



Firm Brochure
(Part 2A of Form ADV)
March 21, 2017

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Item 1: This brochure provides information about the qualifications and business practices of TELEMUS CAPITAL, LLC ("TC" or "Advisor"). If you have any questions about the contents of this brochure, please contact us at (248) 827-1800 or by email at eoppenheim@telemus.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about TC may also be obtained via the SEC's web site, www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for TC is 168794. The SEC's web site also provides information about any persons affiliated with TC who are registered, or are required to be registered, as investment adviser representatives of TC.

Item 2: Material Changes

Following is a discussion of the material changes only made the last annual updating amendment of TC's Firm Brochure on March 28, 2016:

- TC launched the Telemus Decorrelation Opportunity Fund, LP (the "Fund") in November 2016. This multi-strategy, privately offered Fund invests in a diversified portfolio that is anticipated to provide low and non-correlated returns relative to the broader equity and fixed income markets. Information about the Fund is contained in Items 4, 5, 8, 13, 14 and 15 of the Firm Brochure.
- TC's Schedule of Charges with Pershing, pursuant to which Pershing provides TC with a technology credit, has been amended to be determined solely based on client assets custodied on the Pershing Advisor Solutions LLC/Pershing LLC platform, without taking into account the composition of client assets and whether those assets pay 12b-1 fees to Pershing. TC has accordingly revised the description of the technology credit arrangement in Items 5 and 10 of the Firm Brochure.
- TC has updated the descriptions of our relationship with our parent company, sponsorship opportunities provided to our parent company and relationships with affiliated but independently operated partner firms. These changes are described in Items 10 and 14 of the Firm Brochure.

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Item 4: Advisory Business

Our Advisory Firm

Telemus Capital, LLC (“TC” or “Advisor”) (CRD #168794) is an investment adviser which succeeded to the advisory businesses of its predecessor advisers, Telemus Investment Management, LLC (SEC # 801-131580), Telemus Wealth Advisors, LLC (SEC # 801-64748), and Beacon Asset Management, LLC (SEC # 801-67441) as of August 1, 2013, thereafter continuing business under the name “Telemus Capital, LLC.” The predecessors’ advisory businesses were originally founded in 2005. The advisory services and management of TC remained the same; however, the successor application dated August 29, 2013, reflected new ownership by Focus Operating, LLC (“Focus Operating”).

TC is a wholly-owned subsidiary of Focus Operating which, in turn, is a wholly-owned subsidiary of Focus Financial Partners, LLC (“Focus”). Focus is a Delaware limited liability company, www.focusfinancialpartners.com.

Pursuant to a management agreement between Advisor, Focus and TCP Management, LLC (the “Management Company”), the Management Company has agreed to provide persons to serve as officers of Advisor, who, in such capacity, will be responsible for the management, supervision and oversight of the Advisor. Those persons include Gary Ran, Partner/Chairman, Molly Wilson, Chief Operations Officer, Eric Oppenheim, General Counsel and Chief Compliance Officer, and Robert Schlagheck, Chief Financial Officer and Controller, all of whom are executives of the Advisor. The Management Company does not provide investment advisory services.

Types of clients

TC provides personalized and confidential investment management and wealth management services primarily to individuals, trusts and estates, plan sponsors of pension, profit sharing, 401(k) and other retirement plans, charitable organizations and business entities.

TC also provides personalized and confidential asset management services to pension and profit sharing plans, charitable institutions including foundations and endowments, corporations and partnerships, corporate trusts, state and municipal government entities, pooled investment vehicles, and other investment advisers. TC also manages private funds. The private funds provide our clients access to investment strategies which may not be otherwise available to them directly.

Discretionary Investment Advisory Services

TC provides personalized investment management services, generally on a discretionary basis.

Our Advisory Role

At the outset of each client relationship, TC evaluates each client's financial circumstances, investment objectives and goals. TC employs a comprehensive process that involves a thorough understanding of the client's needs, objectives and risk tolerance. During the initial review stage, which is the basis for developing an investment strategy and a wealth management plan if desired, we set up several meetings between the relationship manager and client, and assess the following as part of the review:

- Return goals and expectations;
- Risk tolerance;
- Market outlook;
- Future planning needs.

The client's needs and objectives are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Based on the results of the client discussion and the information provided by the client, we prepare a final investment policy statement or otherwise document the agreed upon investment strategy. For clients using the Envestnet program (described below), we prepare and review with the client a customized Statement of Investment Selection ("SIS"). The SIS incorporates an investment profile summary, summarizes the information the client has provided us and makes recommendations for the client's portfolio based on the information provided. Using tools provided by Envestnet, we may recommend that the client's portfolio be allocated among various investment products.

After reviewing the client's final investment strategy or SIS (in the case of clients using the Envestnet program), the client enters into an investment advisory agreement ("Client Agreement") with us. The Client Agreement discusses the services to be provided to the client and other applicable terms and conditions.

Clients who participate in one of our managed programs may choose where to establish a brokerage account. The majority of our clients have selected Pershing, LLC ("Pershing") to date, but collectively have chosen to establish

brokerage (i.e., custody) accounts with more than a dozen firms including TD Ameritrade.

For most client accounts, TC constructs client portfolios generally in accordance with our traditional model strategies: Conservative, Moderate, Balanced and Aggressive. Client portfolios are managed in accordance with the model strategy most appropriate for the client's risk profile. Each model strategy has four sleeves: Growth, Alternative, Income (either with taxable or tax-exempt bonds) and Cash. Allocations of each sleeve are made in differing percentages to each model strategy depending on the risk profile of the strategy. All of the model strategies include some combination of individual equities, individual bonds, mutual funds, ETFs, alternative investments and potentially other investment products.

