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Form ADV Part 2A  
Disclosure Brochure  
March 17, 2018

## **Insight Private Advisers, LLC**

*a Registered Investment Adviser*

**745 Route 202/206, Suite 305  
Bridgewater, New Jersey 08807  
Phone: (908) 788-1799  
Fax: (908) 788-4599**

**[www.insightprivateadvisors.com](http://www.insightprivateadvisors.com)**

This brochure provides information about the qualifications and business practices of Insight Private Advisers, LLC (hereinafter "IPA" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. 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 the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

IPA is an SEC registered investment adviser. Registration does not imply any level of skill or training.

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## **Item 2 Material Changes**

In this Item, IPA is required to discuss any material changes that have been made to the brochure since the last amendment dated February 14, 2017. IPA has the following material change to disclose:

1. The Aspire Wrap Fee Program has been retired and is not an Investment Advisory Service offered directly by IPA

### **Item 3 Table Of Contents**

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 9
Item 6 Performance-Based Fees and Side-By-Side Management	Page 11
Item 7 Types of Clients	Page 11
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 12
Item 9 Disciplinary Information	Page 14
Item 10 Other Financial Industry Activities and Affiliations	Page 14
Item 11 Code of Ethics	Page 15
Item 12 Brokerage Practices	Page 15
Item 13 Review of Accounts	Page 17
Item 14 Client Referrals and Other Compensation	Page 18
Item 15 Custody	Page 19
Item 16 Investment Discretion	Page 20
Item 17 Voting Client Securities	Page 20
Item 18 Financial Information	Page 20

## Item 4 Advisory Business

IPA seeks to help clients address personal financial goals and concerns through proper planning. IPA endeavors to give clients innovative approaches to finance and different avenues to make money grow for the future. Most importantly, IPA aims to empower clients to make informed and educated choices.

IPA offers a variety of advisory services, which include financial planning, consulting and investment management services. The Firm's core business objective is to learn and understand clients' investment objectives, concerns and risk tolerance, and to then propose and implement a mutually agreed upon, customized investment and wealth management strategy to address them. After a strategy has been implemented, it is the Firm's responsibility to then closely monitor its progress and report back regularly to the client. Prior to the rendering of any of the foregoing advisory services, clients are required to enter into one or more written agreements with IPA setting forth the relevant terms and conditions of the advisory relationship (the "*Agreement*"). IPA also goes by other business names including:

- Hampton Square Wealth Management
- Moore Wealth Management
- Premier College Funding
- Main Street Private Advisors

IPA has been an independent registered investment adviser since October, 2013 and is principally owned by Robert Bacino. As of February 7, 2018, IPA had \$370,810,558 in assets under management. \$366,507,293 of these assets is managed on a discretionary basis, and \$4,303,265 is managed on a non-discretionary basis.

While this brochure generally describes the business of IPA, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on IPA's behalf and is subject to the Firm's supervision or control.

### Financial Planning and Consulting Services

IPA offers clients a range of financial planning and consulting services, which may include any or all of the following functions:

- |                         |                            |
|-------------------------|----------------------------|
| • Business Planning     | • Financial Reporting      |
| • Cash Flow Forecasting | • Investment Consulting    |
| • Asset Allocation      | • Insurance Needs Analysis |
| • Retirement Planning   | • Charitable Giving        |
| • Estate Planning       | • Risk Management          |

While each of these services is available on a stand-alone basis, certain of them may, under limited circumstances, also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (as described below). In performing these services, IPA is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

IPA may recommend the services of itself, its *Supervised Persons* in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage IPA to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by IPA under a financial planning or consulting engagement or to engage the services of any such recommended professionals, including IPA itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising IPA's previous recommendations and/or services.

### **Investment Management and Wealth Management Services**

IPA manages client investment portfolios on a discretionary or non-discretionary basis. IPA may, under limited circumstances, provide clients with wealth management services which include a broader range of comprehensive financial planning and consulting services. IPA's Investment Management and Wealth Management Services are offered as a fee based service as well as under a wrap fee program. Please note that wrap fee program fees differ from other services. Please see IPA's wrap fee brochure for more information related to those service.

