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**Form ADV Part 2A Appendix 1**  
**Wrap Fee Brochure**

**January 11, 2021**

This wrap fee program brochure provides information about the qualifications and business practices of Intrua Financial. If you have any questions about the contents of this Brochure, please contact us at 713-355-9910 or [chris@intrua.com](mailto:chris@intrua.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Intrua Financial is a Registered Investment Adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain them.

Additional information about Intrua Financial is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as CRD number. The CRD number for Intrua Financial is 281554. The SEC's web site also provides information about any persons affiliated with Intrua Financial who are registered, or are required to be registered, as Investment Adviser Representatives of Intrua Financial.

## Item 2 – Material Changes

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Since our last ADV amendment filing on December 18, 2020 there has been no material changes to our Form ADV Part 2A Appendix.

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure with the SEC. This section will also identify the date of our last annual Brochure update.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. We will provide other ongoing disclosure information about material changes as they occur. We will also provide you with information on how to obtain the complete Brochure. Currently, our Brochure may be requested at any time, without charge, by contacting Christopher Merla at (713) 355-9910.

## Item 3 – Table of Contents

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## **Item 4 – Services, Fees and Compensation**

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Intrua Financial “Intrua” is a Registered Investment Adviser (“Adviser”) which offers investment advisory services including financial planning and consulting, asset management, and referrals to third-party money managers.

Intrua Financial is a limited liability company formed under the laws of the state of Texas and is owned by Intrua Financial Holdings, LLC.. Intrua is a registered through and regulated by the United States Securities and Exchange Commission (“SEC”).

Intrua provides investment advice through the Investment Adviser Representatives (“IAR”) associated with Intrua. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on our behalf.

### **General Description of Primary Advisory Services**

The following are brief descriptions of our primary services. A detailed description of our services is provided in Item 4 – Services, Fees and Compensation so that clients and prospective clients can review the services and description of fees in a side-by-side manner.

#### **Financial Planning**

Intrua offers advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client’s overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management (i.e., insurance), retirement planning, and other areas. The role of a financial planner and/or the Intrua is to find ways to help the client understand their overall financial situation and help the client set and work toward their financial objectives.

#### **Asset Management**

Intrua offers advisory services in the form of asset management services. Asset management services involve providing clients with ongoing supervision over client accounts. This means we will continually monitor a client’s account and make trades in client accounts when necessary. Intrua generally manages client investments on a discretionary basis although the firm may provide non-discretionary investment management on a case by case basis.

#### **Use of Third-Party Money Managers**

Intrua offers advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-party money managers are responsible for continually monitoring client accounts and making trades in client accounts when necessary.

## **Investment Management Services**

Investment Management Services include:

- Quantitative, momentum, and fundamental analysis
- The selection of mutual fund portfolios
- The selection of exchange-traded fund portfolios
- The selection of equities and fixed income investments
- The recommendation of asset allocations consisting of equities, fixed income, options, mutual funds, and other general securities
- Focus on long-term and short-term investment strategies

Investment advice is limited to certain types of investments including:

- Exchange-listed securities
- Securities traded over-the-counter
- Exchange-traded funds
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Interests in partnerships investing in real estate, oil and gas

Intrua provides investment advice on interests in partnerships, investing in real estate, and oil and gas interests. Advice is provided through consultation services and is limited to review of the prospectus or the offering document to form an opinion as to the appropriateness of the investment for the client. Intrua does not include this portion of a client's portfolio as managed assets and therefore does not charge a management fee on these investments.

Intrua in certain cases, may utilize Unit Investment Trusts as part of the Investment Management Services and may charge a management fee or advisory fee on such assets.

Intrua has an Investment Committee which meets regularly to evaluate products, performance, asset classes, etc., to determine if products should be added or removed from investment portfolios. The committees also discuss investment strategies and models. Minutes are kept of all meetings.

## **Portfolio Rebalancing**

Each Investment advisor manages their portfolios to respond to changing capital market conditions and periodically rebalances the portfolios. Clients may change the portfolio type if their financial or life circumstances change. Intrua requests that clients provide such notification to their Intrua Financial Advisor as soon as practicable following any such changes. Intrua retains the discretionary authority to buy, hold, and sell investments in the client's portfolio, which may include modifying portfolio allocations,

and rebalancing client accounts back to their original client-authorized allocation. Rebalancing may also occur when an Intrua Financial Advisor and/or the client give instructions to Intrua Investment Management Department to change the client's target allocations or when a client makes additions to or withdrawals from their account(s).

## **Arrangement with LPL Financial and Recommendation of LPL Financial Programs**

Intrua Financial Advisors may also be Registered Representatives of LPL Financial, LLC ("LPL"), which besides being a broker-dealer, is also an investment advisor registered with the U.S. Securities and Exchange Commission. However, all accounts and advisory services described in this brochure are through Intrua. The use of a direct or three-party agreement allows Intrua to offer LPL Financial Investment Advisory Platform accounts to Intrua clients. Intrua clients investing in LPL Financial Investment Advisory Platforms will be required to complete a three-party agreement between the client, Intrua and LPL Financial. A description of the advisory programs offered through the LPL Financial Investment Advisory Platforms is described in the LPL SWM/SWM II Account packet. The account packet is provided to any client or prospective client who is interested in or has utilized any of the available LPL Financial Investment advisory Programs.

## **Products and Services Available to Us from Charles Schwab & Co., Inc.**

Charles Schwab & Co., Inc. ("Schwab") or Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – 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. Here is a more detailed description of Schwab's support services:

### Services that Benefit the client.

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 the client.

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.

Our Interest in Schwab's Services: The availability of these services from Schwab benefits us because we do not have to produce or purchase them.

### **Products and Services Available to Us from TD Ameritrade Institutional**

Intrua Financial maintains a custodial relationship with TD Ameritrade, Inc. ("TD Ameritrade"), a licensed broker-dealer (member FINRA/SIPC), through their division TD Ameritrade Institutional for investment advisors. TD Ameritrade offers us services which include custody of securities, trade execution, clearance and settlement of transactions.

We are not a subsidiary of, or affiliated with TD Ameritrade in any manner. We have sole responsibility for investment advice rendered, and advisory services are provided separately and independently from TD Ameritrade.