For accounts not deemed large enough for the traditional models, TC also constructs client portfolios in accordance with the following model strategies: Conservative, Moderate Conservative, Moderate, Moderate Aggressive and Aggressive. Client portfolios are managed in accordance with the model strategy most suitable for the client's risk profile. Each model strategy has three sleeves: Growth, Income and Cash. Allocations of each sleeve are made in differing percentages to each model strategy depending on the risk profile of the strategy. All of these model strategies include some combination of equities, bonds, mutual funds, ETFs and potentially other investment products.

Clients should know that their assets in each model strategy are likely to be managed in a manner similar to other clients having similar investment objectives and risk tolerance.

TC is the investment manager to the Telemus Decorrelation Opportunity Fund, LP (the "Fund"). The Fund is a multi-strategy, privately offered investment vehicle that invests in a diversified portfolio of investments that is anticipated to provide low and non-correlated returns relative to the broader equity and fixed income markets. The underlying investment strategies include, but are not limited to, insurance-linked securities, longevity-contingent assets, real estate credit, alternative lending, and other assets that generally have low or non-correlated returns with traditional financial markets.

TC also has relationships with external providers of investment management, research and due diligence services. One such service provider is Envestnet¹, a registered investment adviser that provides independent investment advisers such as TC with proprietary research, due diligence of sub-advisers, asset allocation models, performance measurement reports, an asset management platform and related technology, as well as operational and administrative support services. TC uses some but not all of the services provided by Envestnet, specifically their Unified Managed Account (“UMA”) service, where managers of TC’s choosing select securities that Envestnet buys in the client’s UMA. In the case of these UMAs, Envestnet does all of the trading and manages the tax-loss selling in the account.

TC also provides Asset Management Services to institutional clients. In providing portfolio management services as adviser to institutional clients, TC uses the following equity and fixed income investment strategies in managing clients’ assets:

- Core Equity: Actively managed core equity strategy that focuses on large-cap companies with demonstrated consistent, above-average earnings growth and reasonable valuations. It is managed relative to the Russell 1000 and/or S&P 500 Indices as benchmarks. Evercore Wealth Management LLC currently serves as a sub-advisor for this strategy.
- Investment Grade Taxable Fixed Income: Actively managed intermediate taxable bond portfolio managed relative to the Merrill Lynch 1-10 year Gov’t/Corp Index as its benchmark.
- High Yield Taxable Fixed Income: Actively managed fixed income portfolio that focuses exclusively on the highest quality (BB) component of the high yield universe. The portfolio is managed relative to the Merrill Lynch 1-10 year BB Index as its benchmark.
- Blended Taxable Fixed Income: Actively managed fixed income portfolio that combines TC’s investment grade capability with its high yield (BB) capability. The portfolio is managed relative to a broad market investment

¹ We have in the past offered and in some cases continue to use for existing clients the services of certain sub-advisors, including those of Envestnet Asset Management, LLC, Evercore Wealth Management LLC, Lyrical Asset Management LP and Robinson Capital Management (“RCM”), a firm founded by James Robinson (“Robinson”), TC’s former chief investment officer and former CEO of TC’s predecessors’ parent company. While RCM is no longer a sub-advisor to TC, TC may invest its clients in funds advised by RCM when appropriate.

grade benchmark such as the Merrill Lynch Domestic Index and/or a blended index.

- Tax-Exempt Fixed Income: Actively managed strategy that focuses on investment grade, intermediate municipal bonds. The strategy is customized to maximize the after-tax returns for each individual client.
- Diversification Sleeve: TC created a diversification sleeve to complement its traditional separately managed balanced portfolio. The sleeve is comprised of mutual funds and/or ETFs that invest in small- and mid-cap domestic stocks, international stocks and bonds, natural resources, energy infrastructure and REITS.

Non-Discretionary Advisory Services

Financial Plans

For TC's basic wealth management service, an investment adviser representative ("IAR") meets with the client and gathers information regarding a client's financial goals. The IAR then develops a personalized goal-based financial plan for the client. The financial plan includes recommendations regarding asset allocation among different types of securities and non-securities investments.

Retirement Plan Review Services

TC provides retirement plan advisory services for its clients, which provides clients the opportunity to have TC review and consult on a client's assets invested in his or her employer's retirement plan. This provides clients with a consolidated view of their retirement assets.

TC also provides fee-based wealth management services, including estate tax, social security, education expense planning and asset allocation, as well as other financial planning services to its clients on a non-discretionary basis.

TC offers a limited range of non-discretionary advisory services. Clients who utilize our discretionary advisory services may, as an accommodation, also be permitted to establish non-discretionary advisory accounts in which all securities transactions are client-directed. For these accommodation accounts, TC charges an annual fee of 20 basis points based on the average daily balance of the account market values for the 12 month period being billed. These assets are not included in the calculation of TC's assets under management. Additionally, certain accounts hold assets which the client has directed TC to hold for tax or other purposes. These assets are included in the calculation of TC's non-discretionary assets under management.

In addition to the investment management and wealth advisory services described above, TC also provides either directly or by referral to carefully selected third party service providers business and professional management services for individuals and organizations. These services are further described in Item 10.

As of December 31, 2016, TC manages approximately \$2,054,834,236 in assets for approximately 1060 clients. Approximately \$1,374,055,704 is managed on a discretionary basis, and approximately \$680,778,532 is managed on a non-discretionary basis.

Item 5: Fees and Compensation

The specific manner in which fees are charged by TC is established in a written agreement with the client. TC generally bills its investment management fees quarterly in advance, based on the average daily balance of the assets under management during the prior quarter, except for institutional accounts which are generally billed quarterly in arrears. Clients ordinarily authorize TC to debit fees directly from their account(s). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of an account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

TC's standard fee schedule is set forth below. TC does not offer a "wrap fee" program; the schedule sets forth the standard amount for TC's services.