IPA primarily allocates client assets among various independent investment managers ("*Independent Managers*"), mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and options, as well as the securities components of variable annuities and variable life insurance contracts, in accordance with the investment objectives of its individual clients. In addition, IPA may also recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage IPA to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, IPA directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

IPA tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. IPA consults with clients on an initial and ongoing basis to develop an Investment Policy Statement ("IPS"), which will address their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify IPA if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if IPA determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Use of Independent Managers**

As mentioned above, IPA may select or recommend certain *Independent Managers* to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an *Independent Manager* are set forth in a separate written agreement between the designated *Independent Manager* and either IPA or the client. In addition to this brochure, clients may also receive the written disclosure documents of the designated *Independent Managers* engaged to manage their assets. IPA does not receive compensation from any such *Independent Managers*.

IPA evaluates various information about the *Independent Managers* it chooses to manage client portfolios, which may include the *Independent Managers'* public disclosure documents, materials supplied by the *Independent Managers* themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Managers'* investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. IPA also takes into consideration each *Independent Managers* management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

IPA continues to provide services relative to the discretionary or non-discretionary selection of the *Independent Managers*. On an ongoing basis, the Firm monitors the performance of those accounts being managed by *Independent Managers*. IPA seeks to ensure the *Independent Managers'* strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### **Premier College Funding Consulting Services**

Premier College Funding's mission is to help families of college-bound students better afford a college education and contribute their fair share of college costs without sacrificing retirement or life savings. This typically entails financial planning and consulting services. Prior to the rendering any of the foregoing services, clients are required to enter into one or more written agreements with Premier College Funding setting forth the relevant terms and conditions of the relationship (the "*Agreement*").

Premier College Funding offers clients a range of planning and consulting services, which may include any or all of the following functions:

- Personalized college scholarship eligibility report
- Calculation of Expected Family Contribution (EFC)
- Planning recommendations to reduce EFC
- Financial aid award estimates
- Complete financial overview on college, cash flow, retirement & development of a plan to improve for college years & beyond
- Strategies that legally protect your savings & retirement accounts.
- How to use your home equity wisely to fund college
- Complete free application for Federal Student Aid (FAFSA)
- Register for and complete the CSS Profile and any additional forms required by the individual schools upon request
- Advice and counsel loan applications
- Customized report that evaluates financial aid award offers
- Proven appeal letters to negotiate for additional financial aid

In performing these services, Premier College Funding is not required to verify any information received from the client or from the client's other authorized parties (e.g., attorney, accountant, etc.) and it expressly relies on such information received from the client.

Premier College Funding may recommend the services of itself or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage Premier College Funding or Insight Private Advisors, LLC to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Premier College Funding under a planning or consulting engagement or to engage the services of any such recommended professionals. Clients are

advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or objectives for the purpose of reviewing, evaluating or revising Premier College Funding's previous recommendations and/or services.

### **Aspire**

IPA manages certain accounts through Aspire an automated investment program (the "Program") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds ("ETFs") and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Schwab. We use the Institutional Intelligent Portfolios<sup>®</sup> platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of Schwab, to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, Schwab, or their affiliates (together, "Schwab"). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our services as described below under *Item 5 Fees and Compensation*. Clients do not pay brokerage commissions or any other fees to Schwab as part of the Program. Schwab does receive other revenues in connection with the Program. We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at Schwab that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with Schwab.

### Rebalancing

The Platform will rebalance a client's Program account periodically by generating instructions to Schwab to buy and sell shares of ETFs and depositing or withdrawing funds through the Sweep Program considering the asset allocation for the investment strategy chosen by IPA. Rebalancing trade instructions will be generated by the Platform when the percentage allocation of an ETF varies by a set parameter agreed to by IPA. The Platform will also generate trading instructions to Schwab when IPA decides to change the ETFs or their percentage allocations for an investment strategy or when IPA decides to change a client's investment strategy, which could occur, for example, when a client makes changes to their investment profile or imposes or modifies restrictions on the management of their Program account.

