

The IFAM Wrap Program

Sponsored by

IFAM

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This Wrap Fee Program Brochure (Form ADV Part 2A Appendix 1) provides information about the qualifications and business practices of IFAM, dba of Institutional and Family Asset Management, LLC (hereinafter “we”, “IFAM” or the “Firm”). If you have any questions about the contents of this brochure, please contact IFAM at 970-530-5021. 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. The Firm is a federally registered investment adviser. Registration does not imply a certain level of skill or training.

Item 2. Material Changes

SEC-registered investment advisers are required to provide their clients with a summary of material changes made to their Form ADV 2A brochure ("Brochure") since the last annual updating amendment and offer to provide the entire Brochure free of charge. Since our previous annual updating amendment, on April 1, 2019, we note the following change to our Brochure:

- We have retained a research consulting firm, Dimeo Schneider, to provide us with recommendations regarding the construction of investment models and assist us with due diligence of investment recommendations. Item 8 of our Brochure has been revised to reflect this change.

We have made other minor revisions throughout the brochure. Clients are encouraged to read the Brochure in its entirety. Clients can obtain a free copy of our Brochure at any time by contacting us at 970-530-5021 or by email at kim@ifamcapital.com.

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Item 4. Services, Fees and Compensation

The IFAM Wrap Program ("Program") is an investment advisory program sponsored by IFAM, the successor firm of IFM Capital Advisors, LLC and a federally registered investment adviser since October 28, 2014. IFAM is a wholly-owned subsidiary of Focus Operating, LLC, which is a wholly-owned subsidiary of Focus Financial Partners, LLC.

Focus Financial Partners, LLC

IFAM is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, IFAM is a wholly-owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2019, investment vehicles affiliated with Stone Point Capital, LLC ("Stone Point") had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2019, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR") had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other financial service firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

Wealth Management Program Services

We seek to evaluate a client's current financial situation and offer investment management services which are aligned with the client's goals and circumstances.

We manage client assets in accordance with models which are designed for a range of client investment objectives and risk tolerances. We allocate assets primarily among various mutual funds, exchange-traded funds (ETFs) and a third party manager of separately managed accounts. We are additionally the investment manager for two strategies which are described below. Our services are provided primarily through our role as sponsor and one of the investment managers of the IFAM Wealth Management Wrap Fee Program (the "Program"). For our services as sponsor, we receive a Program fee. When we serve as an investment manager, we receive a Strategy fee. Additional information about these services and our fees is available in our Wrap brochure, which appears as Part 2A Appendix 1 of our Form ADV.

Clients may also engage us to manage and/or 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, we direct or recommend 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.

We tailor our advisory services to meet the needs of its individual clients and seek to manage client in a manner consistent with those needs and objectives. Clients are advised to promptly notify the Firm 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 the Firm 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.

Our Role in the Management of Certain Strategies

We manage proprietary Strategies which are components of some of our Wealth Management Programs.

- A. IFAM Strategic Income Portfolio Strategy ("Strategic Income"). Our Strategic Income strategy invests in 50 equally weighted Large Cap Dividend Growth stocks. We implement an equity collar that allows for 10% annual upside and limits downside risk with a 10% floor. We then seek to produce additional income by writing options (selling calls) against the 50 equity stocks. Investment decisions for the options overlay component of this strategy are made by a third-party sub-manager, Core Alternative Capital, a firm whose Portfolio Manager was previously employed by IFAM.
- B. IFAM Dynamic Income Portfolio Strategy ("Dynamic Income"). Our Dynamic Income strategy invests in commodity and global equity market index funds. We then sell calls against those index funds to produce income within the strategy. Investment decisions for the options overlay component of this strategy are made by a third-party sub-manager, Core Alternative Capital, a firm whose Portfolio Manager was previously employed by IFAM.