<u>Market Value of Client Asset</u>	<u>Annual Fee Rate (%)</u>
First \$1,500,000	1.25%
Next \$1,500,001 - \$3,000,000	1.00%
Next \$3,000,001 - \$5,000,000	0.90%
Next \$5,000,001 - \$10,000,000	0.80%
Next \$10,000,001 - \$20,000,000	0.70%
Next \$20,000,001 - \$50,000,000	0.60%
Next \$50,000,001 - \$100,000,000	0.55%
Over \$100,000,001	Negotiable

<u>Additional Account Types</u>	<u>Annual Fee Rate (%)</u>
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ERISA Accounts (at plan sponsor level only)

<u>Market Value of Plan Assets (AUM)</u>	
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Less than \$5,000,000	0.50%
\$5,000,000 - \$10,000,000	0.35%
\$10,000,001 - \$20,000,000	0.30%
Over \$20,000,000	0.25%

529 Accounts	0.50%
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Public Charities/501(c) (3) and Institutional Accounts	0.50%
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Client Directed Accounts	0.20%
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Alternative Investment Accounts	1.00%
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Managed Individual Municipal Bond Only Accounts	0.35%
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Blended Fixed Income Only Accounts	0.75%
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Investment Grade Taxable Fixed Income Only Accounts	0.50%
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- \$3,750 minimum annual household fee
- All account management fees net of sub-advisory fees
- Fees generally include financial, life and retirement planning services as needed; however, exceptions may apply at TC's sole discretion

Envestnet Fees

For its advisory and administrative services, Envestnet receives fees. The advisory service fees typically range from approximately 0.15% to approximately 1.00% of client assets under management. The administrative service fees typically range from 0.08% to 0.14% of client assets under management. These amounts, which clients pay to Envestnet, are in addition to the fees clients pay to TC.

Brokerage Fees

For managed accounts custodied at Pershing through its PAS program, there are no separate brokerage fees. There are also generally no custody fees or transaction fees except as described below. Mutual funds charge fees and expenses described in each fund's prospectus, which generally include management fees, other fund expenses, and may include distribution fees. These fees are in addition to TC's advisory fee. The custody fees that clients are charged in the PAS/Pershing program include fees for domestic and foreign safekeeping and 401(k) plan custody. There are also special handling fees and fees for special banking services. (A detailed Managed Account Summary of Fees will be provided upon request.) TC also charges an annual fee for certain non-discretionary advisory accommodation accounts as described in Item 4 above.

TC receives certain compensation from Pershing in the form of a credit – which may be used for technology (including portfolio accounting) and marketing expenses – for client assets custodied on the PAS/Pershing platform.² The amount of the credit is equal to 2.35 basis points on total assets under management in accounts held by PAS/Pershing (excluding assets of a retirement plan subject to Title I of ERISA), generally calculated annually based on net assets as of the end of the previous year.

This arrangement creates conflicts of interest and incentivizes TC to recommend that clients custody their assets with Pershing based on the credit TC receives rather than on clients' needs. TC addresses these conflicts as described below.

In connection with TC's management of an account not custodied at Pershing through its PAS program, a client may incur brokerage fees, custodian fees, transaction charges, mutual fund fees and other fees and expenses. The client is billed or charged directly and is responsible for any such fees and expenses.

In addition to the fees described above, clients may pay transfer taxes, wire transfer and electronic fund fees, inactivity fees and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to TC's fees, and TC will not receive any portion of these commissions, fees and costs.

TC receives a revenue sharing payment from Robinson Capital Management, LLC ("RCM") in exchange for providing certain administrative, client education

² TC does not currently use any of these credits for payment of marketing expenses.

and support services to RCM related to the Robinson Tax Advantaged Income Fund and the Robinson Opportunistic Income Fund (collectively, the “Robinson Funds”). The payment is equal to 15 basis points of the average daily net assets of the Robinson Funds held by TC’s clients (excluding ERISA clients), and is paid from RCM’s profits and not from the Robinson Funds (i.e., the amount paid is not an expense of the Robinson Funds). The amount paid by RCM does not increase the fund expenses which clients pay when investing in the Robinson Funds. However, clients should be aware that TC’s receipt of compensation from RCM creates a conflict of interest since this payment could influence TC’s choice of the Robinson Funds instead of other investment products for which TC does not receive revenue sharing payments.

TC also receives a revenue sharing payment from RDG Capital Holdings LP (“RDG”) relating to investments in the Salient MLP Fund, LP (the “Salient Fund”) by a limited group of grandfathered clients only. The payment is calculated as follows:

- (i) 33.3% of the special profits allocation attributable to the grandfathered clients’ assets invested in the Fund; and
- (ii) 33.3% of the management fees attributable to the grandfathered clients’ assets invested in the Fund.

TC does not receive any compensation resulting from investments in the Salient Fund by its clients who are not part of the limited grandfathered group. Clients in the grandfathered group only should be aware that TC’s receipt of compensation from RDG creates a conflict of interest with respect to their investments in the Salient Fund since the payment could influence TC’s choice of the Salient Fund instead of other investment products for which TC does not receive revenue sharing payments. TC will disclose to any client whose assets are being invested in the Salient Fund whether the client is a member of the grandfathered group which is subject to the revenue sharing arrangement and for which the above conflict applies.