### Tax-Loss Harvesting

IPA has elected to make the tax-loss harvesting feature available to their clients, clients may, subject to meeting the minimum balance requirement of \$50,000, direct IPA to employ a tax-loss harvesting strategy in managing their taxable accounts. SPT maintains the portfolio management software in the System that IPA uses to implement the tax-loss harvesting strategy. IPA's use the System software to send trading instructions to Schwab to sell ETFs in the client's account at a loss to offset potential capital gains, although the System software will not monitor the type and amount of capital gains for this purpose. To replace the sold ETF, IPA will use this software to send trading instructions to Schwab to buy shares of another ETF designated by IPA which IPA reasonably believes is not substantially identical to the sold ETF. Each Advisor, and not SPT is responsible for (i) choosing the replacement ETF from among the multiple ETFs in each asset class available to IPA in the Program and (ii) making a determination that the replacement ETF is not substantially identical to the sold ETF. The performance of the new ETF may be better or worse than the performance of the ETF that is sold for tax-loss harvesting purposes.

The utility of tax losses harvested through the strategy will depend upon the recognition of capital gains in the same or a future tax period, and in addition may be subject to limitations under applicable tax laws. Losses harvested through the tax-loss harvesting strategy that are not used in the tax period when recognized generally may be carried forward to offset future capital gains, if any.

Clients should consult with their professional tax advisors or check the Internal Revenue Service ("IRS") website at [www.irs.gov](http://www.irs.gov) about the consequences of tax-loss harvesting in light of their particular circumstances and its impact on their tax liability. Neither the tax-loss harvesting strategy for the Program, nor any discussion herein, is intended or may be relied upon as tax advice, and neither IPA nor SPT represents that any particular tax consequences, benefits or outcomes will be obtained through the use of the tax-loss harvesting strategy.

The System software only monitors accounts within the Program managed by IPA for tax-loss harvesting purposes. The client is responsible for monitoring their and their spouse's non-Program accounts (at Schwab or with another firm) or Program accounts with another Advisor to ensure that transactions in the same ETF or a substantially identical security do not create a "wash sale." A wash sale is the sale at a loss of a security followed by the purchase of the same or a substantially identical security within 30 days of each other. If a wash sale transaction occurs, the IRS may disallow or defer the loss for current tax reporting purposes. More specifically, the wash sale period for any sale at a loss consists of 61 calendar days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. The wash sale rule postpones losses on a sale if replacement shares are bought around the same time.

The effectiveness of the tax-loss harvesting strategy to reduce the tax liability of the client will depend on the client's entire tax and investment profile, including purchases and dispositions in a client's (or client's spouse's) non-Program accounts, as well as on the type of investments (e.g., taxable or non-taxable) and the holding period (e.g., short-term or long-term) of those investments held by the client (and the client's spouse). Except as set forth below, SPT's software will monitor only a client's (or a client's spouse's) Program accounts to determine if there are unrealized losses for purposes of determining whether to harvest such losses. Transactions outside the Program may affect whether a loss is successfully harvested and, if so, whether that loss is usable by the client in the most tax-efficient manner.

If a client chooses to have tax-loss harvesting for the client's taxable Program account, IPA will use the Platform software to seek to avoid the wash sale disallowance rule in any other Program account managed by IPA with the client's Social Security number as the primary account holder. A



client may also request that IPA use the Platform-software to monitor the client's spouse's accounts or their IRAs in the Program to avoid the wash sale disallowance rule. A client may request spousal monitoring for Program accounts through the Program Website. If the Platform software is monitoring multiple accounts to avoid the wash sale disallowance rule, the first taxable account to trade an ETF will block the other account(s) from trading in that same ETF for 30 days.

### **Hampton Square Wealth Management ("HSWM")**

HSWM, a dba of IPA, uses Biblically Responsible Investing (BRI), a different approach to money. Its goal is to put God first in all financial decisions.

