that recommend these accounts to clients. The amount of compensation received by the investment advisor representative may be more than he or she would receive if the client participated in other programs offered through Navy Federal Asset Management or if the client paid separately for investment advice, brokerage, and other services. Therefore, the investment advisor representatives may have a financial incentive to recommend these accounts over other programs or services. Additionally, clients may pay fees higher than those paid by other clients with similar sized accounts receiving similar services that may or may not have been introduced to Navy Federal Asset Management by another investment advisor representative.

Fees will be calculated based on a percentage of assets under management. A portion of this fee will be paid to the Sub-Advisors for the services provided to Navy Federal Asset Management. NFAM fees include Navy Federal Asset Management's fee for sponsoring, administering, and distributing Navy Federal Asset Management investment programs, the Sub-Advisor fee, and execution, clearing, and custody fees.

Fees for advisory services provided through the Programs will be charged according to the following fee schedules which have been established by Navy Federal Asset Management:

** The term "Bundled Fee" refers to the respective program management fee plus the Envestnet Portfolio Solutions administrative fee.*

***Fee Schedule for NFAM Advisory Program Account Sub-Advised by Envestnet (Portfolio Management Consultants)
NFAM Index Plus***

Investment Amount	Envestnet Portfolio Solutions Platform Fee	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.35%	0.20%	0.60% - 1.20%	1.15% - 1.75%
Next \$250,000	0.30%	0.19%	0.60% - 1.06%	1.09% - 1.55%
Next \$500,000	0.25%	0.17%	0.60% - 0.90%	1.02% - 1.32%
Next \$1M	0.20%	0.15%	0.50% - 0.80%	0.85% - 1.15%
Over \$2M	0.20%	0.13%	0.50% - 0.80%	0.83% - 1.13%

***Fee Schedule for NFAM Advisory Program Account Sub-Advised by Envestnet (Portfolio Management Consultants)
NFAM ETF and NFAM Funds***

Investment Amount	Envestnet Portfolio Solutions Platform Fee	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.35%	0.20%	0.80% - 1.20%	1.35% - 1.75%
Next \$250,000	0.26%	0.19%	0.70% - 1.10%	1.15% - 1.55%
Next \$500,000	0.18%	0.17%	0.70% - 0.90%	1.05% - 1.25%
Next \$1M	0.15%	0.15%	0.60% - 0.70%	0.95% - 1.00%
Over \$2M	0.12%	0.13%	0.60% - 0.60%	0.85% - 0.85%

Fee Schedule for NFAM Advisory Program Account Sub-Advised by OBS (Migrated to Envestnet)

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$150,000	0.35%	0.00%	0.90% - 1.30%	1.25% - 1.65%
Next \$100,000	0.35%	0.00%	0.86% - 1.16%	1.21% - 1.51%
Next \$250,000	0.35%	0.00%	0.73% - 0.93%	1.08% - 1.28%
Next \$500,000	0.35%	0.00%	0.73% - 0.80%	1.08% - 1.15%
Next \$1M	0.25%	0.00%	0.67% - 0.80%	0.92% - 1.05%
Above \$2M	0.20%	0.00%	0.62% - 0.67%	0.82% - 0.87%

Fee Schedule for NFAM Advisory Program Account Sub-Advised by OBS (Envestnet Platform, since Dec. 2013)

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.45%	0.20%	0.60% - 1.00%	1.25% - 1.65%
Next \$250,000	0.44%	0.19%	0.60% - 0.90%	1.23% - 1.53%
Next \$500,000	0.42%	0.17%	0.50% - 0.80%	1.09% - 1.39%
Next \$1M	0.30%	0.15%	0.50% - 0.85%	1.00% - 1.30%
Above \$2M	0.23%	0.13%	0.60% - 0.90%	0.96% - 1.26%
Next \$5M	0.23%	0.13%	0.55% - 0.85%	0.91% - 1.21%
Above \$8M	0.23%	0.13%	0.50% - 0.80%	0.86% - 1.16%

Fee Schedule for NFAM Advisory Program Account Sub-Advised by Members Trust Company

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.45%	0.20%	0.60% - 1.00%	1.25% - 1.65%
Next \$250,000	0.39%	0.19%	0.60% - 1.00%	1.18% - 1.58%
Next \$500,000	0.37%	0.17%	0.60% - 0.90%	1.14% - 1.44%
Next \$1M	0.35%	0.15%	0.50% - 0.80%	1.00% - 1.30%
Over \$2M	0.33%	0.13%	0.50% - 0.80%	0.96% - 1.26%

* The term "Bundled Fee" refers to the respective program management fee plus the Envestnet Portfolio Solutions administrative fee.