TC has entered into an Investor Services Agreement with Beartown Capital Partners, LLC and Beartown Capital Management, LLC to provide certain consulting, education and support services on behalf of such entities to TC clients who invest in the Telemus Class Interests of the Beartown Partners Fund, LP (the “Beartown Fund”). Under the Investor Services Agreement, TC may receive, in addition to the investment advisory fee and any other fees paid by investors directly to TC, compensation from Beartown Capital Partners, LLC and Beartown Capital Management, LLC with respect to investors’ assets invested in the Telemus Class Interests of the Beartown Fund. The compensation is calculated as follows:

- (i) From Beartown Capital Management, LLC, one-third (1/3rd) of the management fees received by Beartown Capital Management, LLC

that are attributable to investors' assets invested in the Beartown Fund in excess of \$12,500,000; and

- (ii) From Beartown Capital Partners, LLC, one-third (1/3rd) of the performance allocations received by Beartown Capital Partners, LLC that are attributable to investors' assets invested in the Beartown Fund in excess of \$12,500,000.

Clients should be aware that this arrangement creates a conflict of interest because the potential for TC to receive compensation under the Investor Services Agreement could influence TC's choice of the Beartown Fund instead of other investment products for which TC would not have the opportunity to receive such additional compensation.

TC addresses the conflicts of interest in the arrangements described in this section through these ADV brochure disclosures, and reviews the quality and investment opportunity provided by the foregoing products and services when considering their potential value to, and appropriateness for, TC's clients.

Fees for business and professional management services provided by TC are negotiated on a case-by-case basis. Fees for such services provided by a third party service provider are negotiated between the client and the service provider. All fees charged by TC are subject to negotiation. TC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients). The specific manner in which fees are charged is established in a written agreement with the client.

Private Fund

With respect to the Fund managed by TC discussed in Item 4 above, and as more fully described in the Fund's offering materials, TC receives a management fee for its advisory services. We generally accrue the management fee in advance on a monthly basis at a rate of one-twelfth of the annual fee, and prorate the management fee for any period that is less than a full month. The standard management fee for the Fund is 1.0% per annum. TC reserves the right to apply a different management fee to different investors and to waive any account-level wealth management advisory fees in whole or in part for particular investors at its discretion.

Item 6: Performance-Based Fees and Side-By-Side Management

As of December 31, 2016, TC does not charge any performance based fees.

Side-by-Side Management

In some cases TC manages clients in the same or similar strategies. This may give rise to potential conflicts of interest if the funds and accounts have, among other things, different objectives, benchmarks or fees. For example, potential conflicts may arise in the following areas:

- The portfolio manager must allocate time and investment ideas across funds and accounts;
- Funds' or accounts' orders do not get fully executed;
- Trades may get executed for an account that may adversely impact the value of securities held by a fund;
- There will be cases where certain accounts or funds receive an allocation of an investment opportunity when other accounts may not; and/or
- Trading and securities selected for a particular fund or account may cause differences in the performance of different accounts or funds that have similar strategies.

TC has adopted trade allocation procedures and monitors such transactions to help ensure TC is not favoring funds or accounts over each other as well as help ensure fair and equitable treatment over time of both the funds and accounts. During periods of unusual market conditions, TC may deviate from its normal trade allocation practices. There can be no assurance, however, that all conflicts have been addressed in all situations.

Item 7: Types of Clients

TC provides investment management services to individuals, high net worth individuals, individual retirement accounts, corporate pension and profit sharing plans, trusts, estates, charitable institutions, foundations, endowments, corporations and partnerships, corporate trusts, state and municipal government entities, pooled investment vehicles and as sub-adviser to other investment advisers.

Client relationships vary in scope and length of service.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Overview

TC uses various investment strategies in managing clients' assets. The investment strategy for each client is based upon the objectives identified during consultations with the client, and the client may change these objectives at any time. TC bases its investment recommendations on a variety of factors, including performance, risk, fees and the tax efficiency of different investment strategies, as well as client input and preferences regarding the strategies. Investment strategies used by TC include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies). TC also offers advice to clients on investing in limited partnerships and other pooled investment vehicles, including TC's Fund.

TC uses various methods of analysis and sources of information in formulating investment advice. The methods of analysis are primarily based on economic and company/fund fundamental analysis as well as economic cyclicity. Charting and technical analysis are used only as conformational tools. TC's main sources of information include Bloomberg, YCharts, Thompson Reuters, Baseline, Value Line, Investor's Business Daily, R4 Research, The Markets.com, Standard & Poor's and KDP Corporate Bond Research. Other sources of information include "street" research materials, financial periodicals and the internet.

In executing its investment management process, TC creates various model client portfolios. Clients with similar investment objectives and risk tolerances may receive substantially identical portfolio recommendations, depending upon each client's circumstances.

Wealth Management Services

To assist Wealth Management clients with the implementation of their investment strategies, TC works with various third party consultants that specialize in manager research, search, selection and account administration. Consultants provide TC with money manager and mutual fund research and approved lists, asset allocation software, performance measurement reports, economic information and current event information relative to the financial markets.

TC provides asset allocation advice to clients and generally recommends that clients invest with third party money managers. TC obtains information with respect to money managers from third party consultants, tracking organizations,

business publications, money managers and other sources. The factors TC uses to recommend money managers include, but are not limited to, the manager's reputation, performance record, philosophy, the continuity of management service to clients, minimum dollar investment requirement and fees.

In the delivery of its retirement plan review services, TC utilizes technology that allows it to download the value of the client's portion of his or her retirement plan daily. This provides TC with reports that detail the asset allocation, style and specific equity performance as well as other factors, such as beta, alpha and r-squared, based on at least nine months' worth of data. Clients are offered the option of reviewing the data daily or at quarterly meetings with their TC advisor.

Private Fund

TC's Fund has its own unique investment process. The Fund's investment process is driven by the goal of identifying unique investment strategies that have non-traditional risk profiles and that are pre-institutional in size and following. Manager allocations are made after conducting a correlation analysis by strategy and manager to determine the most efficient risk-adjusted anticipated return. Further consideration is given to manager capacity, strategy liquidity and portfolio concentrations.

