

**SCS Financial Partners LLC**

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**Form ADV Part 2A Brochure**

**January 26, 2018**

This brochure provides information about the qualifications and business practices of SCS Financial Partners LLC. If you have any questions about the contents of this brochure, please contact us at (617) 204-6400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about SCS Financial Partners LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

***Item 2. Material Changes***

This section is not applicable.

***Item 3. Table of Contents***

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#### ***Item 4. Advisory Business***

SCS Financial Partners LLC (“SCS Partners”) was founded in 2018 as an investment firm that focuses on high net worth families. SCS Partners' mission is to provide client-aligned investment advice to high net worth families and related entities.

SCS Partners is wholly owned by SCS Capital Management LLC (“SCS Capital”) and has entered into a services agreement for SCS Capital Management LLC to provide certain investment advisory and operational support. **SCS Partners intends to acquire an additional owner in the near future.** SCS Capital Management LLC is owned by Focus Operating, LLC, which is owned by Focus Financial Partners, LLC.

**Wealth Management.** SCS Partners provides investment advisory and wealth management services to individuals and related entities, including family trusts and foundations, corporations, and business entities. SCS Partners’ financial planning professionals work with clients and their SCS Partners relationship team to develop a wealth management strategy, income and cash flow planning, tax planning, and philanthropic strategy. SCS Partners seeks to provide an integrated wealth management program whereby investment portfolios reflect not only SCS Partners’ financial market outlook, but integrate the client’s income and spending needs, as well as tax and estate planning objectives. Services provided to these advisory clients include identifying investment objectives and risk tolerance, developing and documenting asset allocation, investment policy and investment strategy, implementing the investment strategy through separately managed accounts, performing regular administration, monitoring and reporting of financial assets and performing due diligence on traditional, hedge and alternative fund managers. Investment advisory and wealth management services are based on the Investment Advisory Agreement (“IAA”) entered by an advisory client and SCS Partners. The IAA provides SCS Partners with the authority to recommend and retain other investment advisers and invest in funds managed by SCS Capital Management LLC and in other funds that are not affiliated with SCS Partners for certain portions of a client's assets. Please refer to SCS Capital Management LLC’s Form ADV for additional information about its funds.

As of January 26, 2018, SCS Partners had no assets under management.

## ***Item 5. Fees and Compensation***

### ***Wealth Management Clients***

Asset Based Fees. SCS Partners charges a fee to its clients based on a percentage of assets under management. This fee is intended to compensate SCS Partners for designing the overall wealth management plan for the client, including asset allocation, investment manager selection and monitoring, direct investment management of a portion of the client's assets, as well as to compensate SCS Partners for broader wealth management services which are provided by SCS Partners. SCS Partners' fee schedule is generally as follows:

<u>Assets Under Management</u>	<u>Annual Rate</u>
First \$25 million	0.75%
\$25 million to \$50 million	0.50%
\$50 million to \$100 million	0.45%
\$100 million to \$250 million	0.40%
Greater than \$250 million	0.35%

All family relationships are aggregated to determine the blended fee rate. Fees are payable quarterly in advance on the first day of each calendar quarter based on the market value of assets under management on the last day of the preceding month, unless an alternate arrangement is mutually agreed upon. The fees are debited from the client's custodial account by SCS Partners, as authorized by the client, unless otherwise specified in the investment advisory agreement. In the event an advisory relationship is terminated prior to the end of a quarter, SCS Partners' compensation would be pro-rated to the date of termination and any unearned portion reimbursed. The client and SCS Partners may each terminate the advisory relationship upon 30 days written notice to the other. SCS Partners charges a minimum annual fee of \$150,000. Under certain circumstances, the minimum fee may be waived. SCS Partners, in its discretion, may negotiate asset-based fees but such fees will generally fall within the above range.

SCS Partners pays a portion of the client fees it earns to SCS Capital Management LLC, to compensate it for investment advisory and operational support services provided to SCS Partners.

External Investment Manager Fees. Fees charged by the external investment managers selected by SCS Partners to manage portions of the client's assets are separate from and in addition to SCS Partners' asset based fees described above. These fees are set out in each investment manager's investment advisory agreement or, in the case of mutual funds or private funds in the prospectus or offering memorandum. SCS Partners is responsible for monitoring each relationship and reviewing the fees charged.