Fee Schedule for NFAM Advisory Program Account Sub-Advised by Envestnet Portfolio Solutions

NFAM Active Passive

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
\$150k	See Client Agreement 10.6	See Client Agreement 10.6	0.75%	0.75%
\$250k	See Client Agreement 10.6	See Client Agreement 10.6	0.75%	0.75%
\$500k	See Client Agreement 10.6	See Client Agreement 10.6	0.75%	0.75%
\$1M	See Client Agreement 10.6	See Client Agreement 10.6	0.75%	0.75%

Fee Schedule for NFAM Advisory Program Account Sub-Advised by Brinker Capital

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.52%	0.20%	0.60% - 1.00%	1.32% - 1.72%
Next \$250,000	0.51%	0.19%	0.60% - 1.00%	1.30% - 1.70%
Next \$500,000	0.49%	0.17%	0.60% - 0.90%	1.26% - 1.56%
Next \$1M	0.47%	0.15%	0.50% - 0.80%	1.12% - 1.42%
Over \$2M	0.45%	0.13%	0.50% - 0.80%	1.08% - 1.38%

* The term "Bundled Fee" refers to the respective program management fee plus the Envestnet Portfolio Solutions administrative fee.

Fee Schedule for NFAM Advisory Program Account Sub-Advised by Lazard Asset Management

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.55%	0.20%	0.60% - 1.00%	1.35% - 1.75%
Next \$250,000	0.55%	0.19%	0.59% - 0.99%	1.33% - 1.73%
Next \$500,000	0.53%	0.17%	0.59% - 0.89%	1.29% - 1.59%
Next \$1M	0.50%	0.15%	0.50% - 0.80%	1.15% - 1.45%
Over \$2M	0.48%	0.13%	0.50% - 0.80%	1.11% - 1.41%

Fee Schedule for NFAM Advisory Program Account Sub-Advised by Standard & Poor's

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.35%	0.20%	0.60% - 1.00%	1.15% - 1.55%
Next \$250,000	0.33%	0.19%	0.61% - 1.00%	1.13% - 1.53%
Next \$500,000	0.30%	0.17%	0.62% - 0.90%	1.09% - 1.38%
Next \$1M	0.28%	0.15%	0.59% - 0.80%	0.95% - 1.25%
Over \$2M	0.25%	0.13%	0.55% - 0.80%	0.91% - 1.21%

Fee Schedule for NFAM Advisory Program Account Sub-Advised by Smedley Financial Services

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.50%	0.20%	0.60% - 1.00%	1.30% - 1.70%
Next \$250,000	0.49%	0.19%	0.60% - 1.00%	1.28% - 1.68%
Next \$500,000	0.47%	0.17%	0.60% - 0.90%	1.24% - 1.54%
Next \$1M	0.45%	0.15%	0.50% - 0.80%	1.10% - 1.40%
Over \$2M	0.43%	0.13%	0.50% - 0.80%	1.06% - 1.36%

Fee Schedule for NFAM Advisory Program Account Sub-Advised by EarthFolios (Blue Marble)

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.45%	0.20%	0.65% - 1.00%	1.30% - 1.70%
Next \$250,000	0.45%	0.19%	0.64% - 1.00%	1.28% - 1.68%
Next \$500,000	0.37%	0.17%	0.65% - 0.90%	1.19% - 1.49%
Next \$1M	0.34%	0.15%	0.54% - 0.80%	1.03% - 1.33%
Over \$2M	0.30%	0.13%	0.53% - 0.80%	0.96% - 1.26%

* The term "Bundled Fee" refers to the respective program management fee plus the Envestnet Portfolio Solutions administrative fee.