We participate in TD Ameritrade Institutional Advisor Program ("Program") for investment advisors. Our recommendation for you to custody your assets with TD Ameritrade has no direct correlation or link between our participation in the Program and the investment advice we offer you, although we do receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail clients.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a dedicated trading desk; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts); the ability to have advisory fees deducted directly from accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to

certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us and not you or your account. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of any economic benefit creates a potential conflict of interest for us and our personnel and can indirectly influence our recommendation to you to use TD Ameritrade for custody and brokerage services.

### **Products and Services Available to Us from Fidelity Investment Company**

As custodian of your brokerage account, Fidelity, at direction of Intrua, is responsible for:

- The executive, clearance, and securities transactions
- Preparing and sending transaction confirmations and periodic statements of your account
- The custody (or safekeeping), receipt, and delivery of funds and securities
- The extension of margin credit upon approval

As a registered Broker/Dealer, Fidelity is subject to the rules and regulations of the SEC, FINRA, and other exchanges of which Fidelity is a member, and the MSRB, Fidelity is also a member of the New York Stock exchange ("NYSE") and SIPC.

We are not a subsidiary of, or affiliated with Fidelity in any manner. We have sole responsibility for investment advice rendered, and advisory services are provided separately and independently from Fidelity.

We participate in Fidelity Institutional Asset Management and FMR, LLC ("Programs") for investment advisors. Our recommendation for you to custody your assets with Fidelity has no direct correlation or link between our participation in the Programs and the investment advice we offer you, although we do receive economic benefits through our participation in the Program that are typically not available to Fidelity retail clients.

Many of these services generally may be used to service a substantial number, of our accounts. Fidelity also makes available other services intended to help us manage our business. These services may include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing



In addition, Fidelity may make available, arrange and/or pay for these types of services rendered to us by independent third party providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our recommendation that you maintain your assets in accounts at Fidelity may be based in part on the benefit to us in the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity. This may create a potential conflict of interest.

### **Advisory Services Tailored to Individual Needs of Clients**

Intrua provides services based on the individual needs of the individual client. Therefore, you are given the ability to impose restrictions on your accounts, including specific investment selections and sectors.

### **Wrap-Fee Program versus Portfolio Management Program**

Intrua may provide asset management services through a wrap-fee program in addition to the traditional management programs it offers. Under a wrap-fee program, advisory services and transaction services are provided for one fee. This is different from traditional management programs whereby services from Intrua are provided for a fee, but transaction services are billed separately on a per-transaction basis. From a management perspective, there is not a fundamental difference in the way Intrua would manage wrap-fee accounts versus traditional management accounts. The only significant difference is the way in which transaction services are paid.

### **Wrap Fee Program**

We provide asset management services to individuals and businesses. Our focus is on helping you develop and execute plans that are designed to build and preserve your wealth. We currently provide our asset management services in investment programs that bundle or “wrap” services (investment advice, trade execution, custody, etc.) together and charge a single fee based on the value of assets under management.

This is a program that allows us to create an investment model portfolio and manage it within your investment guidelines and financial parameters. This program enables you to pursue your investment objectives with us as manager all in one consolidated portfolio. We will serve as the investment adviser to manage only one asset class (e.g., large capitalization common stock portfolio or duration-limited fixed income portfolio) or one investment style from its investment product offering. In such an investment advisory relationship, the portfolio’s investment strategy is more limited by the specific product or investment style being sought by the client. The investments in the portfolio account may include mutual funds, stocks, bonds, ETFs, closed end funds, etc.

### **Investment Strategies and Method of Analysis**

The Investment Advisors of Intrua will meet with you to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. We will ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information.

Based on the information you share with us, we will analyze your situation and recommend an appropriate Wrap Fee Program. You will be provided with a targeted strategic allocation of assets by class. We currently offer the following Wrap Fee Programs:

## Intrua and PEG – DSA Models

The Investment Committee's decision within the Intrua and PEG – DSA Models (collectively the “DSA Models”) will be based on the recommendations of DiMeo Schneider & Associates (“DiMeo”) and due diligence conducted by Intrua's internal research analysts. The DSA Models are several different portfolio platforms that addresses the suitability over most of the client needs. These models will be focused on investing in Mutual Funds and Exchanged Traded Funds (“securities”) in order to achieve diversification in the overlying models.

DiMeo conducts investment consulting for several investment advisers. They provide advice that is customized to Intrua's (and its clients) needs, and goals. DiMeo provides Intrua due diligence and proprietary tools that are intended to improve the risk and returns of the Models. DiMeo's investment insights will assist the Investment Committee on decisions on portfolio weighting and rebalancing in this dynamic market. However, DiMeo is a key tool for the DSA Models, the Investment committee is under NO OBLIGATION, to select or time the purchase/sales of securities that are recommended by DiMeo.

Intrua's research staff will continually monitor the underlying securities of the DSA Models. If a security does not maintain the risk and return requirements for the DSA Models, this will be reported to the members of the Investment Committee. The Investment Committee will determine the appropriate course of action, which may include reweighting the portfolio and/or removing the downgraded security(ies).

The allocations of the DSA models will apply at the time a client establishes an account. Additions to and withdrawals from an account will generally be invested based on the suitable allocation. Fluctuations in the market value of the securities, as well as of the factors, however, will affect the actual asset allocation at any given time. Intrua will monitor the securities, in the portfolios and rebalance the allocations if those allocations exceed the predefined investment the range for the portfolio's allocations.

All models will reinvest dividends and capital gains distributions (if any) if the client does not provide instructions to hold such payments.

## Participation and Protection Models

Intrua offers Participation and Protection Models (collectively the “P&P Models”) that will be based on the recommendations of the Q Consulting model and will be supervised by Intrua's internal research analysts. The P&P Models are several different portfolio platforms that address the suitability over most of the client needs. These models will be focused on investing in various investment companies in order to achieve diversification in the overlying models. Models are defined by the levels of risk that are acceptable for the client with the max drawdown (tested by Monte Carlo simulations) being the differential factor.

Q Consulting conducts investment consulting for several investment advisers. They provide advice that is customized to Intrua's (and its clients) parameters. Q Consulting provides investment guidance with proprietary tools that are intended to improve the risk and returns of the Models. Q Consulting's investment guidance will decide the portfolio weighting in this dynamic market. However, Q Consulting is the deciding factor for the P&P Models, the Investment committee is under NO OBLIGATION, to select or time the securities that are recommended by Q Consulting.

Intrua's research staff will continually monitor the underlying securities of the P&P Models. If a security does not maintain the risk and return requirements for the P&P Models, this will be reported to the members of the Investment Committee. The Investment Committee will determine the appropriate course of action, which may include reweighting the portfolio or removing the downgraded security.