Fees

Wealth Management Program Fees

Program Fees, which range up to \$350,000 for fixed fees, and 200 basis points (2.00%) for asset-based fees, annually, are individually negotiated and largely determined by the scope and complexity of a particular engagement and the individual circumstances of the client. Fees are negotiable and do vary based on a number of factors determined by IFAM, in its sole discretion. These factors may include anticipated future earning capacity, anticipated future additional assets, and dollar amount of assets to be managed, assets in related accounts, account composition, pre-existing client relationships, account retention and *pro bono* activities. IFAM may choose to waive or discount fees for friends and family and does so in its sole discretion.

Program Fees are prorated and billed quarterly in advance, except for clients subject to Title 1 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA plans") which are billed quarterly in arrears. The fee is calculated using the market value of the program assets on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing cycle, the fee payable with respect to such assets is generally adjusted or prorated to account for the interim change in portfolio value. For the initial term of the program, the fee is calculated on a *pro rata* basis. In the event the Wealth Management Agreement is terminated, the fee for the final month is prorated through the effective date of the termination and any unearned fee is refunded to the client.

For asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), IFAM may negotiate a fee rate that differs from the range set forth above.

Brokerage Fees

As noted above, securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios are included in the Program fee. Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Investment Management Strategy Fees

Clients whose accounts use managers to make individual investment management decisions for a portion of the program assets in their portfolio pay a Strategy fee in addition to the Program fee. Strategy fees for third party managers range from 0.20% to 1.50%. IFAM's Strategy fees usually range from .70% to 1.00%. IFAM pays Core Alternative Capital a portion of the Strategy fees it receives to sub-advise the options overlay components of the IFAM Strategic Income Portfolio and the IFAM Dynamic Income Portfolio.

IFAM is an asset manager for certain strategies that are components of two of our programs. We face a potential conflict of interest in recommending IFAM-managed strategies to clients, because we receive both Program fees and asset management fees for those recommendations. That conflict is mitigated through clear disclosure to clients and regular evaluation of our performance and our belief that investing in the strategies is in the best interest of our clients.

Additional Fees and Expenses

In addition to the Program fees and any strategy paid to IFAM, clients are responsible for the fees and expenses imposed by third parties in connection with investment of their assets. These may include fees, expenses, charges and taxes imposed by broker-dealers, exchanges and custodians for trading assets in client accounts and safekeeping of those assets. Clients are additionally responsible for the fees and expenses of investments advised by third parties, such as third-party investment advisors, and of mutual funds and exchange traded funds. Such fees, expenses, commissions and charges are exclusive of and in addition to our fees.

For clients who choose to custody their securities accounts with Fidelity or Charles Schwab we offer our services in a wrap arrangement, which provides clients with the foregoing services without incurring separate brokerage commissions or transaction charges for trades executed through the broker-dealer custodian ("Program Broker"). The Program Broker and third party managers may purchase or sell securities through a broker/dealer other than the Program Broker. Managers of Fixed Income Securities, which are traded exclusively through dealers, may trade away on a frequent basis. Commissions and other transaction costs (including "trade away" fees imposed by the Program broker) for securities traded away from the broker-dealer designated in our Program are not included in the "wrap fee." Please carefully read the disclosure brochure for each third party manager.

Direct Fee Debit

Clients generally provide IFAM and/or certain third party managers the authority to directly debit their accounts, via the qualified custodian, for payment of the investment advisory fees. In order to facilitate the direct fee debit, a balance of at least 2% of the account value is typically maintained in a money market instrument. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to IFAM. Alternatively, clients may elect to have IFAM send a separate invoice for direct payment.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to IFAM'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 IFAM, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. IFAM 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, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

As of December 31, 2019, IFAM had approximately \$1,273,726,304 in regulatory assets under management; approximately \$1,151,277,678 was managed on a discretionary basis and approximately \$122,448,627 was managed on a non-discretionary basis for approximately 743 total clients.

Item 5. Account Requirements and Types of Clients

IFAM offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Account Requirements

IFAM does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain third party managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, IFAM may alter its corresponding account requirements and/or billing practices to accommodate those of the third party managers.