Investing in securities involves risk of loss that *clients* should be prepared to bear. Investment risks include, but may not be limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Deflation Risk:** Deflation is a general decline in prices, which in turn can cause a decline in wages. These dynamics cause consumers to push off spending, expecting lower prices in the future, as well as to conserve capital with the expectation that wages will be lower in the future. Deflationary conditions cause downward pressure on economic activity and growth.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Investors in the Fund are subject to the following additional risks:

- **Aggressive Investment Technique Risk:** The manager of the underlying funds may use investment techniques and financial instruments that may be considered aggressive, including but not limited to investments in derivatives such as futures contracts, options on futures contracts, securities and indices, forward contracts, swap agreements and similar instruments. Such techniques may also include taking short positions or using other techniques that are intended to provide inverse exposure to a particular market or other asset class, as well as leverage, which can expose the Fund to potentially dramatic changes (losses or gains). These techniques may expose the Fund to potentially dramatic changes (losses) in the value of certain of its portfolio holdings.
- **Liquidity and Transferability of Underlying Fund Interests:** Certain underlying funds offer their investors only limited liquidity and interests are generally not freely transferable. In addition to other liquidity

restrictions, the Fund generally offers only quarterly liquidity following prior notice for investors. Investments in underlying funds may offer liquidity at infrequent times (i.e., monthly, quarterly, annually or less frequently). Accordingly, investors in the Fund should understand that they may not be able to liquidate their investment in the event of an emergency or for any other reason.

- **Limitations on Withdrawal of Capital:** The Fund and the underlying funds in which it invests have broad rights to defer, suspend, side pocket, or otherwise delay all or a portion of a withdrawal request, as well as to delay payment of all or a portion of withdrawal proceeds. In periods of market disruption, when the Fund may have the most need for the withdrawal proceeds, the Fund or an investor in the Fund may be unable to withdraw its capital. No assurances can be made that the Fund will be able or willing to liquidate investments sufficient to satisfy all or any portion of withdrawal requests, and the Fund and investors therein must be prepared to bear the financial risks of an investment for an indefinite period of time materially increasing the risk of investment.
- **Possibility of Fraud and Other Misconduct:** When the Fund invests in an underlying fund, the Fund does not have custody of the underlying fund's assets. Therefore, there is the risk that the underlying fund or its custodian could divert or abscond with those assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct. Moreover, there can be no assurances that all underlying funds will be operated in accordance with all applicable laws and that assets entrusted to underlying funds will be protected.
- **General Investment or Market Risk:** The risk of deterioration in the entire market, such that all or most of the underlying managers concentrating in that market incur large losses.
- **Strategy and Investment Risk:** The risk of deterioration in an entire strategy, or of certain investments, such that all or most of the underlying managers concentrating in that strategy or such investments incur large losses.
- **Underlying Manager Risk:** The risks associated with the Fund's use of third-party investment management firms, such as fraud, deviation from defined strategies, human or system error and poor judgment.
- **Institutional Risk:** The risk that the Fund could incur losses due to: (i) the failure of counterparties to perform their contractual commitments to the Fund or to underlying funds in which the Fund invests; or (ii) the

financial difficulty of brokerage firms, banks or other financial institutions that hold assets of the Fund or of underlying funds in which the Fund invests.

- **Fund Structure Risk:** The special considerations and risks arising from the operation of certain provisions of the Fund's Limited Partnership Agreement.
- **Operational Risk:** The special considerations and risks arising from the day-to-day management of a fund of funds such as the Fund.
- **Tax Risk:** The special considerations and risks arising from the operation of an investment vehicle treated as a partnership for U.S. federal tax purposes.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all *material* facts regarding legal or disciplinary events that would be material to your evaluation of TC or the integrity of TC's management. TC has no information applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

TC is affiliated with Telemus Insurance Services, LLC, a Delaware LLC ("TIS"). TIS is licensed as an insurance agency in Michigan and in other jurisdictions as required. TIS recommends, where appropriate, life, disability and long-term care, and property and casualty policies to clients in need of such products and services. TIS receives compensation (i.e., commissions) for these products and services. TIS has also entered into a referral arrangement with Ari Fischman and Fischman Insurance Group, LLC (the "Fischman Entities"). Under the arrangement TIS and TC will refer clients and prospective clients to the Fischman Entities for various insurance products and services such as those described above. If insurance policies are placed for the client as a result of such a referral, TIS will share in the initial and reoccurring policy commissions as a referral fee.

TC provides directly or by referrals to carefully selected third party service providers the following business and professional management services for individuals and organizations:

- **Personal CFO,** including maintenance of financial records, bookkeeping and general accounting;

- Cash management, including bill pay preparation;
- Cash flow and spending budgets;
- Coordination of all banking relationships;
- Contract management;
- Credit management;
- Concierge services, including car leases, mortgages and insurance coverages;
- Coordination of all necessary business and financial matters.

In the case of bill pay preparation services, payments are prepared for the client's review and signature. TC will not sign checks on the client's behalf in order to avoid being deemed to have custody of the client's assets.

TC is NOT registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

For its U.S. domiciled TC private funds, an affiliate of TC serves as the general partner to the funds. The affiliate is wholly owned by TC's parent company.

Focus Operating & Focus Partners

TC is part of the Focus partnership. As such, TC is a wholly-owned subsidiary of Focus Operating, which is a wholly-owned subsidiary of Focus. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the "Focus Partners"). The Focus Partners provide wealth management, benefits consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Forms ADV.

Item 11: Code of Ethics, Participation or Interest in Client Transactions, Personal Trading and Cybersecurity

TC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other

topics. The policy requires that all supervised persons at TC acknowledge the terms of the Code of Ethics annually, or as amended.