Fee Schedule for NFAM Advisory Program Account Sub-Advised by Russell Investment Group (Class S)

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.20%	0.20%	0.60% - 1.00%	1.00% - 1.40%
Next \$250,000	0.19%	0.19%	0.60% - 1.00%	0.98% - 1.38%
Next \$500,000	0.17%	0.17%	0.60% - 0.90%	0.94% - 1.24%
Next \$1M	0.15%	0.15%	0.50% - 0.80%	0.80% - 1.10%
Over \$2M	0.13%	0.13%	0.50% - 0.80%	0.76% - 1.06%

Fee Schedule for NFAM Advisory Program Account Sub-Advised by Russell Investment Group (Class S&I)

Investment Amount	Envestnet Portfolio Solutions Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.32%	0.20%	0.60% - 1.00%	1.12% - 1.52%
Next \$250,000	0.29%	0.19%	0.60% - 1.00%	1.08% - 1.48%
Next \$500,000	0.26%	0.17%	0.60% - 0.90%	1.03% - 1.33%
Next \$1M	0.23%	0.15%	0.50% - 0.80%	0.88% - 1.18%
Over \$2M	0.19%	0.13%	0.50% - 0.80%	0.82% - 1.12%

Fee Schedule for NFAM Advisory Program Account Sub-Advised by SEI

Investment Amount	SEI Bundled Fee*	NFAM Platform Management Fee	Navy Federal Asset Management Fee	Total Fee
First \$250,000	0.20%	0.20%	0.60% - 1.00%	1.00% - 1.40%
Next \$250,000	0.19%	0.19%	0.60% - 1.00%	0.98% - 1.38%
Next \$500,000	0.17%	0.17%	0.60% - 0.90%	0.94% - 1.24%
Next \$1M	0.15%	0.15%	0.50% - 0.80%	0.80% - 1.10%
Over \$2M	0.13%	0.13%	0.50% - 0.80%	0.76% - 1.06%

* The term "Bundled Fee" refers to the respective program management fee plus the Envestnet Portfolio Solutions administrative

How Fees Are Charged

Depending upon the advisory program and Sub-Advisor selected, fees are charged to an account in advance on a monthly basis. Upon termination of an advisory program for an account billed in advance, Navy Federal Asset Management will refund any prepaid but unearned fees. Upon termination of an advisory program for an account billed in arrears, Navy Federal Asset Management will collect fees due for the period of time the account has been managed since the last billing period. Fees are charged on all position in NFAM Advisory accounts, including any cash positions.

Fees for NFAM Advisory Program accounts are charged in advance on a monthly basis using the average daily balance from the previous month. The fee for the initial calendar month (or part thereof) in which a client participates in the NFAM Advisory Program are calculated on the day after the initial placement of Program Assets and are debited the first day of the new month after assets are placed in the Program. The initial Program Fee for any partial calendar month is appropriately pro-rated based on the number of calendar days in the partial month. Thereafter, the Program Fee is calculated and billed monthly in advance based on a percentage of the average daily fair market value of assets in the Program Account during the prior month. The Program Fee for each month will equal (on an annualized basis) the percentage set forth in the Fee Schedule, of the fair market value of the Program Assets in the applicable category (including interest paid or accrued) as calculated on the last business day of the previous calendar month. If there is a deposit over \$25,000 made during the month which was not included in the fee charged in advance, there is a look back and an additional fee (pro-rated) is charged for such deposit. The broker that provides custodial services for the Program Assets will determine fair market value for the purpose of calculation of the fee. Upon termination of an NFAM Advisory Program account and withdrawal of the client's assets from the Program, Navy Federal Asset Management will provide a pro-rata refund to client for any prepaid but unearned fees.

Upon termination or client request for funds withdrawal (including systematic withdrawal programs), costs to liquidate securities such as short term redemption fees, if any, may be borne by the client. The client understands that such liquidations may have adverse tax consequences. Upon termination, Navy Federal Asset Management agrees to reimburse a pro-rata share of any prepaid but unearned fees.

Each Navy Federal Asset Management investment advisor representative will determine the NFAM Fee that will be charged to his or her particular client. Therefore, different clients participating in the same Program may pay different fees. The above fee schedules are non-negotiable except that the investment advisor representatives will determine the amount of the fee within the fee ranges disclosed under the NFAM Fee columns on the previous fee schedules. The total fee will not exceed the fee ranges disclosed above. When determining the NFAM Fee, the investment advisor representatives will take into consideration factors such as, the services provided, the individuals involved in providing the services, the types of investments included in the account, the complexity of the client's financial situation, other services provided to the client by Navy Federal Asset Management or its investment advisor representatives, relationships with the client, and other such considerations. A detailed fee schedule will be provided for client review and signature prior to services being provided.

In addition to the NFAM fees, there may be other charges assessed to the Navy Federal Asset Management account for certain activity, termination of the Navy Federal Asset Management account, or other such occurrences. All such charges and fees will be fully disclosed to clients in the NFAM Client Services Agreement that will be executed by each client prior to services being provided.