The allocations of the P&P models will apply at the time a client establishes an account. Additions to and withdrawals from an account will generally be invested based on the suitable allocation. Fluctuations in the market value of the securities, as well as of the factors, however, will affect the actual asset allocation at any given time. Intrua will monitor the securities in the portfolios and rebalance the allocations if those allocations exceed the investment range (of 2% or more of the aggregated portfolio's holdings) for the portfolio's allocations.

All models will reinvest dividends and capital gains distributions (if any) if the client does not provide instructions to hold such payments.

#### Advisory Representative Account Programs

Intrua, offers an Advisory Representative Account Program ("ARAP") that is directed by the Investment Adviser Representatives. Rather than having guidance from a third party and Intrua's Investment Committee, these programs will be directed by the client's Investment Adviser Representatives. This will offer the client the opportunity to maintain investment authority within their account and delegate the level of investment discretion to their financial advisor.

Intrua will provide the support services for client and financial advisers through the ARAP, such as establishing custodial service providers, initiating and/or adjusting pre-existing periodic investment and payment/disbursement plans, account inquiry services, billing and payment support, performance reporting, sales support, compliance oversight, educational/research opportunities, and other account maintenance services.

The ARAP will provide the client with ongoing investment advice and monitoring of securities holdings by their Investment Adviser Representative. The Investment Adviser Representative will supervise their account on a discretionary basis, according to the client's objectives. These accounts will be supervised by Intrua on a periodic basis to ensure that these portfolios comport with client suitability and the portfolio(s) guidelines.

As part of our asset management services provided with our Wrap Fee Programs, we will:

- Review your present financial situation
- Monitor and track assets under management
- Provide portfolio statements, asset allocation statement, rebalanced statements as needed
- Advise on asset selection
- Determine market divisions through asset allocation models
- Provide research and information on performance and fund management changes
- Build a risk management profile for you

- Monitor our portfolios for style drift and benchmark performance, and provide portfolio rebalancing as necessary
- Assist you in setting and monitoring goals and objectives
- Provide personal consultations as necessary upon your request or as needed.

You must notify us promptly when your financial situation, goals, objectives, personal circumstances, or needs change.

You shall have the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction you request.

Under certain conditions, securities from outside accounts may be transferred into your advisory account; however, we may recommend that you sell any security if we believe that it is not suitable for the current recommended investment strategy. You are responsible for any taxable events in these instances. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not indicative of future results.

Intrua manage assets on a discretionary basis, which means you have given us the authority to determine the following without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account
- Broker-dealer to be used for a purchase or sale of securities for your account
- Commission rates to be paid to a broker or dealer for your securities transaction.

If you have not given us the authority to manage your account on a discretionary basis, then we cannot trade in your account without your express permission.

Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of your initial asset allocation. This rebalancing or reallocation will occur on the schedule we have determined together. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax advice. However, we will work with your tax professional to assist you with tax planning. You will have the opportunity to meet with us periodically to review the assets in your account.

We will help you open a custodial account(s). The funds in your account will generally be held in a separate account, in your name, at an independent custodian, and not with us. We recommend LPL Financial, Schwab, or TD Ameritrade as the independent custodian for all accounts that we manage, and at the request of the client will utilize the services of a different custodian of the client's choice if approved by the Intrua Financial Compliance team.

You will also receive our Investment Advisory Agreement which describes what services you will receive and what fees you will be charged. We are available during normal business hours either by telephone, fax, email, or in person by appointment to answer your questions.

### ***Fees and Compensation***

A wrap fee program allows you to pay a specified fee for portfolio management services and the execution of transactions. The fee is not based directly upon transactions in your account. The fee is bundled with our costs for executing transactions in your account(s).

Our minimum account opening balance is \$15,000 which may be negotiable based upon certain circumstances. The fee charged is based upon the amount of money you invest, but maybe negotiated on a case by case basis. Multiple accounts of immediately-related family members, at the same mailing address, may be considered one consolidated account for billing purposes. Fees are charged **monthly or** quarterly, in arrears. Fees will be calculated on the ending balance of the previous period, will be billed within the first two weeks of the period and will be calculated per the fee schedule negotiated fees may not exceed 2.50%.

### **Fee Schedules**

For purposes of calculating quarterly Account Fees, for those participating in Strategic Wealth Management II Program ("SWM II") the account period will be based on the appropriate fee cycle. Fee cycles are as follows and will be based upon the date in which the client funds their account(s):

<b>Cycle 1</b>	<b>Cycle 2</b>	<b>Cycle 3</b>
January	February	March
April	May	June
July	August	September
October	November	December

For purposes of calculating Account Fees, for those participating in the Manager Access Select / Manager Access network ("MAS/MAN"), Model Wealth Portfolio ("MWP") & Personal Wealth Portfolio ("PWP") programs the account quarter will be based on Cycle 3 above.

Our Advisory Account Application defines what fees are charged and their frequency whether monthly or quarterly. The fees shown above are annual fees and may be negotiable based upon certain circumstances. Fees for partial periods will be charged on a pro rata basis based on the number of days remaining in the billing period. No increase in the wrap fee shall be effective without prior written notification to you. We believe our wrap fee schedule is reasonable considering the fees charged by other investment advisers offering similar services/programs. Our fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of your funds.

If the Wrap Fee Brochure is not delivered to the Client at least 48 hours prior to entering into the management agreement, the Client may terminate the agreement for services within five business days of execution without penalty. After the five-day period, either party, upon 30 days written notice to the

other, may terminate the management agreement. The management fee will be pro-rated for the month in which the cancellation notice was given and any unearned fees will be returned to the client via check.

You will authorize the custodian to directly debit fees from your account held at the custodian and to pay us. Management fees are prorated for each contribution and withdrawal made during the applicable calendar quarter (with the exception of small inconsequential contributions and withdrawals). You will be provided with a quarterly statement reflecting deduction of the advisory fees.

By participating in a wrap fee program, Clients may end up paying more or less than they would through a non-wrap fee program. The relative cost of the program includes trade execution costs that would typically be passed directly through to the Client by the executing broker. Clients could invest in debt and equities directly, without the Adviser's services. In that case, Clients would not receive the services provided by the Adviser which are designed, among other things, to assist in determining which funds are appropriate for the portfolio and the Client's Account.

In our wrap fee program we include all trade charges for your account; however, our fees do not include other related costs and expenses. You may incur certain charges imposed by custodians, and other third parties. These include custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge.