Additional Expenses Incurred by Clients. In addition to asset based advisory fees, clients will incur charges for custody services, brokerage, and other transaction costs associated with the buying and selling of securities within their accounts. See Item 12 in this Brochure regarding Brokerage Practices.

***Item 6. Performance-Based Fees and Side-by-Side Management***

This section is not applicable.

***Item 7. Types of Clients***

As described under “Advisory Business” above, the types of clients to whom SCS Partners generally provides investment management services include high net worth individuals and related entities, including family trusts and foundations, corporations and business entities.

SCS Partners generally requires its clients to have a minimum of \$25 million of assets under management and/or be subject to a minimum relationship fee level. Under certain circumstances, the minimum account size and/or relationship fee may be waived.



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

### ***Primary Investment Strategies***

In managing clients' assets, SCS Partners formulates an overall investment strategy which takes into account the client's individual financial landscape and investment objectives, including his or her income, spending and lifestyle needs and particular tax circumstances. To assist in setting the strategy, SCS Partners offers to review a client's tax, estate planning, and insurance programs. Specifically, SCS Partners provides the following investment services to its clients as appropriate in their individual circumstances:

Asset Allocation and Portfolio Design. SCS Partners designs an asset allocation strategy for each client which works in conjunction with the client's overall wealth management plan. The strategy takes into account the client's risk tolerance and return objectives to design a portfolio that combines lower return, lower risk investment classes, such as high quality bonds, with higher return seeking asset classes such as public and private equity investments. Most of the portfolio is typically invested with external investment managers (as defined below) and in funds managed by SCS Capital Management LLC. Depending on the needs of each client, SCS Partners may also purchase securities directly in the financial markets to implement a portion of a wealth management program. Examples include, but are not limited to, high quality taxable and tax-exempt bonds, cash instruments and exchange traded funds, etc.

Traditional and Alternative Assets Manager Review and Selection. SCS Capital utilizes both commercially available and proprietary databases to track the universe of investment managers in both traditional (*e.g.*, long-only marketable securities) and alternative assets (*e.g.*, venture capital funds, buyout funds, mezzanine stage investment funds, directional and absolute return hedge funds). SCS Capital focuses on investment managers which have demonstrated a high degree of expertise at implementing a particular investment strategy or strategies. SCS Capital recommends third party investment managers (referred to herein as "external investment managers") which specialize in the major asset classes, including cash management, fixed income, large, medium and small capitalization stocks, international securities and alternative investments such as private equity and hedge funds. To identify particular external investment managers to manage portions of its clients' assets either directly or through investments in public or private funds managed by the external investment managers, SCS Capital utilizes a rigorous screening process, evaluating a range of quantitative factors based upon the external investment manager's (i) historical performance, (ii) risk-return profile, (iii) consistency of returns, (iv) downside risk, (v) use of leverage, and (vi) market/peer group correlation. SCS Capital also considers qualitative factors, which may include (i) the experience and integrity of the external investment manager's management team, (ii) the soundness and capacity of the investment strategy employed by the external investment manager, (iii) the external investment manager's risk management strategies, and (iv) the quality of the external investment manager's infrastructure.

SCS Partners typically enters into discretionary agreements with clients whereby SCS Partners is granted limited power of attorney to select, engage and replace, if necessary, external investment managers and make investments in pooled investment funds on the clients' behalf to implement the wealth management program. In either case, SCS Partners then monitors the selected managers and funds on an ongoing basis to ensure that they continue to adhere to SCS's high

standards of quality, risk control and tax efficiency. In limited circumstances, SCS Partners will serve in a non-discretionary capacity.

Portfolio Implementation. SCS Partners works to reduce the administrative burdens on its clients that come with implementing the various components of the client's overall investment plan. SCS Partners clients have the option of executing a Limited Power of Attorney that authorizes SCS Partners to engage external investment managers on behalf of the client. In all cases, SCS Partners assists the client to complete necessary paperwork and oversee and monitor the implementation and investment processes of the various investment managers selected.

Portfolio and Performance Monitoring. SCS Partners provides its clients with a consolidated report on a quarterly basis which provides the total portfolio returns. The estimated performance will be compared to relevant benchmark indices. The report will also include commentary on the relevant markets.