BRI is purposeful accumulation and stewardship of resources following Scriptural guidelines. It teaches that every dollar we invest in a company endorses corporate practices; therefore, we must know where our money is invested.

BRI seeks to "Capitalize the Good" through:

- Positive screening,
- Identifying businesses that act for the good of society,
- Seeking out companies that have good governance, and
- Finding companies that don't push an agenda against Christian ethics and beliefs.

## **Item 5 Fees and Compensation**

IPA offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management or advisement. Additionally, certain of IPA's *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a separate commission arrangement.

### **Financial Planning and Consulting Fees**

IPA generally charges either a negotiable hourly and/or fixed fee to provide clients with stand-alone financial planning or consulting services. These fees are largely determined by the scope and complexity of the agreed upon services and range from \$100 to \$250 on an hourly basis and \$295 to \$3,000 on a fixed fee basis.

The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with IPA. Generally, IPA requires the entirety of the financial planning or consulting fee payable upon execution of the *Agreement*. If the client engages IPA for additional investment advisory services, IPA may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

### **Premier College Funding Planning and Consulting Fees**

Premier College Funding provides several package options that range from \$595 to \$3,495 in the initial year and an opportunity for additional support for a monthly fee up to 4 years.

### **Investment Management and Wealth Management Fees**

IPA provides investment management services for an annual fee based on the amount of assets under the Firm's management. The fee varies between 25 and 300 basis points (0.25% - 3.00%), depending upon the size of a client's portfolio and the type of services rendered.

The annual fee is prorated and charged monthly in advance, based upon the market value of the assets being managed by IPA on the last day of the previous billing period.

If your account is managed by IPA the Management Fee is billed on a monthly basis, in advance, based upon the market value of the Assets on the last business day of the previous month. Upon account termination a prorated refund of the Management Fees that were pre-paid will be processed based upon the number of days remaining in the month after the notice of termination.

If your account is managed at an Independent Manager the Management Fee may be either billed in advance or in arrears and the fees may or may not be prorated upon termination. For additional information of all fees and expenses refer to the Independent Manager's Form ADV Part 2A: Firm Brochure.

### **Fee Discretion**

IPA, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to IPA, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

### **Fee Debit**

Clients generally provide IPA with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to IPA. Alternatively, clients may elect to have IPA send them an invoice for direct payment.

### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to IPA's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to IPA, subject to the usual and customary securities settlement procedures. However, IPA designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. IPA may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

If your account is managed by us the Management Fee is billed on a monthly basis, in advance, based upon the market value of the Assets on the last business day of the previous month. Upon account termination a prorated refund of the Management Fees will be processed that were pre-paid based upon the number of days remaining in the month after the notice of termination. If your account is managed at an Independent Manager the Management Fee may be either billed in advance or in arrears and the fees may or may not be prorated upon termination. For additional information of all fees and expenses refer to the Independent Manager's Form ADV Part 2A: Firm Brochure.

## **Commissions or Sales Charges for Recommendations of Securities**

Clients can engage certain persons associated with IPA (but not IPA) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with IPA.

Under this arrangement, the Firm's *Supervised Persons*, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments "PKS" a FINRA registered broker dealer, may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. *Supervised Persons* may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. IPA may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS. IPA does not receive any portion of the commissions or transactional fees charged by PKS.

A conflict of interest exists to the extent that IPA recommends the purchase of securities where IPA's *Supervised Persons* receive commissions or other additional compensation as a result of IPA's recommendations. IPA has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

## **Aspire**

IPA provides the Aspire service to clients for 25 basis points (0.25%). The annual fee is prorated and charged monthly in advance, based upon the market value of the assets being managed by IPA on the last day of the previous billing period.

As described in *Item 4 Advisory Business*, clients do not pay fees to SPT or brokerage commissions or other fees to Schwab as part of the Program. Schwab does receive other revenues in connection with the Program. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

IPA does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7 Types of Clients**

IPA provides its services to individuals, trusts, estates, charitable organizations, corporations and other business entities.