Since the Adviser does not charge Clients fees based on trading activity, the Adviser may have an incentive to limit trading activities in Client account(s) because the Adviser is charged for executing trades. In addition, the amount of compensation received by the Adviser may be more than what the Adviser would receive if the Client paid separately ("unbundled") for investment advice, brokerage, and other services. Therefore the Adviser may have a financial incentive to recommend the wrap fee program over other programs or services. The Adviser monitors all Client accounts to ensure that the Adviser's fiduciary duty is met for all Clients. Any breaches of the Adviser's fiduciary duty are noted and appropriate repercussions are initiated to deter such behavior.

### **Third-Party Managed Account Programs**

Intrua offers a variety of third-party manager programs. Under these programs, a third-party asset manager manages the client's account. A description of the third-party manager programs and associated fees and compensation details are located below.

#### **Manager Access Select Program**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Advisor will assist client in

identifying a third party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the Portfolio Manager selection process.

A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

### **Optimum Market Portfolios Program (OMP)**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Advisor will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Advisor will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

A minimum account value of \$10,000 is required for OMP. In certain instances, LPL will permit a lower minimum account size.

### **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. Advisor will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Advisor will also have discretion for selecting third party money managers (PWP Advisors), mutual funds and ETFs within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds, ETFs and equity and fixed income securities.

A minimum account value of \$250,000 is required for PWP. In certain instances, LPL will permit a lower minimum account size.

### **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. [Advisor] will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department or third-party portfolio strategists are responsible for selecting the mutual funds or ETFs within a model portfolio and for making changes to the mutual funds or ETFs selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds and ETFs and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

MWP requires a minimum asset value for a program account to be managed. The minimums vary depending on the portfolio(s) selected and the account's allocation amongst portfolios. The lowest minimum for a portfolio is \$25,000. In certain instances, a lower minimum for a portfolio is permitted.

### **Guided Wealth Portfolios (GWP)**

GWP offers clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal ("Investor Portal"). Investment recommendations to buy and sell exchange-traded funds and open-end mutual funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of FutureAdvisor, Inc. ("FutureAdvisor"), based upon model portfolios constructed by LPL and selected for the account as described below (such model portfolio selected for the account, the "Model Portfolio"). Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Investor Portal), although [Advisor] will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the Program (the "Educational Tool") is provided for a period of up to forty-five (45) days to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL, FutureAdvisor and [Advisor] by enrolling in the advisory service (the "Managed Service"). The Educational Tool and Managed Service are described in more detail in the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor or [Advisor], do not enter into an advisory agreement with LPL, FutureAdvisor or Intrua Financial, do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services.

A minimum account value of \$5,000 is required to enroll in the Managed Service.

### **SEI Investments**

Intrua participates in the Separately Managed Accounts Program (the Program) sponsored by SEI Investments Management Corporation (SIMC). To participate in the Program, Intrua, SIMC and each client execute a three-party agreement (hereinafter, a Managed Account Agreement) providing for the management of certain investor assets in accordance with the terms thereof. By means of the Managed Account Agreement, the client appoints Intrua as its investment advisor to assist the client in selecting an asset diversification strategy, which includes allocating a percentage of client assets to designated portfolios of separate securities (each, a Separately Managed Account Portfolio) and which may include a percentage of assets allocated to a portfolio of mutual funds sponsored by SIMC or an affiliate of SIMC. The client appoints SIMC to manage the assets in each Separately Managed Account Portfolio in accordance with a strategy selected by the client together with Intrua. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers.

The Fee Schedule for the Separately Managed Accounts Program depends upon the nature of the securities in the portfolio and investment strategy as follows:

- The fees payable for the Tier 1 Strategy, which includes the Tax Managed Core, Equity Core, Large Cap, Managed Volatility, Mid Cap, Multi-Strategy SMA, Global, Risk Regime, and International Developed Strategies, range from 0.90% to 0.65%.



- The fees payable for the Tier 2 Strategy, which includes the Small Cap and Real Estate Strategies, range from 1.10% to 0.85%
- The fees payable for the Tier 3 Strategy, which includes the International Emerging Strategy, range from 1.25% to 1.00%
- The fees payable for the Tier 4 Strategy, which includes the Active Municipal Bond, Active U.S. Fixed Income, Active Preferred Stocks, Alternative Income, and Active Core Fixed Income, range from 0.65% to 0.45%
- The fees payable for the Tier 5 Strategy, which includes the SEI ETF Strategies and the SEI Factor-Based Strategies, range from 0.55% to 0.20%
- The fees payable for the Tier 6 Strategy, which includes the Laddered Strategies, range from 0.30% to negotiable

Additionally, the SEI Program offers a feature called Automated Tax Management (ATM), formerly known as Integrated Managed Accounts Program (IMAP), which is an enhancement to the standard program. In ATM, SIMC appoints a tax overlay manager for the equity portion of the client's Managed Account Portfolio. The various equity sub-advisors for the client's portfolio provide buy/sell lists to the overlay manager, who then is responsible for executing the transactions (within the parameters of performance and security weighting variances from the underlying model portfolios), with the goal of increased coordination across the equity account, increased tax efficiency and minimization of wash sales. Neither the tax manager nor SIMC offers tax advice; clients should consult with their tax advisors as to the suitability of IMAP for their accounts. SIMC charges clients an integration fee when the client selects the IMAP feature. These additional fees apply only to the equity portion of a client's account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or mutual funds portion of the client's account (if applicable). A selection of clients may receive a fee discount. These fees may be higher or lower than those charged by other investment advisors for similar services. SIMC pays a portion of this fee to the portfolio manager acting as the accounts' integration manager.

The fees payable for Integrated Managed Account Feature:

- 0.10% in addition to the Tier fees described above

SIMC may impose minimum account balances, which will typically vary between \$50,000 to \$250,000 depending upon the manager selected in the Managed Account Portfolio chosen and whether the client selects the ATM feature.

To the extent a client's assets in a Managed Account Program account are invested in SEI Funds, SIMC and its affiliates will earn fund-level fees on those assets, as set forth in the applicable Fund's prospectus, but SIMC will waive the fees set forth above on Managed Account Program assets invested in any SEI Fund.

Each SEI fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub-advisor(s) to the fund. SIMC's fee is negotiable, but it typically ranges from 0.10% to 1.50% of the portfolio's average daily net assets for its advisory services. Affiliates of SIMC provide administrative, distribution and transfer agency services to all of the portfolios within the SEI Funds, as described in the SEI Funds' registration statements. These fees and expenses are paid by the SEI Funds but ultimately are borne by each

shareholder of the SEI Funds.