### ***Summary of Certain Material Risks***

Investing in securities involves risk of loss that clients and investors in funds should be prepared to bear.

The following is a brief summary of certain material risks associated with the investment strategy and methods of analysis for each fund and SCS Partners' investment allocations. Some of SCS Partners' clients will invest in privately-offered funds managed by SCS Capital Management LLC (the "SCS Capital Funds") and external investment managers. A description of each funds' risks is included in the relevant offering memorandum.

### **Risks Associated with Asset Allocation and Fund of Funds Strategies**

*Selection and Monitoring of Managers and Funds.* There is a risk that SCS Partners, in its selection process, will not identify appropriate external investment managers for client portfolios, existing weaknesses in an external investment manager's compliance or operational controls or existing material regulatory, financial or other operational issues. Further, there is a risk that an external investment manager does not meet SCS Partners' expectations over time, develops significant weaknesses in its compliance or operational controls that could materially adversely affect a client's investment or could develop material regulatory, financial or other operational issues.

*Multiple Managers.* The overall success of SCS Partners' strategies depends on, among other things, (i) the ability to develop a successful asset allocation strategy, (ii) the ability to select external investment managers and Portfolio Funds and to allocate the assets amongst them, and (iii) the ability of the external investment managers to be successful in their strategies. The past performance of such strategies is not necessarily indicative of their future profitability. No assurance can be given that the strategy or strategies utilized will be successful under all or any future market conditions.

Because SCS Partners may allocate client assets to multiple Portfolio Funds or accounts of external investment managers who make their trading decisions independently, it is possible that

one or more of such external investment managers may, at any time, take positions which may be opposite of positions taken by other external investment managers. It is also possible that external investment managers may on occasion take substantial positions in the same security or group of securities at the same time. The possible lack of diversification caused by these factors may subject a fund's portfolio to more rapid change in value than would be the case if the fund's portfolio were more widely diversified. In addition, a particular external investment manager may take positions for a fund which may be opposite to positions taken for its other clients.

*Due diligence considerations.* SCS Capital will conduct due diligence which it believes is adequate to select external investment managers. However, due diligence is not foolproof and may not uncover problems associated with a particular external investment manager. For example, one or more of the external investment managers may engage in improper conduct, including unauthorized changes in investment strategy, which may be harmful and may result in losses to the fund or client account. SCS Capital may rely upon representations made by external investment managers, accountants, attorneys, prime brokers, and/or other investment professionals. If any such representations are misleading, incomplete or false, this may result in the selection of an external investment manager that might have otherwise been eliminated from consideration had fully accurate and complete information been made available to SCS Capital.

#### Certain Investment Risks

*General.* Investments may decline in value for any number of reasons, including changes in the overall market for equity and/or debt securities, and factors pertaining to particular portfolio securities, such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, the availability of additional capital and labor, general economic conditions, political conditions and other similar conditions.

*Alternative Investment Funds.* Investments in alternative assets, such as hedge funds, private equity funds, and other private investment funds often are: (i) highly speculative and invest in complex instruments and structures including derivatives and structured products; (ii) illiquid with limited withdrawal or redemption rights; (iii) leveraged; (iv) subject to significant volatility; (v) subject to long holding periods; (vi) less transparent than public investments; (vii) subject to significant restrictions on transfers; (viii) affected by complex tax considerations; and (ix) in the case of private equity funds, affected by capital call default risk. In addition to the above, investors in these strategies will be subject to fees and expenses which will reduce profits or increase losses.

*Fixed Income Securities.* Fixed-income securities, including investment grade securities, are subject to certain common risks, including (i) if interest rates go up, the value of fixed-income securities in a fund's portfolio generally will decline; (ii) the issuer or guarantor of a fixed-income security may default on its payment obligations, become insolvent or have its credit rating downgraded; (iii) the value of a fixed-income security may decline as a result of the issuer's falling credit rating; (iv) during periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing a fund to reinvest in lower yielding securities; (v) during periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments, which may lock in a below market interest rate, increase the security's duration and reduce the value of

the security; and (vi) SCS Partners' or the external investment manager's judgment about the attractiveness, relative value or potential appreciation of a particular sector, security or investment strategy may prove to be incorrect.