Premier College Funding provides its services to families of high school students who are planning to attend a higher education institution such as college or university and who are seeking advice on how to obtain funding for associated expenses such as tuition.

Premier College Funding is focused -on "late-stage" college financial planning and its market is primarily parents of sophomores, juniors and seniors in high school. The Firm services families at all income levels; however, most of the client base is in the middle-to-upper income ranges. Most of the clients have been able to save something toward their child's college covered educational associated costs and expenses.

## **No Minimum Account Requirements**

IPA does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than IPA. In these instances, IPA may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

## **Aspire**

Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open an account in the Program is \$5,000. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

IPA may utilize a combination of fundamental, technical and cyclical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For IPA, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that IPA will be able to accurately predict such a re-occurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that IPA is recommending. The risks with cyclical analysis are similar to those of technical analysis.

### **Investment Strategies**

Prior to developing an IPS tailored to each client, the Firm gathers and analyzes detailed information about the client, including goals, existing investments, insurance coverage, sources of income and other assets and liabilities. The Firm then seeks to define the client's investment objectives and risk profile, which together form the basis for the selection and diversification of investments. Once an initial investment strategy is established, the Firm's investment advisors continually monitor its clients' portfolios and rebalance as needed. As part of the Firm's holistic approach to investment strategizing, IPA believes the following are important aspects of a well-rounded strategy:

- Quarterly review of financial situation
- 401K / IRA rollovers
- Investment planning research for existing securities (cost basis, analyst opinion)
- Company stock option planning

- Pension/cash balance review
- Investment tax planning
- Gifting and charitable donations
- Restricted stock unit planning
- Alternative investment planning

## **Risks of Loss**

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

### *Market Risks*

The profitability of a significant portion of IPA's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that IPA will be able to predict those price movements accurately.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Option transactions involve inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of option contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Use of Independent Managers*

IPA may recommend the use of *Independent Managers*. In these situations, IPA continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In addition, IPA generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

### *Management Through Similarly Managed "Model" Accounts*

IPA manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact IPA if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

## **Item 9 Disciplinary Information**

IPA has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## **Item 10 Other Financial Industry Activities and Affiliations**

### **Registered Representatives of Broker Dealer**

Certain of the Firm's *Supervised Persons* are registered representatives of *Purshe Kaplan Sterling Investments ("PKS")* a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

We may recommend that you purchase variable annuities to be included in your investment portfolio(s). Persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in their capacity as a registered representative of PKS. Annuities will be purchased for your account only after you receive a prospectus disclosing the terms of the annuity. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with our firm. Clients should understand that the receipt of compensation from an annuity is a conflict of interest and the client could purchase the same of similar annuity at a lower cost elsewhere.

### **Receipt of Insurance Commission**

Certain of IPA's *Supervised Persons*, in their individual capacities, are also licensed insurance agents. When appropriate, these *Supervised Persons*, in their individual capacities, may recommend the purchase of certain insurance products to advisory clients on a fully-disclosed commission basis. A conflict of interest exists to the extent that IPA recommends the purchase of insurance products where its *Supervised Persons* receive insurance commissions or other additional compensation. As a result IPA has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of its clients.

## Item 11 Code of Ethics

IPA has adopted a code of ethics in compliance with applicable securities laws ("*Code of Ethics*") that sets forth the standards of conduct expected of its *Supervised Persons*. IPA's *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of IPA's personnel (called "*Access Persons*") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, IPA *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact IPA to request a copy of its *Code of Ethics*.

## Item 12 Brokerage Practices

IPA generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co. for investment management accounts.