Clients may also pay custody fees to SEI Private Trust Company (SPTC) when SPTC has custody of their assets. These fees will vary depending on the account balance and trade activity in the account. Clients can refer to their account application for specific information on SPTC custody fees.

SIMC investment advisory fees are calculated as a percentage of the market value of the client's account assets. The fees are calculated and payable quarterly in arrears and net of any income, withholding or other taxes.

The asset-based Intrua Fee & Compensation Schedule detailed in the Wrap Fee Program section includes the fees Intrua charges for its services in connection with SEI's program.

SEI Trust Company debits the client's account on a quarterly basis for all of the above-mentioned fees and charges. The charges to the account are calculated and debited in arrears and are remitted quarterly net of any applicable account and performance reporting charges not charged to the customer.

Upon written notification, the SEI Managed Account Agreement may be terminated by either Intrua or the client. Prorated fees will be charged based on market value on the date the termination notice is received.

All fee arrangements are subject to negotiation and possible modification.

Clients receive monthly statements from SEI Trust Company indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if the investor elects to receive it. Annually, the client will receive a tax statement for the account.

### **City National Rochdale**

The Wrap Program offered directly through City National Rochdale ("City National Rochdale Wrap Program") by Intrua offers continuous management of client accounts ("Account(s)") on a fully discretionary basis making all security purchase and sale decisions. Securities transactions are executed through Advisor's brokerage affiliate, RIM Securities LLC ("RIM"), a member of the Financial Industry Regulatory Authority ("FINRA"). Clients participating in the City National Rochdale Wrap Program are required to direct the use of RIM as their broker/dealer. RIM clears all of its transactions on a fully disclosed basis through Pershing LLC ("Pershing"), but separate commissions are not charged for securities transactions under the City National Rochdale Wrap Fee Program. Pershing also serves as the custodian for all client Accounts that participate in the City National Rochdale Wrap Fee Program. Pershing provides account insurance coverage through the Securities Insurance Protection Corporation ("SIPC") of up to \$500,000 including up to \$250,000 in cash. Additionally, Pershing has obtained excess account protection of up to an overall aggregate level of \$1 billion, including up to \$1.9 million in cash through certain underwriters in Lloyd's of London insurance market and other commercial insurers.

In addition to actively managing client accounts, the City National Rochdale Wrap Program offer assistance to clients in setting investment objectives, as well as determining appropriate asset allocations. A variety of investment styles may be employed, with client consultation, with a view to

establishing the investment style most appropriate for the client's investment objectives. Nevertheless, there can be no guarantee that a client's objectives will be achieved.

The City National Rochdale Wrap Program also offer the following services and reports:

- a) Meetings with Advisor's Portfolio Managers;
- b) Confirmations provided by RIM through Pershing of all purchases and sales in the Account;
- c) Monthly statements provided by RIM through Pershing showing activity in the Account, securities held and month-end valuations;
- d) Detailed quarterly reports provided by City National Rochdale showing securities held and Account performance;
- e) A comprehensive year-end tax information statement (1099B, Div, Int.) provided by Pershing; and such other reports or information that Clients may reasonably request.

Advisor's fee for its services under the City National Rochdale Wrap Program is based upon the market value of the assets in the Account determined as of the close of business on the last business day of the previous calendar quarter. Fee arrangements relating to the City National Rochdale Wrap Fee Program, including the applicable fee schedule, are set forth below.

<b>Annual Asset Value</b>	<b>*Advisor Fee Portion of Wrap</b>	<b>Annual Asset Value</b>	<b>**Transaction Fee Portion of Wrap</b>
First \$750,000 to \$1,000,000	1.00%	\$750,000 to \$1,000,000	0.19%
Next \$1,000,000 to \$2,000,000	1.00%	\$1,000,000 to \$2,000,000	0.14%
Next \$2,000,000 to \$3,000,000	0.80%	\$2,000,000 to \$3,000,000	0.14%
Next \$3,000,000 to \$5,000,000	0.80%	\$3,000,000 to \$5,000,000	0.09%
Next \$5,000,000 to \$10,000,000	0.60%	\$5,000,000 to \$10,000,000	0.07%
Next \$10,000,000 and above	0.50%	\$10,000,000 and above	0.05%

\*The Investment Management Fee hereof is based on a tiered schedule (cumulative). Therefore, at each level you will be charged the respective fee listed (e.g. on your first \$2 million you will be charged 1.00%, on the next \$3 million you will be charged 0.80% etc.).

\*\*The Transaction Fee, although based on assets, is not based on a tiered schedule but fixed with respect to the aggregate assets in the Account. Therefore, if your account value is under \$1 million, you will be charged 0.19%, if your account value is \$1 million to \$2 million, you will be charged 0.14% on the entire account and so forth.

Under certain circumstances, the fees shown may be negotiated on a case-by-case basis and may be different from, but not higher than, the above schedule.

Clients who participate in this program will not be charged commissions on a transaction by transaction basis in connection with purchases and sales for their Account(s). Securities transactions are effected “net,” i.e., without transaction based commissions, and a portion of the Wrap Fee is generally considered as being in lieu of commissions. This program may cost the client more or less than if management fees and commissions were charged separately. Custody fees payable to Pershing are not separately charged to client Accounts under the City National Rochdale Wrap Fee Program. Client are responsible, however, for miscellaneous administrative fees that may be charged by Pershing (e.g. retirement account custodial fees, safekeeping fees, wire transfer fees and any other administrative fees, a list of which is available upon request). Additionally, clients who are invested in any pooled investment vehicle or mutual fund will bear the expenses of that fund. Fund expenses vary depending upon the fund selected. (See, “Types of Investments” below.)

### **CNR Types of Investments**

In providing services under the City National Rochdale Wrap Program, City National Rochdale may invest in a variety of asset classes including large company, mid/small company, international and fixed income. Depending on the objectives of a particular client, City National Rochdale may recommend the use of various investment funds managed by City National Rochdale or its affiliates to capture potential return from specified assets classes. These funds include the several investment portfolios of the City National Rochdale Funds, an open-end investment company registered under the Investment Company Act of 1940 currently offering 14 investment funds, (the “City National Rochdale Funds”). City National Rochdale is the investment adviser for the City National Rochdale Funds and collects a management fee on each of the City National Rochdale Funds. City National Rochdale also makes available to its clients, interests in other affiliated registered investment vehicles who satisfy the suitability and eligibility requirements specified in offering documents relating to such vehicles. As of the date of this Brochure, these include City National Rochdale High Yield Alternative Strategies Master Fund, City National Rochdale High Yield Alternative Strategies Fund and City National Rochdale High Yield Alternative Strategies Fund TEI (collectively “RHYAS”) and City National Rochdale Structured Claims Fixed Income Fund (“RSCFIF”) (collectively, the “Other Registered Funds”). All of these vehicles are managed by City National Rochdale and City National Rochdale collects a management fee on the Other Registered Funds.