*Separately Managed Accounts.* SCS Partners may recommend that clients invest some of their respective assets in separately managed accounts, whereby external portfolio managers manage a portion of the client's assets directly, rather than through a pooled investment vehicle. Although there are certain advantages associated with separately managed accounts, there are also certain risks, including, without limitation, the potential that the actions of the Portfolio Manager could expose all of the applicable client account's assets to liability and the requirement that such client account itself be a party to prime broker agreements and other trading agreements utilized by the Portfolio Manager in pursuing its investment strategy. In addition, although SCS Partners may have greater visibility with respect to the securities held in separately managed accounts, the management of such securities will still reside with the applicable external portfolio managers of such accounts, and although SCS Partners will still conduct a similar level of monitoring and due diligence as it does for other investments made on behalf of the client, it will not generally take action (or direct the actions of the external portfolio managers) in connection with securities held in a separately managed account.

*Concentration of Investments.* An account may from time to time have a material percentage of its assets concentrated in one or more investment strategies and a loss in any investment could have a material adverse impact on the account. There is a risk that an account will not be diversified in all market conditions. The possible lack of diversification may subject the investments of such account to more rapid change in value than would be the case if the assets of such account were more widely diversified.

*Short Sales.* Short sales are subject to numerous risks. If the price of the security sold short increases between the time of the short sale and the time the account replaces the borrowed security, the account will incur a loss; conversely, if the price declines, the account will realize a short-term capital gain. Any gain will be decreased, and any loss increased, by the transaction costs described above. Although the account's gain is limited to the price at which it sold the security short, its potential loss is theoretically unlimited. There can be no assurance that securities necessary to cover a short position will be available for purchase.

*Leverage.* An account may borrow funds from brokerage firms and banks. In addition, an account may indirectly leverage their portfolios by investing in instruments with embedded "leverage" features such as options, swaps, forwards, contracts for differences and other derivative instruments. While leverage presents opportunities for increasing the account's total return, it has the effect of potentially increasing losses to the account as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly, by an account could be magnified to the extent that leverage is employed by the account. The cumulative effect of the use of leverage by an account in a market that moves adversely to the investments of the entity employing the leverage could result in a loss to the account that would be greater than if leverage were not employed by such account. In addition, to the extent that an account borrows funds, the rates at which they can borrow may affect the operating results of the account. In general, the anticipated use of short-term margin borrowings by an account results in certain additional risks to the applicable account. For example, should the securities that are

pledged to brokers to secure the account's margin accounts decline in value, or should brokers from which the account has borrowed increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), then the account could be subject to a "margin call", pursuant to which the account must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a precipitous drop in the value of the assets of an account, the account might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses.

*Derivative Investments.* Some accounts may invest in other derivative instruments, which may include futures, options, swaps, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement cannot only result in the loss of the entire investment, but may also expose the account to the possibility of a loss exceeding the original amount invested. Derivatives may also expose the account to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

*Hedging Transactions.* Certain accounts may utilize certain financial instruments for both investment and risk management purposes. These instruments could include writing or buying options and other derivatives, as well as shorting securities, funds, indices, or swaps, and combining long and short positions in securities and instruments to reduce overall risk. The success of an account's hedging strategy will depend on SCS Partners' ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged. The change in the correlation may also result in the hedge increasing the overall risk of the portfolio. There is also a risk that such correlation will change over time rendering the hedge ineffective. Since the characteristics of many securities change as markets change or time passes, the success of an account's hedging strategy may also be subject to a SCS Partners' ability to correctly readjust and execute hedges in an efficient and timely manner.

*Small and Mid-Cap Risks.* A portion of some account's assets may be invested in securities of small-cap and mid-cap issuers. While the securities of a small or mid-cap issuer may offer the potential for greater capital appreciation than investments in securities of large-cap issuers, securities of small and mid-cap issuers may also present greater risks. For example, (i) some small and mid-cap issuers often have limited product lines, markets, or financial resources, (ii) they may be dependent for management on one or a few key persons, and can be more

susceptible to losses and risks of bankruptcy, and (iii) their securities may be thinly traded and may be more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

*Purchasing of Initial Public Offerings.* From time to time, some accounts may purchase securities that are part of initial public offerings (“new issues”). The prices of these securities may be very volatile. The issuers of these securities may be undercapitalized, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for accounts to trade these securities without unfavorably impacting their prices. Rule 5130 and Rule 5131 of the U.S. Financial Industry Regulatory Authority, Inc. restrict certain persons from participating in new issues and, therefore, certain accounts may be restricted from participating in the profits and losses attributable to new issues.