Item 6. Portfolio Manager Selection and Evaluation

Selection of Third Party Managers

IFAM evaluates various information about the third party managers in which it selects to manage client assets under the Program. The Firm generally reviews a variety of different resources, which may include the third party managers' public disclosure documents, materials supplied by the third party managers themselves, and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the third party managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio

allocations and risk exposures. IFAM also takes into consideration each third party manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors.

IFAM generally monitors the performance of those accounts being managed by third party managers by reviewing the account statements produced by the Financial Institutions, as well as other performance information furnished by the third party managers and/or other third-party providers. The Firm does not verify the accuracy of any such performance information and does not ensure its compliance with presentation standards. Clients are advised that any performance information they receive from the third party managers may not be calculated on a uniform and consistent basis. Clients should compare all supplemental materials with the account statements they receive from their respective custodians.

The terms and conditions under which the client engages a third party manager are set forth in a separate written agreement between IFAM or the client and the designated third party manager. In addition to this brochure, the client also receives the written disclosure brochure of the designated third party managers engaged to manage their assets.

As described above, IFAM is an asset manager for certain Strategies that are components of two of our programs. We face a potential conflict of interest in recommending IFAM-managed strategies to clients, because we receive both Program fees and strategy fees for those recommendations. We work to mitigate that conflict through clear disclosure to clients and regular evaluation of our performance. On a periodic basis, we evaluate the performance and cost to clients of investing in our strategies compared to any similar strategies offered by third-party managers. Additionally, we work to ensure that the total fees paid by clients are reasonable as compared to clients who pay asset management fees to third-party investment managers.

Side-By-Side Management

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

Methods of Analysis and Investment Strategies

IFAM utilizes a combination of fundamental, technical and cyclical methods of analysis when implementing the Firm's asset allocation strategy.

Fundamental analysis involves an evaluation of an issuer's fundamental financial condition and competitive position. IFAM generally analyzes the financial condition, capabilities of management, earnings capacity, new products and services, as well as the company's markets and position amongst its industry competitors in order to determine the recommendations made to clients. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific company 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 IFAM will be able to accurately predict such a reoccurrence.

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 IFAM is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Risks of Loss

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of IFAM's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of securities and other asset classes. There can be no assurance that IFAM will be able to predict those price movements accurately or capitalize on any such assumptions.

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 potentially 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 50,000 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.

Use of Third Party Managers

As stated above, IFAM may select certain third party managers to manage a portion of its clients' assets. In these situations, IFAM continues to conduct 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, IFAM generally may not have the ability to supervise the third party managers on a day-to-day basis.

Use of Private Collective Investment Vehicles

IFAM recommends that certain clients invest in or have portfolio exposure to privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities, including the risk of illiquidity. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

Risks Associated with Trading Options

Certain strategies where IFAM serves as the Manager center on the trading of options. The purchaser of an option, who has the right to buy or sell a security or other instrument at the agreed-upon "strike" price, risks the loss of premium payments required to purchase the option. The seller of an option, who has the obligation to deliver to the purchaser a security or other instrument at the agreed-upon "strike" price, under certain circumstances risks incurring substantial and immediate losses. Specifically, if the sellers' options are "uncovered" (meaning the seller does not own the underlying security), the seller could suffer huge losses by being required to acquire at market prices securities that are trading at prices vastly different than the agreed upon "strike" price, in order to deliver them to the purchaser. Moreover, sales of options are subject to the costs and risks of trading on margin.

Index or Index Options

The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether the position will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

Hedging Transactions

Options may be used for risk management purposes. However, we may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. The use of hedging transactions

may result in a poorer overall performance than if we had not engaged in any such transactions. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Cybersecurity

The computer systems, networks and devices used by IFAM and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 7. Client Information Provided to Portfolio Managers

Clients participating in the Program generally grant IFAM the authority to discuss certain non-public information with the third party managers engaged to manage their accounts. Depending upon the specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. IFAM may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the third party managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

Item 8. Client Contact with Portfolio Managers

There are no restrictions on clients' ability to correspond with IFAM's portfolio managers. Clients can generally contact any third party managers managing their assets through IFAM by providing the Firm with written request and identification of the questions or issues to be discussed with the third party managers. After receiving the client's written request, IFAM, at its sole discretion, may contact the third party managers for the client or arrange for the third party managers and the client to communicate directly.