Clients are obligated to pay applicable NFAM fees regardless of whether they follow any of the allocation recommendations provided by Navy Federal Asset Management or the Sub-Advisors. All fees and charges are deducted directly from the client's Program account and will be reflected on the client's account statements. All Navy Federal Asset Management accounts will contain a money market account. To provide clients with sufficient cash to pay the NFAM fees and any distribution that may be requested by the clients, Navy Federal Asset Management may sell shares within the clients' Navy Federal Asset Management accounts and transfer the proceeds to the money market account. Navy Federal Asset Management and/or the Sub-Advisor reserve the right, in their discretion, to determine which shares and how many shares to sell. Clients should be aware that such sales may have tax consequences.

The charges paid under Navy Federal Asset Management investment programs may be more or less than what clients would pay if the clients paid separately for investment management, brokerage, and other services. Clients can invest directly in Funds outside of Navy Federal Asset Management accounts without paying the NFAM fees. It may be less expensive to clients to invest outside of Navy Federal Asset Management. However, clients will not receive the services provided under Navy Federal Asset Management if clients invest outside of Navy Federal Asset Management. NFAM fees paid by each client may not be the same as or lower than those paid by other clients participating in Navy Federal Asset Management investment programs or by clients that participate in comparable programs offered by other sponsors.

Navy Federal Asset Management and the Sub-Advisors will not be compensated based on a share of capital gains upon or capital appreciation of funds or any portion of funds or other investments in the client managed accounts.

Other Fees

Investments in Navy Federal Asset Management accounts may be subject to additional fees and charges imposed by third parties, such as: in the case of mutual fund investments, mutual fund management fees, 12b-1 distribution fees, administrative servicing fees, and contingent deferred sales charges upon redemption of previously purchased mutual funds; in the case of purchases made in connection with an individual retirement account ("IRA") or other qualified plan, various IRA and qualified retirement plan fees; and, in the case of all investments, clearing charges and services fees. Other parties may receive a portion of these third party fees.

Navy Federal Asset Management and its Sub-Advisors will limit their mutual fund recommendations to classes of shares that are not subject to a front-end sales load (or those that qualify for a waiver of such load). Mutual fund shares subject to a sales load that were purchased and transferred into a Navy Federal Asset Management account are subject to all fees and charges that are normally charged on mutual fund shares held within the program, including fees under Navy Federal Asset Management, and 12b-1 distribution fees (which may be shared by the NFAM investment advisor representatives in their separate capacities as registered representatives of a broker/dealer). Additional details regarding mutual funds purchased on behalf of clients in Navy Federal Asset Management accounts can be found in the relevant fund prospectus that will be provided to clients at the time of purchase.

Clients should be aware that some of the underlying mutual funds utilized in client portfolios may charge 12b-1 fees and/or contingent deferred sales charges, and such fees may be earned by Navy Federal Asset Management's broker/dealer or clearing broker/dealer pursuant to a selling agreement with the relevant funds. Clients will not receive any form of credit to their account for these fees. However, if client's Navy Federal Asset Management account is maintained on behalf of a plan subject to the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") or a similar government regulation, and such mutual funds that pay 12b-1 fees are maintained in the Navy Federal Asset Management client's account, the Navy Federal Asset Management fees will be reduced to offset the payment of such fees.

Clients wishing to hold mutual fund shares or individual securities not included in Navy Federal Asset Management, or to engage in transactions not initiated by Navy Federal Asset Management or the Sub-Advisors, must purchase or sell such securities outside of their Navy Federal Asset Management account and, as a result, may incur applicable commissions, transaction fees, and/or sales charges.

If services are being provided to an ERISA qualified retirement plan, any 12b-1 fees received by Navy Federal Asset Management will be offset against our stated fee. Any fee offset will be detailed on the invoice we send to the client. The invoice will detail the amount of the fee offset, the payer of the 12b-1 fee, and the services rendered for the 12b-1 fee. If we receive any other compensation for our services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to the client.

Termination of Services

Either Navy Federal Asset Management or the client may terminate services at any time by providing written notice to the other party. If the client terminates services within five business days of executing an agreement for services with Navy Federal Asset Management, services will be terminated upon receipt of notice of termination and will be terminated without penalty. However, clients should be aware that they will still be subject to market risk during this period, meaning any declines in securities markets may reduce the value of the client's Navy Federal Asset Management account assets.