*Non-U.S. Investments.* Some accounts will invest in securities of non-U.S. companies and foreign countries and in non-U.S. currencies. Investing in the securities of such companies and countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. Government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict an account’s investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to United States standards and, consequently, less information is available to investors in companies located in such countries than is available to investors in companies located in the United States. Moreover, an issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. There is also less regulation, generally, of the securities markets in foreign countries than there is in the United States. The risks of investing in non-U.S. investments described herein apply to an even greater extent to investments in emerging markets.

*Exchange Traded Funds.* Some accounts may invest in exchange traded funds (“ETFs”). Equity-based ETFs are subject to risks similar to those of stocks; fixed income-based ETFs are subject to risks similar to those of bonds. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Foreign investments have unique and greater risks than domestic investments.

*Money Market Instruments.* Some accounts may invest, for defensive purposes or otherwise, some or all of their respective assets in high quality fixed-income securities, money market instruments, and non-U.S. money market mutual funds, or hold cash or cash equivalents in such

amounts as SCS Partners deems appropriate under the circumstances. Money market instruments are high quality, short term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. Government securities, commercial paper, certificates of deposit and bankers' acceptances issued by domestic branches of United States banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements.

***Item 9. Disciplinary Information***

None.



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

### ***SCS Capital Management, LLC***

In implementing its investment program, SCS Partners recommends to clients investments in private investment funds managed by SCS Capital (the “SCS Capital Funds”), that may invest in both traditional and alternative asset classes. These include private investment funds or funds of private investment funds that invest in equity securities, venture capital funds, buyout funds, mezzanine stage investment funds, directional and absolute return hedge funds, among other strategies. SCS Partners may use a combination of private investment funds sponsored by external investment managers, and/or private investment funds of funds managed by SCS Capital to manage some or all of a client’s assets. To avoid a financial conflict of interest, SCS Capital will waive or reimburse investment management fees, performance fees, and carried interest for those investors in the SCS Capital Funds that pay a wealth management fee to SCS Partners. These investors will, however, bear their pro-rata portion of legal, accounting, and other non-investment management expenses of the SCS Capital Funds.

Pursuant to a services agreement, SCS Partners pays a portion of the client fees it earns to SCS Capital (the parent company of SCS Partners) to compensate SCS Capital for investment advisory and operational support services provided to SCS Partners. SCS Partners has a potential conflict of interest because it obtains these advisory and operational services from its parent company. As long as SCS Partners remains controlled by SCS Capital, SCS Partners will be unable to unilaterally terminate SCS Capital’s services and engage another adviser, even if SCS Partners were to believe that another adviser might provide better services. SCS Partners mitigates this conflict through monitoring of SCS Capital’s performance and through disclosure in this Brochure.

### **Focus Operating, LLC and Focus Financial Partners, LLC**

As noted above in response to Item 4, in July 2017, investment vehicles affiliated with Stone Point Capital LLC (“Stone Point”) and Kohlberg Kravis Roberts & Co. L.P. (“KKR”) each made an investment in Focus Financial Partners, LLC (“Focus”). This transaction resulted in certain funds managed by Stone Point collectively becoming a principal owner of Focus and the KKR investment vehicles collectively becoming a minority owner in Focus. Because SCS Capital Management LLC is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of SCS Partners. None of KKR, Stone Point, or any of their affiliates participates in the management or investment recommendations of our business.

SCS Partners has recommended, and may in the future recommend, that clients invest in products or investment vehicles managed and/or sponsored directly by Stone Point, or KKR, or one of their respective affiliates (each vehicle, an “Owner-Affiliated Fund”). Any fees charged by Owner-Affiliated Funds will be paid indirectly or directly to Stone Point, KKR or their affiliates. Because Stone Point and KKR are each indirect owners of SCS Partners, Stone Point, KKR, and/or their affiliates will benefit financially if SCS Partners recommends investments in the Owner-Affiliated Funds.