Subject to restrictions in the Code of Ethics, TC's employees may under some circumstances buy and sell the same securities that may be recommended to clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of TC will not interfere with (i) making decisions in the best interests of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interests of TC's clients. Nonetheless, because the Code of Ethics in some circumstances permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. The policy requires that employee trading is monitored as required by the Code of Ethics, and is designed to reasonably prevent conflicts of interest between TC and its clients.

Like other firms in our industry, TC is becoming increasingly dependent on devices, services and applications that connect to the internet such as smartphones, email, social media, and cloud computing services. While these services increase efficiencies and revenues, this dependence increases our chances of being targeted by cyber-attacks. For these reasons, TC has instituted a cybersecurity policy to help in identifying, mitigating and protecting against cybersecurity threats. Password updates, software updates, firewall protections, physical barriers to entry and limited access to sensitive client data are several protections put in place to mitigate cyber related threats. That being said, TC acknowledges that security threats can never be completely eliminated and clients remain subject to cyber related risks.

TC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Eric C. Oppenheim, General Counsel and Chief Compliance Officer, at (248) 827-0103 or eoppenheim@telemus.com. The Code is also available on our web site at www.telemus.com.

Item 12: Brokerage Practices

General

As described above, TC recommends that clients, and the majority of TC's clients choose to, custody their accounts at Pershing through its PAS advisor program. Clients who select this custody arrangement are not charged separate brokerage fees, custody fees, and generally are not charged transaction fees. Mutual funds charge a management fee for the investment adviser to the mutual

fund, and this is separate from TC's investment advisory fees. In connection with TC's management of an account not custodied at Pershing through its PAS program, a client may incur brokerage fees, custodian fees, transaction charges, mutual fund fees and other fees and expenses. The client is billed or charged directly and is responsible for any such fees and expenses.

TC believes that Pershing's execution capabilities qualify, and their processes for monitoring the same, to be well within applicable industry standards and requirements. TC will seek to obtain, through Pershing, the best combination of price and execution when effecting brokerage transactions for client accounts. TC has retained Global Trading Analytics, LLC to assist it in conducting quarterly trading analyses to help ensure TC is meeting its fiduciary obligation with respect to each advisory client's securities transactions (i.e., best-execution obligations).

Because TC believes that the brokerage services offered by PAS/Pershing (including such factors as custodial services, execution capability, financial stability and clearance and settlement capability offered through and provided by Pershing as clearing broker) are of high quality, TC will not solicit competitive execution fees or commission rates from other brokers. PAS/Pershing may not necessarily (i) deal directly with market makers in over-the-counter or fixed income securities transactions, (ii) always bundle the transactions of an account with transactions of other accounts in order to receive volume discounts, or (iii) execute transactions at the lowest fees or commission rates available. Accordingly, transactions will not always be executed by PAS/ Pershing at the best price or lowest available execution fee or commission rates and in some instances the charges may be higher.

As described in Item 5 above, TC is compensated by Pershing for client assets custodied on the Pershing/PAS platform in the form of a credit which may be used for technology (including portfolio accounting) and marketing expenses.³

The amount of the credit Pershing pays to TC is equal to 2.35 basis points on total assets under management in accounts held by PAS/Pershing (excluding assets of a retirement plan subject to Title I of ERISA), generally calculated annually based on net assets as of the end of the previous year.

The credit from Pershing is a benefit to TC, because TC does not have to pay for items which are purchased with the credit. This arrangement creates conflicts of interest and incentivizes TC to recommend that clients custody their assets with Pershing based on the credit TC receives, rather than on clients' interest in receiving best execution.

³ TC does not currently use any of these credits for payment of marketing expenses.

Advisor participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc. member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14 below.)

Except for the benefits described in the above three paragraphs and the disclosures in Item 14 below, TC does not receive products or services other than execution from broker-dealers.

For discretionary portfolio management services, TC has the authority to determine which securities are to be bought and sold, the amount of securities to be bought or sold, the timing of such transactions, the broker-dealer to be used, and the commission rate to be paid.

At the client’s request, although very infrequently, TC may recommend broker-dealers to execute transactions for the client’s account. TC, in recommending broker-dealers to execute portfolio transactions for the client’s account, may consider the quality and reliability of the brokerage services, as well as research and investment information and other services provided by the brokers or dealers. Commission rates, being a component of price, are one factor considered by TC together with other factors. In making broker-dealer recommendations, TC is not obligated to seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction for the client’s account or recommend any broker or dealer on the basis of its commission rate. Accordingly, recommended brokers or dealers may charge commission rates in excess of the amounts another broker or dealer would have charged for effecting transactions when TC has determined in good faith that the broker’s or dealer’s commission rates generally are reasonable in relation to the value of the brokerage and/or research provided by the broker or dealer. If the client selects its own broker or dealer to execute transactions for the client’s account, the client may forfeit more favorable commission rates and execution rates and execution than would be the case if it utilized the broker or dealer recommended by TC. TC’s recommendation of broker-dealers will be consistent with its obligation to seek best execution.

Clients may have a pre-established relationship with a broker and they will instruct TC to execute all transactions through that broker. In directing the use of a particular broker or dealer, it should be understood that TC will not have authority to obtain volume discounts. Consequently, clients directing the use of a particular broker may not receive best execution. A disparity in commission charges may exist between the commissions charged to a broker’s clients.

Any trade errors will be rectified to make the client whole as if the error did not occur. TC has the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any client transactions, due to TC's actions, or inaction, or actions of others, TC's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting TC in any way. In all circumstances involving trade errors made by TC, clients are "made whole." If the error is the responsibility of TC, any client transaction will be corrected and TC will be responsible for any client loss resulting from an inaccurate or erroneous order.