If services are terminated in the NFAM Advisory Program after the initial five business days, the date of termination shall be the date upon which the account manager receives notice of termination. Any unpaid fees as of that date shall be due and payable by the client. Navy Federal Asset Management has 30 days from the date of termination to deduct fees from the client's program account.

Item 5 – Account Requirements & Types of Clients

Opening an Account

Navy Federal Asset Management investment advisor representatives will meet with the client to describe the selected Navy Federal Asset Management investment program and to assist the client in determining whether he or she wishes to participate in that program. Individuals interested in opening a Navy Federal Asset Management account will be required to execute a NFAM Client Services Agreement, to provide all requested information, and to approve the initial investment model as well as the initial specific investment recommendations. Initial recommendations will not be implemented without client approval. If a recommendation is accepted by the client, the investment advisor representative will assist the client in establishing a Navy Federal Asset Management account.

Account Minimums

Sub-Advisors participating in Navy Federal Asset Management investment programs may set a minimum amount of assets to be maintained in an account specific to each investment model. The minimum initial investment will be stated on the Miscellaneous Fee Schedule that will be provided to you prior to executing an Agreement for Services. Navy Federal Asset Management and the Sub-Advisor will have the discretion to lower the account minimum on a case-by-case basis as well as to terminate an account if the account falls below the account minimum.

The initial deposit for your Navy Federal Asset Management account must be in marketable securities or cash. After the initial deposit to your Navy Federal Asset Management account, you may make additional deposits of marketable securities or cash to the Navy Federal Asset Management account at any time in any amount. All cash deposited to the Navy Federal Asset Management account will be credited to the Navy Federal Asset Management account on the day it is available in good funds.

Cash awaiting investment or reinvestment may be invested in one or more money market mutual funds. Certain of these money market mutual funds are advised by affiliates of the clearing broker/dealer, and the clearing broker/dealer or its affiliates may receive payments made pursuant to Rule 12b-1 under the Investment Company Act of 1940. Such payments are not credited to your account in calculating the fees. However, if your Navy Federal Asset Management account is maintained on behalf of a plan subject to the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") or a similar government regulation, and such mutual funds that pay 12b-1 fees are maintained in your account, management fees will be reduced to offset the payment of such fees.

Upon written notice to Navy Federal Asset Management, you may make withdrawals in any amount from the Navy Federal Asset Management advisory program account at any time, although you should understand that certain minimum balances may be required to maintain the account. Such withdrawals will affect the average value of the Navy Federal Asset Management account, and thus the Navy Federal Asset Management fees and charges assessed to your accounts. You should understand that Navy Federal Asset Management accounts are designed as long-term investment vehicles and that asset withdrawals may impair the achievement of your investment objectives. All partial withdrawals or termination distributions will be made in cash unless otherwise specifically requested in writing by you, and will be transferred to you pursuant to your instructions as soon as practical after receipt by Navy Federal Asset Management of instructions in the case of partial withdrawals and after the effective termination date in the case of termination distributions. If you request a withdrawal in an amount in excess of the balance of the Navy Federal Asset Management account's money market fund, Navy Federal Asset Management reserves the right to determine which Fund shares will be sold.

Upon written notice to Navy Federal Asset Management, you may make withdrawals from NFAM accounts in amounts of not less than \$1,000, or not less than \$250 on a systematic program withdrawal basis, provided that no partial withdrawal will be permitted if the market value of a your Navy Federal Asset Management account would thereafter be less than \$35,000 for the investment strategies with a \$50,000 minimum or \$150,000 for the investment strategies with a \$250,000 minimum. Such withdrawals will affect the average value of the Navy Federal Asset Management account, and thus the Navy Federal Asset Management fees and charges assessed to your Navy Federal Asset Management accounts. You should understand that Navy Federal Asset Management accounts are designed as long-term investment vehicles and that asset withdrawals may impair the achievement of your investment objectives. All partial withdrawals or termination distributions will be made in cash unless otherwise specifically requested in writing by a client, and will be transferred to the client pursuant to the client's instructions as soon as practical after receipt by Navy Federal Asset Management of instructions in the case of partial withdrawals and after the effective termination date in the case of termination distributions. If a client requests a withdrawal in an amount in excess of the balance of the Navy Federal Asset Management account's money market fund, Navy Federal Asset Management reserves the right to determine which Fund shares will be sold.