Factors which IPA considers in recommending Charles Schwab & Co. or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Charles Schwab & Co. enables IPA to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Charles Schwab & Co. may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by IPA's clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where IPA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative

execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates and responsiveness. IPA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

IPA periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct IPA in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by IPA (as described below). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, IPA may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless IPA decides to purchase or sell the same securities for several clients at approximately the same time. IPA may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among IPA's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among IPA's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that IPA determines to aggregate client orders for the purchase or sale of securities, including securities in which IPA's *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. IPA does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, IPA may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist IPA in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in



managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because IPA does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

IPA may receive from *Charles Schwab and Co, Inc. ("Schwab")*, a registered broker dealer and custodian registered with the Securities and Exchange Commission and a member of FINRA and SIPC, which is independently owned and operated from IPA, without cost to IPA, computer software and related systems support, which allow IPA to better monitor client accounts maintained at *Schwab*. IPA may receive the software and related support without cost because IPA renders investment management services to clients that maintain assets at *Schwab*. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit IPA, but not its clients directly. In fulfilling its duties to its clients, IPA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that IPA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence IPA's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

### **Aspire**

Client accounts enrolled in the Program are maintained at, and receive the brokerage services of, Schwab. While clients are required to use Schwab as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with Schwab by entering into a brokerage account agreement directly with Schwab. We do not open the account for the client. If the client does not wish to place his or her assets with Schwab, then we cannot manage the client's account through the Program. Schwab may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform.

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, Schwab provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Item 13 Review of Accounts**

### **Account Reviews**

For those clients to whom IPA provides investment management services, IPA monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis. For those clients to whom IPA provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of IPA's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with IPA and to keep IPA informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

For clients utilizing Premier College Funding, based on the package chosen, Clients may be provided with reports from Premier College Funding summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by Premier College Funding.

### **Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from IPA and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from IPA or an outside service provider.

Those clients to whom IPA provides financial planning and/or consulting services will receive reports from IPA summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by IPA.

## **Item 14 Client Referrals and Other Compensation**

### **Client Referrals**

IPA is required to disclose any direct or indirect compensation that it provides for client referrals. IPA does not have any required disclosures to this Item.

### **Other Economic Benefits**

Schwab has provided a loan to IPA to assist its business operations, and the loan is guaranteed by Robert J. Bacino, principal of IPA. The terms of the loan require that management fees to IPA be paid to an account at Schwab for deduction of interest and principal payments on the loan before IPA may access such management fees. The loan agreement contains various representations and covenants by IPA, including, among others, that IPA will maintain at least \$168,000,000 in end client net assets held at Schwab ("Assets Under Management at Schwab"), and that IPA will comply with all applicable laws, regulations, and agreements, and obtain all necessary licenses, consents and permits. Upon the occurrence and during the continuance of an event of default under the loan agreement, Schwab may terminate and/or accelerate the loan, which may have a material adverse effect on the Advisor's ability to perform services to you.

Some of the products, services and other benefits provided by Schwab, including the loan noted above, benefit IPA and may not benefit IPA's client accounts. IPA's recommendation or requirement that a client place assets in Schwab's custody may be based in part on benefits Schwab provides to IPA, or IPA's agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

Services that Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

IPA places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. IPA may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, but this practice may result in additional costs to clients so that IPA is more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers.

This type of relationship poses a conflict of interest. However, this conflict is mitigated by IPA's duty to seek best execution and its fiduciary duty to act in its client's best interest.

## Item 15 Custody

IPA's *Client Agreement* and/or the separate agreement with any *Financial Institution* (e.g., Schwab) may authorize IPA through such *Financial Institution* to debit the client's account for the amount of IPA's fee and to directly remit that management fee to IPA in accordance with applicable custody rules.

The *Financial Institutions* recommended by IPA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to IPA. In addition, as discussed in Item 13, IPA also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from IPA.

## **Item 16 Investment Discretion**

IPA may be given the authority to exercise discretion on behalf of clients. IPA is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. IPA is given this authority through a power-of-attorney included in the agreement between IPA and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). IPA takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Discretion is not exercised on behalf of Premier College Funding clients.

## **Item 17 Voting Client Securities**

IPA is required to disclose if it accepts authority to vote client securities. IPA does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

## **Item 18 Financial Information**

IPA is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.