To mitigate the conflicts of interest that arise out of investments in Owner-Affiliated Funds, SCS Partners will only recommend such investments if they are in the best interests of the relevant

client. In addition, prior to making an investment on behalf of a client in an Owner-Affiliated Fund that is managed or sponsored directly by Stone Point and/or one of its affiliates, SCS Partners will require the client to provide consent and will provide the client with additional disclosures concerning the conflicts of interest noted above.

### ***Item 11. Code of Ethics, Interest in Client Transactions, and Personal Trading***

SCS Partners and its officers and employees attempt to avoid or minimize conflicts of interest that may arise as a result of the management of clients' portfolios and the funds managed by SCS Capital Management LLC (the "SCS Capital Funds"). From time to time SCS Partners may recommend or cause an SCS Partners wealth management client to invest in a private investment fund in which SCS Partners, or a person associated with SCS Partners, may have an investment, or act as general partner, manager, or investment adviser or investment sub adviser, including the SCS Capital Funds. In order to ensure that SCS Partners wealth management clients do not pay SCS Partners or its affiliates multiple levels of fees, SCS Capital Management LLC waives or reimburses the Management Fee and, if applicable, Performance Fee payable by the SCS Capital Fund to SCS Capital Management LLC for any SCS Partners wealth management client that pays an account level investment advisory fee to SCS Partners.

SCS Partners has adopted a Code of Ethics, a copy of which is available upon request to any client or prospective client, which sets forth standards of business conduct for its supervised persons which reflect the fiduciary obligations of SCS Partners to its clients. Pursuant to the Code, all of SCS Partners' officers and employees are restricted from trading individual publicly traded equities and options on equities. Employees owning equities that were acquired prior to being subject to the Code of Ethics must pre-clear any sale of these shares and may not acquire additional shares. All officers and employees are required to pre-clear any securities to be purchased in a private placement (which would include interests in private investment funds), and pre-clear the sales of any securities acquired in a private placement.

Officers and employees are required to submit personal holdings reports at the time they become an officer or employee and annually thereafter. SCS Partners may become aware of client positions in individual securities through its supervision of external investment managers engaged by the client and external investment managers that manage Portfolio Funds in which the SCS Capital Funds invest. SCS Partners' policy is that no individual may in any way use information acquired by him or her in the conduct of his or her employment by SCS Partners when this may occur at the expense of a client or is in any way contrary to a client's interests. Accordingly, each such person whose functions or duties relate to providing investment advice to clients is required to avoid knowingly purchasing or selling securities in such a way as to compete in the marketplace with clients, or otherwise to adversely affect their transactions, use knowledge of client security transactions effected by external investment managers for clients to profit by the market effect of such transactions, or give to others information of proposed or current purchases, sales or holdings by any client (to the extent privy to such information from external investment managers) because of a possibility of such others taking action detrimental or potentially detrimental to such client, or improperly using such knowledge for their own use or benefit. SCS Partners' compliance officer reviews transactions of advisory-level associated persons on a periodic basis.

## ***Item 12. Brokerage Practices***

### ***Selection of Brokers***

Although SCS Capital typically has the discretion to select or recommend broker-dealers for client transactions, it does so only in limited circumstances, as most assets of each client's accounts are usually invested with external investment managers or funds managed by SCS Capital Management LLC. In limited circumstances, clients may direct SCS Capital to use one or more particular broker-dealers in managing their accounts.

When SCS Capital does select broker-dealers, SCS Capital's decisions as to which broker-dealer to use to execute client transactions is generally made on a transaction-by-transaction basis. However, as discussed below, in certain circumstances transactions for multiple accounts may be aggregated. In selecting a particular broker-dealer to effect a securities transaction for a client account or a fund, SCS Capital's primary objective is to obtain "best execution." Price, giving effect to brokerage commissions (if any) and other transaction costs, is an important factor, but the selection may also take into account other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealer's willingness to commit capital, the broker-dealer's reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the market for the security, and the value of any research products and services and brokerage services provided by the broker-dealer. SCS need not, however, solicit competitive bids and does not have an obligation to seek the lowest available commission cost. When SCS engages external investment managers to implement clients' wealth management programs under discretionary authority, it generally will allow the external investment manager to direct brokerage according to each external investment manager's broker selection policy. In limited instances, however, SCS may direct external investment managers to use particular broker-dealers to effect securities transactions for SCS client accounts. In this case, external investment managers under the direction by SCS to use a specific broker-dealer may aggregate all transactions effected under this direction. As described below, such direction may benefit both the client and SCS.