<u>Program</u>	<u>Minimum Account Size</u>
NFAM ETF	\$50,000
NFAM Tax Sensitive	\$100,000
NFAM Advisory Program Funds	\$50,000
NFAM Advisory Program Index Plus	\$50,000
NFAM Advisory Program Active Passive Portfolios	\$25,000
NFAM - OBS	\$50,000
NFAM - Members Trust	\$50,000
NFAM - Blue Marble EarthFolios	\$50,000
NFAM - Brinker Capital	\$25,000
NFAM - S&P Investment Advisory Services LLC	\$50,000
NFAM - SEI Investment Management	\$50,000
NFAM - Russell Investment Group	\$50,000
NFAM - Lazard Asset Management	\$50,000
NFAM - SFS Proactive Models	\$25,000
NFAM - SFS Quant Phase Models	\$25,000
NFAM - SFS Tax Efficient Models	\$50,000

Item 6 – Portfolio Manager Selection & Evaluation

Selecting Your Investment Strategy

Your investment advisor representatives will meet with you to discuss your current financial situation, risk tolerances, and investment goals. Your investment advisor representatives will use this information to assist you in determining your objective(s), investment strategies, and investment suitability. Your investment advisor representative will assist you in completing a NFAM Account Application, Client Profile, and Investment Strategy Report. Your investment advisor representative will use the information provided by you to determine the appropriateness of a NFAM investment program for you. Please contact Navy Federal Asset Management to notify us of any changes in your investment objectives and/or financial situation.

Based upon information provided in the initial Client Profile and Investment Strategy Report, your investment advisor representative and the selected Sub-Advisor will review and analyze the information and use such information in connection with the Investment Proposal System ("IPS") to create an Investment Proposal showing the recommendations for how your account should be allocated among various asset classes and investment styles ("Investment Allocation Proposal"). Your investment advisor representative will present you with a recommended Investment Allocation Proposal that will include a description of the NFAM Program that has been recommended and the specific investment recommendations. When assisting you with completing the initial paperwork to establish an account, your investment advisor representative will inquire whether you wish to impose any reasonable restrictions on the management of the assets in the account. Navy Federal Asset Management and/or the Sub-Advisor may or may not be able to accommodate such restrictions and will notify the client if they are not able to do so.

Selecting Sub-Advisors

Navy Federal Asset Management will select various Sub-Advisors based on their investment strategies and allocation models that will be offered through the Programs. Navy Federal Asset Management conducts a thorough client profile review with each client and selects the appropriate Sub-Advisor and Program based on the client's individual financial situation, goals, risk tolerance, experience, time horizon and overall needs. Navy Federal Asset Management has an Investment Committee that conducts due diligence and selects Sub-Advisors. Sub-Advisors placed into the Navy Federal Asset Management investment universe must be within the parameters of quantitative (Track Record, Alpha, Beta, Sharpe Ratio, Information Ratio, Volatility, Up and Down Capture, Market Capitalization, Holdings, Fund Assets, Expense Ratio and Performance) and qualitative

screens (Investment Philosophy and Process, Fund Management, Staff, Turnover and Sector Weighting). The quantitative screens serve the purpose of identifying potential Sub-Advisors based on valuation and performance metrics. The qualitative screens serve to identify those Sub-Advisors whose past success was built upon an investment process that is believed to be repeatable and likely to provide future positive, risk-adjusted returns over an alternative. The investment committee will be responsible for determining if a Sub-Advisor should be replaced due to poor performance or concerns with non-compliance with regulatory requirements. When determining whether or not to replace a Sub-Advisor, Navy Federal Asset Management may also take into account the number of client assets held with that Sub-Advisor and the overall cost and impact to, or on, the client that replacing the Sub-Advisor may cause. The investment committee will review the Sub-Advisor's performance over an extended period of time on an ongoing basis. The investment committee will meet at least quarterly to discuss any potential concerns or recommended changes to the Sub-Advisors utilized in the portfolio management programs

Voting Client Securities

Navy Federal Asset Management does not vote proxies. Sub-Advisor(s) selected by Navy Federal Asset Management like Envestnet Portfolio Solutions, may vote proxies for client accounts or may pass them directly to the client for voting. Specific information on the proxy voting policies of a selected Sub-Advisor can be found in the Sub-Advisor's ADV Part 2 provided at the time of account opening or upon request thereafter. For more information on proxy voting, please contact us at 877-221-8108.