City National Rochdale also makes available to its clients’ interests in other investment vehicles that are not registered under the Investment Company Act, who satisfy the suitability requirements specified in offering documents relating to such vehicles. As of the date of this Brochure, these include Special Opportunities Fund and Diversified Opportunities Fund. All of the City National Rochdale Funds, together with RHYAS, RSCFIF, Special Opportunities Fund and Diversified Opportunities Fund (the “Alternative Funds”) are collectively referred to as the “Funds.” City National Rochdale may organize other investment funds in the future. City National Rochdale receives fees for services to such vehicles.

### **CNR General Information Regarding “Wrap fees” or “all-inclusive fees”**

In establishing the Wrap Fee schedules set forth above, City National Rochdale has taken into consideration a variety of factors including costs associated with investment management services, direct communication with the Portfolio Managers, detailed client reporting, custody of client assets

through Pershing, as well as trading and clearing costs for trades executed through RIM. Depending, however, upon the level of the fee charged by City National Rochdale, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the cost of participating in the City National Rochdale Wrap Program may exceed the aggregate cost of such services if they were to be separately purchased. Under the Wrap Fee Programs described above, securities transactions will be executed through RIM without commission. This may result in the receipt by the Advisor of investment advisory fees that are different than those received in connection with other investment advisory services provided by the Adviser and, in some cases, will be higher than fees paid by clients who bear their own commission costs. Similarly, fees retained by RIM may also be higher than those received under traditional commission based arrangements. This is so because RIM will receive a fee as described above regardless of the number of transactions performed during the quarter. In evaluating any wrap fee arrangement, a client should recognize that brokerage commissions or the execution terms of transactions in the client's accounts are not negotiated by City National Rochdale. Although generally the best price can be offered for listed transactions, no assurance can be given that such will continue to be the case.

City National Rochdale acquires clients in a variety of ways.

#### **CNR Portfolio Manager Selection and Evaluation**

All of the portfolio managers responsible for client Accounts that participate in the City National Rochdale Wrap Fee Program are City National Rochdale professionals. Portfolio Managers are selected to handle Accounts based on City National Rochdale's assessment of the client's individual circumstances, taking into consideration such factors as the type of client, age of the client, time horizon for investments, investment goals, cash flow needs, tax concerns and sensitivity to risk.

Clients receive regular and continuous communications concerning the activity and status of their Accounts. Clients receive trade confirmations for every security transaction that occurs as well as a monthly summary account statement showing all activity in the account during the previous month as well as the month-end market value, in each case distributed by RIM. In addition to this brokerage information, City National Rochdale provides a quarterly evaluation report that details the cost basis and current market value for each security in the portfolio and each asset class. This quarterly report also summarize gains, losses, income and expenses, and provides the time-weighted net return of the portfolio. Clients also have the ability to view their Accounts at City National Rochdale's Web site, [www.cnr.com](http://www.cnr.com). Various other reports may also be made available through the Web site from time to time. In appropriate cases, and as directed by clients, Referring Partners may receive copies of confirms, statements, and quarterly performance reports and may also be afforded access to portfolio managers assigned to specific client Accounts.

In-person or telephonic conferences with clients are generally conducted at least annually. Clients are strongly encouraged to contact their portfolio manager directly. City National Rochdale also maintains a knowledgeable client service department with the capacity to answer a wide range of inquiries relating to the clients' Accounts. Clients are also encouraged to notify City National Rochdale immediately, either through the client service department or by contact their portfolio manager, if there is any change in their investment objectives or financial condition.

In general, City National Rochdale hires professionals internally as portfolio managers on client accounts. City National Rochdale generally requires that portfolio managers hold an MBA (or equivalent advanced degree) and/or CFA (in most cases both) and have substantial industry experience. Portfolio managers are trained in all areas of a client's portfolio (stocks, bonds, alternatives). A critical part of the Portfolio Manager selection process is based on individual style and compatibility with the client. The performance of client portfolios is evaluated against appropriate benchmarks and Lipper averages for their specific asset class. Additionally, adherence to client established risk parameters are factors in performance expectations.

Securities positions are subject to constant re-evaluation and accounts are reviewed frequently on a not less than quarterly basis. Review of portfolio management assignments and the handling of a client Account may be triggered by any one of a number of events including, but not limited to: 1) changes in general economic or investment market conditions; 2) a change in City National Rochdale's portfolio strategy or its outlook regarding the prospects of a particular portfolio holding or the consideration of the purchase of a new portfolio holding; 3) changes in the client's investment objectives or financial condition; and/or 4) the deposit or withdrawal of funds from a client's Account. Consideration will be given to replacing a Portfolio Manager if it is determined that the client is not satisfied with the performance of the Account or level of service provided by the existing portfolio manager.

#### **Other Aspects of City National Rochdale's Investment Advisory Business.**

City National Rochdale provides investment management programs other than the City National Rochdale Wrap Fee Program. Portfolio Managers responsible for Wrap Fee Accounts are also involved in providing investment management services to Accounts that are outside of the Wrap Fee Program. Advisory programs available through City National Rochdale are described below. In managing Accounts in the City National Rochdale Wrap Fee Program and in providing services in connection with the Advisory programs noted below, City National Rochdale seeks to intelligently personalize and customize client portfolios, based upon the individual circumstances and requirements of the client and taking into consideration such factors as the type of client, age of the client, time horizon for investments, investment goals, cash flow needs, tax concerns and sensitivity to risk. Each is described in more detail in the Adviser's "Firm Brochure."