### ***The Role of Products and Services in Brokerage Allocation***

SCS has arrangements with certain broker-dealers pursuant to which SCS may receive products or services from those broker-dealers when client securities transactions are executed through those broker-dealers. These arrangements with brokers generally fall within the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") which provides a safe harbor for the receipt of "research" products and services from the broker-dealer. Most of the products and services provided by brokers to SCS would be characterized as "research". During the last fiscal year the types of products and services acquired through these arrangements include: data, research and software. SCS generally uses such products and services for the benefit of all of SCS's accounts, sometimes including accounts other than those that pay commissions to the broker-dealer providing the products or services.

Unless otherwise directed by a client, SCS may also allocate a specific amount of brokerage to individual broker-dealers based on brokerage or research services rendered. The procedure for such an allocation may entail SCS's determining that obtaining a particular research or brokerage service or product will enhance execution quality or efficiency or assist SCS in providing investment management services. To the extent consistent with SCS's duties to its clients and

only if SCS determines that the commission is reasonable in relation to the value of the brokerage and research services received, SCS may direct brokerage to brokers that provide such services or products in amounts sufficient to obtain the particular services or products. Provided that SCS determines in good faith that the commission charged is reasonable in relation to the value of brokerage and research services provided by the broker, SCS may cause a client account to pay a broker an amount of commission greater than the amount another broker-dealer may charge. Generally, brokerage firms do not charge SCS a separate fee for proprietary research and other services. The continued provision of such services to SCS is not conditioned on SCS directing any particular level of transactions to these brokerage firms.

SCS's use of client brokerage commissions to obtain research or other products or services, benefits SCS because SCS does not have to produce or pay for the research, products or services it receives in such arrangements. This may create an incentive for SCS to select or recommend a broker-dealer based on SCS's interest in receiving the research or other products or services, rather than on the interests of its clients in receiving the most favorable execution. Brokerage and research services received by SCS could benefit client accounts other than the account generating the soft dollar credits. SCS's receipt of research services will not reduce a client's fees, including any Management Fee or Performance Fee.

SCS reviews transaction results from time to time to determine the quality of execution and services provided by the various broker-dealers through whom SCS executes client transactions, to evaluate the reasonableness of the compensation paid to such broker-dealers in light of all the factors described above.

#### ***Aggregation of Client Orders***

SCS may place orders of securities for two or more clients with broker-dealers if SCS reasonably believes an aggregated trade will achieve best execution. These "bunched" or block trades may result in lower commissions and better purchase or sale prices than if SCS placed multiple single orders. By aggregating trades, SCS may also avoid holding cash and securities involved in an aggregated trade longer than necessary and avoid paying additional compensation that may result from single orders. In some cases, SCS's clients have directed SCS to effect transactions through a particular broker-dealer, which may limit opportunities for batching transactions in the same securities for multiple accounts.

SCS is a fiduciary that owes each of its clients a duty of loyalty. This duty requires that each client be treated fairly and that proprietary trading by SCS or its personnel not be favored over client accounts. It is SCS's policy to aggregate (or bunch) orders of two or more clients to achieve better trade execution, provided the aggregation of such orders is in the best interest of each participating client, is fair and equitable to all clients participating in the bunched trade, and favors no client over another client.

#### ***Directed Brokerage***

Clients may instruct SCS to use one or more particular broker-dealers in managing their accounts. Clients may benefit from such direction to use a broker that also serves as custodian of the client's assets because the custodian may waive certain of the costs associated with maintaining the portfolio if a sufficient number of securities transactions in the portfolio are

effected by that custodian or one of its affiliates. SCS, in its discretion, or its clients also may direct brokerage for the purpose of executing a commission recapture program that can significantly reduce the brokerage commissions paid on individual security transactions. Clients may specify whether a particular broker/dealer is to be used even though SCS and the external investment managers may be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Clients who may be willing to direct the use of a particular broker-dealer for transactions should understand that such direction will prevent SCS and external investment managers from effectively negotiating brokerage compensation on their behalf, that best execution may not be achieved, and a disparity in commission charges may exist between the commissions charged to other clients. In this case, SCS also would not be able to aggregate orders with other clients. In directing brokerage business to brokers, those clients may lose possible advantages that other clients may have and they should consider whether the commission expenses, execution, clearance, and settlement capabilities, and (if applicable) any amount of the commissions that may be attributable to custodian fees, are comparable to those that SCS and the external investment managers could otherwise attain for its clients.