Item 7 – Client Information Provided to Portfolio Managers

Your investment adviser representative will meet with you to discuss your financial objectives, needs, risk tolerance, and financial status. Your investment adviser representative will assist you in determining the suitability and selection of the particular Program that will be used as well as the suitability of the model(s) selected within the program. A standard data gathering questionnaire will be used to gather information needed to determine the suitability of the Programs and the portfolios recommended. This information is gathered and sent to the selected Sub-Advisor for data review and to provide the client a recommended portfolio allocation with specific investment recommendation. If the allocation is accepted by you, it then becomes a discretionary program that allows the Sub-Advisor to select and change portfolios as necessary.

Item 8 – Client Contact with Portfolio Managers

Portfolio managers are selected by Navy Federal Asset Management using the guidelines explained in Item 6 of this appendix. Navy Federal Asset Management Financial Advisors are the relationship managers for all clients that hold a Navy Federal Asset Management account. Clients have direct access to these Advisors at any time. Performance reports are sent quarterly to the client from the Sub-Advisor and statements are sent at least quarterly by the independent Custodian. Navy Federal Asset Management Financial Advisors have access to Sub-Advisors and can contact them with questions or assistance with a client account. Each client's portfolio is selected for the client based on their individual needs and can be changed at any time upon request by the client.

Item 9 – Additional Information

Disciplinary Information

This item is not applicable to Navy Federal Asset Management's wrap fee program brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to Navy Federal Asset Management's business or the integrity of Navy Federal Asset Management's management.

Other Financial Industry Activities and Affiliations

- A The management, certain support staff, and the investment adviser representatives of Navy Federal Asset Management are registered with its affiliate, Navy Federal Brokerage Services, LLC, which is a full service broker/dealer and also a wholly owned subsidiary of Navy Federal Financial Group. See Item 10.C.2 for information on Navy Federal Financial Group.

- B. Neither Navy Federal Asset Management or any of its management persons are registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Other Arrangements
1. Navy Federal Asset Management is affiliated with Navy Federal Brokerage Services, LLC, which is a registered broker/dealer. Navy Federal Asset Management and Navy Federal Brokerage Services, LLC are both wholly owned subsidiaries of Navy Federal Financial Group and may serve the same clients. Please refer to Item 12, Brokerage Practices, for more details about how Navy Federal Asset Management may utilize Navy Federal Brokerage Services, LLC with respect to the client's advisory services.
 2. The parent company of Navy Federal Asset Management is Navy Federal Financial Group. Navy Federal Financial Group owns less than 10% share of Members Trust Company, and the COO of Navy Federal Asset Management and Navy Federal Financial Group is a member of the board of directors for Members Trust Company. Navy Federal Asset Management refers clients to Members Trust Company as a third party money manager and through its parent company; Navy Federal Financial Group continues to receive an ongoing solicitor fee from Members Trust Company for such clients with assets under management by Members Trust Company. The relationship between Navy Federal Financial Group, Navy Federal Asset Management and Members Trust Company creates a material conflict of interest. Navy Federal Asset Management addresses that conflict of interest through due diligence reviews, financial audits and an account review process to verify Members Trust Company fits the client's investment needs.
 3. Navy Federal Asset Management is affiliated with Navy Federal Credit Union. Its parent company, Navy Federal Financial Group, is a wholly owned subsidiary of Navy Federal Credit Union. Navy Federal Asset Management primarily serves members of Navy Federal Credit Union.
 4. Navy Federal Asset Management's parent company, Navy Federal Financial Group, is also a licensed insurance agency and may be paid a portion of the insurance commissions received by Metropolitan Property and Casualty Insurance Company for property and casualty insurance and by CUNA Mutual Group for life and long term care insurance that are placed with members of Navy Federal Credit Union.
 5. Navy Federal Brokerage Services, LLC clears through Pershing. This relationship is based on a piggybacking relationship with introducing broker/dealer CUSO Financial Services, which facilitates back office processing, account processing, and servicing of new and existing accounts for both Navy Federal Asset Management and Navy Brokerage Services, LLC. Navy Federal Asset Management, Navy Federal Brokerage Services, LLC, and CUSO Financial Services have an agreement in place to perform these services in exchange for a fee, which is based upon the gross fees and commissions earned by Navy Federal Asset Management and Navy Federal Brokerage Services, LLC. CUSO Financial is not affiliated with Navy Federal Asset Management or Navy Federal Brokerage Services, LLC. Navy Federal Asset Management addresses security of account information and privacy within this relationship through due diligence reviews and financial audits.
- D. Navy Federal Asset Management recommends various third party Sub-Advisors for each of its programs. As of the date of this brochure, the Sub-Advisors available on the NFAM platform are the following:
1. Envestnet/PMC;
 2. OBS;
 3. Members Trust Company;
 4. Brinker Capital, Inc.;
 5. Blue Marble Investments, LLC (Earthfolio);
 6. Lazard Asset Management, LLC;
 7. Russell Investment Management Co;
 8. Standard & Poor's Investment Advisory Services LLC
 9. SEI Investments Management Corporation; and
 10. Smedley Financial Services, Inc.