City National Rochdale provides money management services to clients with portfolios of \$1 million and above, primarily on a discretionary basis. City National Rochdale works with each client to determine their portfolio needs and limitations and designs an asset allocation and investment objective plan to meet their goals. Thereafter, City National Rochdale portfolio managers implement each plan, working directly with the client and their financial advisor, on a one-on-one basis. A typical client relationship will also have a third party financial advisor to assist the client through the implementation process and work with City National Rochdale with on-going portfolio management of the client's assets. City National Rochdale intelligently personalizes and allows for customization of client portfolios, based upon the individual circumstances and requirements of the client and taking into consideration such factors as the type of client, age of the client, time horizon for investments, investment goals, cash flow needs, tax concerns and sensitivity to risk. This includes working with a client's already existing portfolio to build out an appropriate City National Rochdale portfolio (i.e. utilizing existing securities where appropriate),

managing across multiple accounts (IRAs, trust, personal, joint, etc.), allowing clients to place restrictions on securities (industry, sector, etc.), or types of securities (options, derivatives, etc.) or investment strategies (Large Cap, International, Alternative, etc.), and managing a client's portfolio to meet a client's specific distribution needs and tax goals. To the extent the client elects to invest in pooled vehicles to implement an asset allocation program, such restrictions may not be appropriate. Except for the portion of each client's account that is invested in pooled vehicles, the account is managed separate from other clients of City National Rochdale (i.e., not commingled, securities are purchased in their personal accounts).

- **Money Management Program.** Intelligently personalized and customized portfolio implementation and management for clients that meet City National Rochdale's minimum net worth requirements (\$1M portfolio value and above across all accounts managed). Clients pay a commission for security trades in a separately managed account.
- **Galaxy Asset Allocation Program ("GAAP").** Clients electing to participate in this program will have their accounts managed by way of City National Rochdale's proprietary Galaxy Asset Allocation Program ('GAAP'). These are clients that generally do not meet the dollar threshold of the programs above (with some exceptions). GAAP enables risk profiling, target asset class allocation, standard mutual fund implementation of target asset class allocation, customization of mutual fund implementation, proposal generation, portfolio implementation based on implementation model, and portfolio management through periodic and/or event driven rebalancing. Some of the Funds are managed by City National Rochdale, which receives investment advisory fees for such services. City National Rochdale may utilize GAAP directly with its mid net worth clients for which it has entered into an investment advisory relationship directly through City National Rochdale, an affiliated adviser, or through access provided by another broker dealer or registered investment adviser that has entered into an agreement with City National Rochdale to offer GAAP on their platform. City National Rochdale charges a flat platform fee of between 25 and 35 basis points, depending on the account value, for use of this service.
- **Sub-advisory Services.** City National Rochdale also provides investment advisory services to the City National Rochdale Funds and the Alternative Funds. Where City National Rochdale acts as a sub-advisor, City National Rochdale is retained by an investment advisor who, in turn, has entered into a contract directly with the client. Under a sub-advisory arrangement, City National Rochdale may have limited contact with clients and will manage accounts according to the instructions of the investment adviser who has retained City National Rochdale to act in a sub-advisory capacity.

None of the investment advisory programs offered by City National Rochdale involve receipt of performance fees or other incentive compensation. City National Rochdale does provide investment advisory services to certain pooled investment vehicles and, in connection with such services, may receive performance compensation if certain minimum performance benchmarks are met. These arrangements do not, however result in the receipt by any City National Rochdale employee of performance or incentive compensation and, accordingly, City National Rochdale does not believe that these arrangements give rise to any conflict of interest or offer any incentive for any of the firm's investment personnel, including the portfolio manager responsible for managing client Accounts in the City National Rochdale Wrap Fee Program to favor any vehicle over any other Account.

Each client fills out a comprehensive questionnaire and provides proof of financial means prior to opening an account with City National Rochdale. Information regarding each client's risk tolerance, investment objectives, and financial condition is documented and used to construct a customized investment portfolio for the client. As indicated above, in-person or telephonic conferences with clients are generally conducted at least annually. Clients are strongly encouraged to contact their Portfolio Manager directly and to notify City National Rochdale immediately if there is any change in their risk tolerances, investment objectives or financial condition.

Clients are strongly encouraged to contact their Portfolio Managers directly when needed. Portfolio Managers are available during normal business hours. City National Rochdale imposes no additional restriction or limitation on a client's access to their Portfolio Managers. Clients are also encouraged to notify City National Rochdale immediately, either through the client service department or by contacting their portfolio manager, if there is any change in their investment objectives, risk tolerances or financial condition.

Upon written notification, the SEI Managed Account Agreement may be terminated by either Intrua or the client. Prorated fees will be charged based on market value on the date the termination notice is received.

Clients receive monthly statements from the CNR custodian indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if the investor elects to receive it. Annually, the client will receive a tax statement for the account.

For purposes of calculating Account Fees, for those participating in LPL's Manager Access Select / Manager access network ("MAS/MAN"), Model Wealth Portfolio ("MWP") & Personal Wealth Portfolio ("PWP") programs the account quarter will be based on Cycle 3 above.

## **Item 5 – Account Requirements and Types of Clients**

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We require an initial minimum account size opening balance of \$15,000. The account size may be negotiable based upon the individual circumstances. Participation in the wrap fee program generally is initiated by submitting a completed account application, portfolio management agreement, and questionnaire.

The Adviser provides portfolio management services to individuals, high net worth individuals, trusts, estates, corporate pension and profit-sharing plans, charitable organizations, trusts, foundations, endowments, corporations, trusts, small businesses and churches.

## **Item 6 – Portfolio Manager Selection and Evaluation**

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## **Portfolio Managers**

Intrua (and Intrua Representatives) serves as the portfolio manager for all Client accounts in the wrap fee program. We do not utilize outside portfolio managers for the wrap program sponsored by Intrua except for those under the third party managed account programs. All client accounts are managed in-house by Intrua's Investment Committee and IARs of Intrua. The portfolio manager's background information can be found in the Form ADV Part 2B Brochure Supplement attached.

## **Advisory Business**

We provide various asset management, financial planning, and retirement plan advisory services. Our focus is on helping you develop and execute plans that are designed to build and preserve your wealth.

With respect to the wrap program, the Client has the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction requested.

If such investment restrictions are implemented, the Client will experience a different investment return than what will be realized by the particular model itself. Such performance may be better or worse than the particular model. For these reasons, if a Client wishes to make a request concerning restrictions based on specific securities, it may be more appropriate for the Client to participate in other portfolio management programs. It should be noted, any standardized reports of model performance will not reflect the performance of the particular model with restrictions applied. However, performance reports of the Client's account will accurately reflect the Client's actual account performance with restrictions.

## **Performance-Based Fees and Side-by-Side Management**

The Adviser does not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a Client. The Adviser does not perform side-by-side management.