TC is always responsible for trade error losses. TC has elected when offered the option to keep trade error gains for purposes of netting the gains against trade error losses, and the client will not receive the benefit of any trade error gains. TC will annually calculate any net trade error gains. To the extent any net trade error gains remain at the end of the year, the full amount of the net gains will be donated to charity.

Order of Trading

Because TC provides investment advice to both discretionary and non-discretionary clients, there exists a potential conflict of interest between the timing of trades for discretionary clients and the seeking of approval for such trades from non-discretionary clients.

Trade Aggregation

TC will aggregate where possible and when advantageous to clients for which it has discretionary trading authority. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients' accounts. Block trading may allow TC to execute trades in a more timely and equitable manner. Clients that direct or restrict TC to using a particular broker-dealer for executing their transactions generally will be unable to participate in aggregated orders and will be precluded from receiving the benefits, if any, from an aggregation which other clients may receive. Also, TC will generally execute aggregated orders for non-directed clients before executing orders for clients that direct brokerage.

Where trade aggregation occurs, all participating clients shall receive an average share price and share equally any trading costs not directly attributable to their account as required by an account custodian (i.e., based on share size a custodian may charge different costs to different accounts). If an aggregated trade order is only partially filled, all participating clients will receive a pro rata share of the fill unless such distribution would result in minimal distributions to clients in which case those clients may be excluded from the allocation. In the event that transactions for employees or principals ("proprietary accounts") are aggregated with client transactions, conflicts can arise with partial fills. As such,

any block trades including proprietary accounts where there is a partial fill, TC client allocations will be filled first (i.e., before any proprietary account is filled).

TC uses pro-rata as its default method for partial fill allocations. Although rare, there are instances when pro-rata is not a suitable method of allocating block purchases or sales due to the volume executed. This can occur when TC is trying to buy or sell a security at a particular price-point which has been chosen as the best entry or exit price in that security or when volume or float dictates.

When the pro-rata method is deemed unsuitable, based on the trader's discretion, TC will allocate a partial fill using the following methodology. On the first day the security is traded, the trader will visit the following web address: <http://www.randomlettergenerator.com/>. The web address will generate a randomly selected letter of the alphabet. The trader will then begin the partial fill allocation process starting at that point, alphabetically, in TC's client list, and continue the allocation in alphabetical order for as many trading days as it takes to complete the allocation of the security to TC's clients. The next security that can only be partially filled after the first day of trading will begin with a new randomly selected letter following this same process.

Cross Trades

TC does not cross trade equities as a matter of policy. From time to time, it may cross trade bonds in non-retirement accounts. When such cross trades are placed TC will record the following information: (i) the circumstances of the cross trade; (ii) the potential benefit to the client; and (iii) any potential disadvantage to the client.

In some circumstances, affiliated and client accounts will share transaction costs equally and receive securities at a total average price. TC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Due to the decentralized, dealer-based nature of the bond market and the availability of issues, TC seeks competitive bids and offers for its bond orders. The bonds are then delivered to the respective brokerage firms which, in turn, settle the trade. Where permitted, discretionary and directed brokerage accounts are block traded for best available execution. Whether an account is discretionary or client-directed, client direction to execute through a specific broker-dealer in whole or in part could limit or eliminate TC's ability to negotiate commissions and otherwise obtain best price and execution. Client direction also may limit TC's ability to aggregate the client's transaction with those of other TC clients purchasing or selling the same securities.

In most instances, the broker-dealer selected by a client directed account for execution of transactions has referred that client to TC as an advisory client. Such directed accounts may pay brokerage commissions in excess of that which PAS/Pershing, TD Ameritrade or another broker might have charged. TC reserves the right to approve the broker-dealer selected by a directed account. In some instances, TC may recommend that a client utilize another broker-dealer for execution of transactions. Clients with directed brokerage accounts should recognize that they may be able to obtain discounts from published brokerage commission rate schedules. Clients with outside accounts must seek such discounts themselves, and TC will not seek such discounts on their behalf.

Item 13: Review of Accounts

The voting members of TC's Investment Committee (the "IC") are David Post, TC's Chief Investment Officer, Gary Ran, Mary Bakhaus, Brian Babcock, Tom Uber and Will Wallbank. The IC is supported by TC's research and due diligence team comprised of Matt Espinosa, Bob Hochkins, Christopher Mackenzie and Melissa Parkins, who also serve as ex officio members of the IC. The IC has responsibility for setting investment policy guidelines, risk model asset allocations, and all portfolio investment selections, as well as monitoring and updating the investment models as warranted. The IC meets at least monthly and more frequently as needed. The research and due diligence team meets monthly and more frequently as needed to review model investments and to review prospective investments, either requested by or for proactive submission to the IC.

TC reviews all accounts for conformity with investment policy guidelines and the individual client's stated needs and objectives. Accounts are reviewed by TC's investment adviser representatives, who are supervised by its executive officers. Account reviews are generally conducted either quarterly, semi-annually or annually, depending on certain client relationship criteria, and as market conditions warrant. Account reviews may also be triggered by changes in the tax laws, new investment information, and changes in a client's own situation. Account reviewers consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

As part of its basic wealth management service, TC provides clients with a goal based financial plan. After an initial review with the client, basic financial plans are not reviewed on a regular or consistent basis, unless requested by the client. To the extent that the client subsequently establishes account(s) with TC, the account review practices described above will apply.

Clients receive a statement at least quarterly (monthly, if requested) from the custodian providing a list of holdings with valuations, to the extent they are

available, and account activity, as well as confirmations of all securities transactions. Clients may also receive a quarterly performance report statement from TC, showing account performance during the period reported. Clients will also receive other periodic communications from both the custodian and TC.

Private Fund

Investors in the Fund will receive audited financial statements on an annual basis. Other information may be provided upon request to all or individual investors at the Fund's sole discretion.