Review of Accounts

The client's investment adviser representative will review the client's account on at least an annual basis; however, the client's investment adviser representative may review the client's account more often due to changes in the client's circumstances, the client's express request, or changes within the market. Our compliance supervisors, advisory managers, brokerage operations specialists, or operations management staff review newly established accounts. Navy Federal Asset Management also has an investment committee meeting on a quarterly basis. The investment committee reviews on a quarterly basis a certain number of randomly selected accounts; these accounts are reviewed for suitability with the client's investment policy statement and the client's stated investment needs. In addition, the investment committee reviews the fees charged to these accounts to ensure that the accurate fee has been deducted from an account or refunded in the case of a closed account.

Navy Federal Asset Management and its investment adviser representatives do not provide reports directly to clients. In the case of our portfolio management programs, the qualified custodian, Pershing, LLC, provides, depending on activity, quarterly or monthly account statements, and Envestnet Portfolio Solutions provides quarterly performance reports to each NFAM Advisory Program account sub-advised by Envestnet Portfolio Solutions. To the extent that Navy Federal Asset Management, Envestnet Portfolio Solutions, or another Sub-Advisor ever prepares a report for the client, the client should compare such reports against the account statements delivered by the qualified custodian, Pershing, LLC.

Code of Ethics Summary

Navy Federal Asset Management has established a Code of Ethics that will apply to all of its supervised persons. 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 its clients at all times. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our Insider Trading and Personal Securities Transactions Policies and Procedures. Navy Federal Asset Management requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.

Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with our Code of Ethics. Navy Federal Asset Management has the responsibility to make sure that the interests of all clients are placed ahead of Navy Federal Asset Management's or its supervised persons' own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. Navy Federal Asset Management and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

This disclosure is provided to give a summary of Navy Federal Asset Management's Code of Ethics. However, if the client wishes to review Navy Federal Asset Management's Code of Ethics in its entirety, a copy will be provided promptly upon request.

Employee Personal Securities Transactions Disclosure

The client should know that the supervised persons of Navy Federal Asset Management, LLC may buy or sell securities that are also recommended to clients such as yourself. In order to minimize this conflict of interest, Navy Federal Asset Management, LLC only recommends and purchases securities which, generally, are widely held and publicly traded.

Client Referrals and Other Compensation

For the client's accounts in the NFAM Advisory Program which are sub-advised by Envestnet Portfolio Solutions, Navy Federal Brokerage Services, LLC serves as the introducing broker/dealer and may receive a portion of certain administrative fees charged by Pershing, LLC, the qualified custodian.

Except for the investment advisory fees charged by Navy Federal Asset Management, the referral fees paid by Members Trust Company to Navy Federal Financial Group, and certain administrative fees received by Navy Federal Brokerage Services, LLC as an introducing broker/dealer, neither Navy Federal Asset Management nor any of its related persons accept economic benefit for providing investment advice or other advisory services to its clients.

Neither Navy Federal Asset Management nor any of its related persons directly or indirectly compensate any person who is not a supervised person of Navy Federal Asset Management for client referrals.

Certain of the investment adviser representatives of Navy Federal Asset Management are licensed insurance representatives of various companies. When acting in the separate capacity as a licensed insurance representative, the client's investment adviser representative may sell insurance products to clients for commissions. As such, the investment adviser representative may suggest that the client implement investment advice by purchasing insurance products. The receipt of insurance commissions creates an incentive to recommend those insurance products for which the investment adviser representative will receive a commission in the representative's separate capacity as a licensed insurance representative. Consequently, the objectivity of the advice rendered to the client could be biased.

Clients are under no obligation to use the services of our representatives in this separate capacity as licensed insurance representatives. The client can select any licensed insurance representative the client wishes to implement insurance transactions.

Financial Information

Navy Federal Asset Management does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Navy Federal Asset Management is not subject to a financial condition reasonably likely to impair its ability to meet contractual commitments. Finally, Navy Federal Asset Management has not been the subject of a bankruptcy petition at any time.