Item 9. Additional Information

Disciplinary Information

IFAM 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 management.

Other Financial Industry Activities and Affiliations

Registered Representatives of a Broker/Dealer

Certain of the Firm's Supervised Persons are registered representatives of PKS and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

Licensed Insurance Agents

Certain of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that IFAM recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. We seek to recommend only insurance transactions which are in our clients' best interest regardless of an such affiliations.

Code of Ethics

IFAM has adopted a code of ethics ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. The Firm'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 Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients, a practice which presents potential conflicts of interest with clients. The Code of Ethics addresses these potential conflicts by imposing compliance, supervision and monitoring requirements related to personal securities trading. The Code of Ethics also requires certain of the Firm's personnel to report their personal securities

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

Account Reviews

IFAM's Investment Adviser Representatives attempt to review most accounts semi-annually, but will do so no less than annually. Those reviews address the Firm's previous services and/or recommendations and the impact resulting from any changes in the client's financial situation and/or investment objectives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with IFAM and to keep the Firm informed of any changes thereto.

Account Statements and General 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 with accounts in the Program that hold assets under management in excess of \$100,000 may also receive reports from IFAM 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 any supplemental reports they receive from IFAM or an outside service provider with the account statements they receive from the Financial Institutions.

Client Referrals

IFAM has arrangements in place with certain third parties whereby we compensate them for client referrals by paying them a percentage of the investment advisory fees we receive from the solicited clients. Solicitation arrangements inherently give rise to potential conflicts of interest because the solicitor is receiving an economic benefit for the recommendation of advisory services. Rule 206(4)-3 of the Advisers Act (the "Cash Solicitation Rule") addresses this conflict of interest by requiring advisers who pay third party solicitors to enter into agreements requiring the solicitors to make certain disclosures to solicited potential clients. In accordance with the Cash Solicitation Rule, we require third party solicitors who introduce potential clients to us to provide the potential client with a copy of this disclosure brochure and a copy of the solicitor's disclosure statement which explains that the solicitor will be compensated for the referral and contains the terms and conditions of the solicitation arrangement, including the compensation the solicitor is to receive.

Other Compensation

IFAM's 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 IFAM, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including IFAM. 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 IFAM. 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 IFAM 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 IFAM. 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:

- Charles Schwab & Co., Inc.
- eMoney Advisors, LLC
- Envestnet Financial Technologies, Inc.
- Fidelity Brokerage Services LLC
- Fidelity Institutional Asset Management LLC
- Orion Advisor Services, LLC

Proxy Voting Authority

Clients have the option of choosing to delegate proxy voting authority to IFAM, whereby we avoid potential conflicts of interest in proxy voting by relying on the recommendations of an independent proxy advisory service. Clients who would like to know how their proxies were voted may contact us.

Receipt of Economic Benefit

IFAM has arrangements in place whereby the Firm receives an economic benefit from a third-party, such as Fidelity, in connection with the advice it provides to clients participating in the Program. Fidelity may provide the Firm with computer software and related systems support, which allow IFAM to better monitor client accounts maintained at Fidelity. IFAM may receive the software and related support without cost because IFAM renders investment management services to clients that maintain assets at Fidelity. The software and related systems support may benefit IFAM, but not its clients directly. In fulfilling its duties to its clients, IFAM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that IFAM's receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence IFAM's choice of one custodian over another that does not furnish similar software, systems support, or services.

Specifically, IFAM may receive the following benefits from Fidelity:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to an institutional trading desk;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Custodian benefits

Custodians make available to the Firm products and services that benefit the Firm but may not directly benefit the client or the client's account. These products and services assist us in managing and administering client accounts. They may include investment research, both the Custodian's own and that of third parties. IFAM may use this research to service all or some substantial number of client accounts, including accounts not maintained at that B/D Custodian. In addition to investment research, Custodians also make 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.

Custodians also offer 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.

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

Financial Information

IFAM 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;
- 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.