Item 14: Client Referrals and Other Compensation

Advisor's parent company is Focus. From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include TC, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including TC. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Fidelity Brokerage Services, J.P. Morgan Asset Management, Charles G. Schwab & Co. and Lord Abbett & Co. have provided conference sponsorship to Focus in the past year. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including TC. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause TC to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including TC. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

TC has arrangements in place with certain third parties whereby the firm provides compensation for client referrals. Solicitation arrangements inherently give rise to potential conflicts of interest because the solicitor is receiving an economic benefit for the recommendation of advisory services. Advisor addresses these conflicts through this disclosure. If a client is introduced to Advisor by a solicitor, Advisor has agreed to pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act. Any referral fees incurred for successful solicitations are paid solely from Advisor's investment management fee, and do not result in any additional charge to the client. If the client is introduced to Advisor by a solicitor, the solicitor provides the client with a copy of Advisor's written disclosure brochure which meets the requirements of Rule 204-

3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation.

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its client accounts. These products and services may assist Advisor in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

As a result of ***past*** participation in TD Ameritrade's AdvisorDirect program (the "referral program"), Advisor received client referrals from TD Ameritrade. TD Ameritrade established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Advisor and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services. ***Advisor is no longer participating in the referral program for purposes of receiving client referrals, but it is obligated to pay TD Ameritrade an on-going fee for each successful client relationship established as a result of past referrals.*** This fee is usually a percentage (not

to exceed 25%) of the advisory fee that the client pays to Advisor (the "Solicitation Fee"). Advisor will also pay TD Ameritrade the Solicitation fee on any advisory fees received by Advisor from any of a referred client's family members who hired Advisor on the recommendation of such referred client. Advisor will not charge clients referred to it through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its other clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients.

In addition, please refer to Item 11 for a discussion of TC's Code of Ethics, which is designed and implemented to prevent any arrangement involving TC, its affiliates or its vendors from influencing TC's investment or custody recommendations.

As part of its wealth advisory services, TC may refer clients to certain unaffiliated service providers which provide family office related services (e.g., at-home physician care, worldwide medical transport services, identity theft protection). From time to time, some of these service providers may pay TC nominal compensation for such referrals. Such arrangements create a potential conflict of interest in TC's recommendation of the service provider; however, TC has policies and procedures in place to ensure that referrals to such service providers are only made when they are in the best interests of the clients being referred.

For our private Fund, TC intends to seek to enter into agreements with various entities to act as placement agents on behalf of the Fund (or a feeder fund if applicable) for the purpose of referring eligible investors for investment in the Fund.

Item 15: Custody

Client assets are maintained at one or more independent qualified custodians. Clients will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. TC urges you to carefully review the statement(s) received from your custodian(s) and compare them to the performance report statement(s) that we provide or to statement(s) received from a fund administrator. Our statement may vary from custodian statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

TC generally directly debits client advisory fees from the client's respective custodial account, pursuant to the client's written authorization in the Investment Management Agreement.

Investors in the Fund receive written valuations of their account balances monthly from the fund administrator. As its affiliate serves as the general partner to the Fund, TC is deemed to have custody of the Fund's assets. TC maintains

the Fund's cash and listed securities with one or more qualified custodians and provides investors audited written financial reports annually as soon as reasonably practicable after the end of the Fund's fiscal year.

Item 16: Investment Discretion

TC generally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular account.

When selecting securities and determining amounts, TC observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to TC in writing.

In connection with its wealth advisory services, TC does not provide investment management services and does not accept discretionary authority to manage securities accounts on behalf of its clients.

Item 17: Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, TC has adopted and implemented written policies and procedures governing the voting of client securities. Proxies that TC receives will be treated in accordance with these policies and procedures.

TC has engaged the services of Broadridge's ProxyEdge platform to vote and maintain records of all proxies on behalf of our clients. The Broadridge open architecture platform allows TC to choose from several different proxy advisory firms to make recommendations on how our firm should vote the proxies. TC has selected Egan-Jones Proxy Services as the current advisor, who considers the reputation, experience, and competence of a company's management and board of directors when it evaluates an issuer.

In addition, TC has also contracted with Broadridge to file class action "proof of claim" forms on behalf of its client accounts.

TC's complete proxy voting policy, procedures, and those of its proxy voting service providers, are available for client review. In addition, our complete proxy voting record is available to our clients. Clients should contact us if they have any questions or would like to review any of these records.

When providing wealth advisory services to clients, TC does not provide investment management services or otherwise exercise discretionary authority

over its clients' assets. Therefore, TC does not vote proxies on behalf of clients receiving wealth advisory services.

Item 18: Financial Information

TC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19: Business Continuity Plan

TC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, or services.

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan also covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily by our third party cloud services provider using a dedicated back-up appliance.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. PAS/Pershing may also assist, depending on the type of disaster, with back office and trading assistance for accounts custodied with them. Both PAS/Pershing and TD Ameritrade have their own disaster recovery plans with backup facilities in different parts of the U.S. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location for a period of time.

Item 20: Information Security Program

TC maintains an information security program to reduce the risk that your personal and confidential information may be breached. TC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, such as credit reports. We use this information to help you meet your personal financial goals.

With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf. Also with your permission, we will disclose limited information to attorneys, accountants, and other parties with whom you have an established business relationship. You may opt out from our sharing information with any non-affiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person.

We maintain a secure office environment to ensure that your information is not placed at unreasonable risk. All hard copy client records are maintained in a secure area with limited access. Client records are also stored electronically. We employ a firewall barrier and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Conclusion

If you have any questions concerning TC's services or this brochure, please contact us at (248) 827-0103 or by email to eoppenheim@telemus.com.