### ***Item 13. Review of Accounts***

#### ***Nature of Review of Accounts***

SCS Partners' personnel (individually or as part of a group) monitor and review the performance of client accounts on a regular basis. In addition SCS Partners evaluates each client's individual wealth management plan periodically. This evaluation involves a review of the client's full financial landscape by such client's relationship team member and a senior investment professional to determine whether modifications in the overall wealth management plan are warranted. Within the context of seeking to implement the client's wealth management plan, SCS Partners evaluates the composition and performance of the client's investment portfolio, including client assets allocated to external investment managers and invested in public or private investment funds. In addition to statements provided by custodians, SCS Partners provides clients with a quarterly written statement summarizing their account.

The administrator of each SCS Capital Fund generally provides investors in such fund or their designee with monthly statements (quarterly statements in the case of Private Equity, Private Credit, and Private Real Assets funds) setting forth estimated fund performance and annual audited financial statements.

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

SCS Partners may have other business and non-business relationships with other industry participants including consultants, investment advisers, fund managers and broker-dealers. For example, the managers of investment funds or accounts in which SCS Partners places its clients (including through funds managed by SCS Capital Management LLC) may themselves be clients of SCS Partners. Similarly, individuals who are employees or principals of companies with which SCS Partners engages in investment advisory, brokerage or other services arrangements may be, or become, clients of SCS Partners. Although these relationships may present a conflict of interest, or the appearance of a conflict of interest, SCS Partners does not have any express or implied quid pro quo relationship with any such industry participant.

SCS Partners' parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include SCS Partners, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including SCS Partners. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including SCS Partners. 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 SCS Partners 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 SCS Partners. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus in the last year:

Fidelity Brokerage Services  
J.P. Morgan Asset Management  
Charles G. Schwab & Co.



### ***Item 15. Custody***

With respect to accounts over which SCS Partners has or is deemed to have custody of client assets, SCS Partners directs the client's qualified custodian to send an account statement at least quarterly to such client indicating all amounts disbursed from the account (including the amount of any fees paid to SCS Partners), all transactions occurring in the account during the period covered by the statement (amount of funds and each security), and a summary of the account positions and portfolio value at the end of the period. Clients will receive account statements directly from broker dealers or other qualified custodians and clients should carefully review such statements. In addition, SCS Partners will include in each account statement sent directly to clients a legend urging each client to compare the statements it receives from SCS Partners with those delivered by the qualified custodian. A client may designate an independent representative to receive account statements on its behalf. The independent representative may not (a) control, be controlled by or be under common control with SCS Partners; or (b) have, or have had within the past two years, a material business relationship with SCS Partners.

***Item 16. Investment Discretion***

SCS Partners typically enters into discretionary agreements with clients whereby SCS Partners is granted authority to purchase and sell securities and other instruments for the client's account in accordance with investment guidelines and also provides SCS Partners with a limited power of attorney to select, engage and replace, if necessary, external investment managers and make investments in pooled investment funds on the clients' behalf to implement the wealth management program. In limited circumstances, SCS Partners will serve in a non-discretionary capacity.

***Item 17. Voting Client Securities***

Unless otherwise specifically directed by a client in writing, SCS Partners will vote proxies it receives in line with what it believes to be its clients' best interests. SCS Partners will generally be hiring third party managers to invest the client's assets and therefore will not typically be in receipt of proxy or offering materials. However, in some cases, such as prior to the selection of a third party manager, SCS Partners may be responsible for voting client proxies. SCS Partners utilizes a third party proxy voting service to electronically vote client proxies based on voting criteria provided by SCS Partners. Clients may obtain a copy of SCS Partners' proxy voting policies and procedures as well as information regarding how SCS Partners voted their securities by requesting this information in writing from their client representative at SCS Financial Partners LLC, 888 Boylston Street, Suite 1010, Boston, MA 02199.

***Item 18. Financial Information***

Not applicable.