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

### **Methods of Analysis**

The Independent Registered Investment Advisors of Intrua Financial use a number of different relevant analyses and/or strategies as part of our overall investment management discipline; the implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

### **Fundamental Analysis**

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

## **Modern Portfolio Theory (MPT)**

We use Modern Portfolio Theory to help select the funds we use in your account.

Modern portfolio theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk," measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify your acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk.

## **Technical Analysis**

Technical Analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

## **Targeted Asset Allocation**

We combine [relevant analyses] to determine asset allocation strategies. Six targeted asset allocation model portfolios covering everything from conservative income to very aggressive growth oriented approaches have been compiled by us. We will assign you a targeted portfolio that meets your goals and time horizon, while addressing the level of risk you are comfortable assuming. The strategic model portfolio allocation remains constant; your specific portfolio model may change infrequently to reflect shifts in your risk tolerance and goals. We screen and select funds and securities to be added to or removed from the model portfolio on a regular basis. Rebalancing can occur after a move in the market of 15% or more within any year but at least once per year based on the annual review of your financial situation.

## **Cyclical Analysis**

While we do not attempt to time the market, we may use cyclical analysis in conjunction with other strategies to help determine if shifts are required in your investment strategies depending upon long and short-term trends in financial markets and the performance of the overall national and global economy.

## **Investment Strategies**

In order to perform this analysis, we use many resources, such as:

- Morningstar
- DiMeo Research
- Q Consulting Analysis
- Hedgeye Research
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings
- Company press releases and websites

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases -securities held at least a year
- Short term purchases - securities sold within a year
- Trading -securities sold within 30 days
- Short sales
- Margin Transactions
- Option writing, including covered options, uncovered options or spreading strategies.

## **Risk of Loss**

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to bear. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

## **Voting Client Securities**

As a matter of firm policy and practice, we do not have any authority to and does not vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We are authorized to instruct the custodian to forward you copies of all proxies and shareholder communications relating to your account assets. Further, the Adviser will not be required to take any action or render any advice with respect to any securities held in the Account, which are named in or subject to class action lawsuits. The Adviser will, however, forward to the Client any information the Firm receives regarding class action legal matters involving any security held in the Account and discuss such information if the Client so desires.

## **Item 7 – Client Information Provided to Portfolio Managers**

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The Adviser has access to all Client information obtained by the Adviser with respect to the particular Client accounts that they manage. The Adviser does not provide Client information to any other portfolio managers.

## **Item 8 – Client Contact with Portfolio Managers**

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The primary point of contact for Clients with respect to this wrap fee program is Andrew C. Keller. Clients are always free to directly contact Andrew C. Keller with any questions or concerns they have about their portfolios or other matters.

## **Item 9 – Additional Information**

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### **Disciplinary Information**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We do not have any information to disclose concerning Intrua or any of our IARs. We adhere to high ethical standards for all IARs and associates. We strive to do what is in your best interests.

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

Intrua is not registered as a broker-dealer, nor does it have any pending application to register. All of Intrua's investment adviser representatives are registered as a representative of LPL Financial (LPL).

Intrua and its management persons are not registering as a commodity pool operator, futures commission merchant, or commodity trading advisor, nor do they have any pending application to register.

### **Other Financial Industry Affiliations**

The IARs of Intrua have the following outside business activities and/or affiliations to disclose.

Some of our IARs are registered representatives of LPL Financial, LLC. They may recommend securities products that will pay them a commission through their broker-dealer relationship. When such recommendations or sales are made, a conflict of interest exists as the registered representatives may receive more commissions from the sale of these products than from providing you with advisory services. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose to clients that they may purchase recommended products from other representatives not affiliated with us. Our Code of Ethics requires our IARs do what is in the client's best interests at all times. Our CCO monitors all transactions to ensure that representatives put their clients first, not the commission they may receive. The broker-dealer also monitors all transaction to make certain they are suitable for the client.

Andrew C. Keller, the Managing Member for Intrua, is a licensed insurance agent/broker with various companies. Andrew C. Keller may recommend insurance products and may also, as independent insurance agents, sell those recommended insurance products to clients. When such recommendations

or sales are made, a conflict of interest exists as the insurance licensed IARs earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that clients may purchase recommended insurance products from other insurance agents not affiliated with us.

**Intrua Financial Holdings, LCC, is also a direct and indirect owners of an affiliated registered investment advisory firm. In this role, they may receive profits from the ownership of this advisory firm. To mitigate any appearance of conflicts of interest, the services, and clients of either firm will remain separate and distinct, and clients of either firm will not be solicited to receive services of the other.**

**Code of Ethics, Participation or Interest in Client Accounts and Personal Trading**

#### **General Information**

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

#### **Participation or Interest in Client Accounts**

We may recommend securities to you that we have purchased for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices
- Participating in client accounts

Clients and prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer.

#### **Personal Trading**

We may recommend securities to you that we will purchase for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade Order (specifying each participating account) and its allocation. Completed Orders will be allocated as specified in the initial trade order. Partially filled Orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

We have established the following restrictions in order to ensure our fiduciary responsibilities regarding insider trading are met:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of IAR(s) of Intrua, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.

Intrua Financial has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of "Access Persons". The policy requires that an Access Person of the firm provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Adviser selects; provided, however that at any time that the Adviser has only one Access Person, he or she shall not be required to submit any securities report described above.

### **Conflicts of Interest**

Intrua Financial representatives may employ the same strategy for personal investment account as they do for clients. However, orders will not be placed in a way to benefit from the purchase or sale of a security.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

### **Review of Accounts**

Reviews will be conducted at least annually or as agreed to by us. Reviews will be conducted by the Investment Advisor of record or by our Chief Compliance Officer or his/her designee. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of a mutual fund or company in which client assets are invested, and market shifts and corrections.

### **Reports**

You will be provided with account statements reflecting the transactions occurring in the account on at least a quarterly basis. These statements will be written or electronic depending upon what you selected when you opened the account. You will be provided with paper confirmations for each securities

transaction executed in the account. You are obligated to notify us of any discrepancies in the account(s) or any concerns you have about the account(s).

**Client Referrals and Other Compensation**

We do not receive any economic benefit from someone who is not a client for providing investment advice or other advisory services to our clients nor do we directly or indirectly pay any compensation to another person if they refer clients to us.

**Financial Information**

We do not solicit fees of more than \$1200 per client, six months or more in advance. We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings.