

## **Item 1: Cover Page**

### **Part 2A of Form ADV: Firm Brochure**

#### **Acquisition OpCo, LLC**

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This brochure provides information about the qualifications and business practices of Acquisition Opco, LLC. If you have any questions about the contents of this brochure, please contact us at [()]. 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. The terms “registered investment adviser” or “registered” does not imply any level of skill or training. Additional information about Acquisition Opco, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

This is the initial filing of the Form ADV Part 2A by Acquisition Opco, LLC. Accordingly, there are no material changes to report.

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## Item 4: Advisory Business

### FOCUS FINANCIAL PARTNERS, LLC

Acquisition Opco, LLC (“Acquisition Opco” or “AOC”) is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, AOC 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 eight 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 eight directors on the Focus Inc. Board. Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other 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.

Acquisition Opco provides the following asset consulting services as investment supervisory services: (a) origination of investment policy statement and asset allocation study, search for managers or mutual funds in accordance with criteria established by client, ongoing performance monitoring and analysis; and (b) management of investment advisory accounts on a discretionary basis with the investment objective of income for fixed income portfolios and the objective of long term capital appreciation for equity portfolios. Under subparagraph (a) above, AOC does not directly invest the assets of the clients, and under subparagraph (b) above AOC does directly invest the assets of the clients.

In addition, Acquisition Opco, LLC manages investment advisory accounts not involving investment supervisory services by managing investments of limited partnerships. In managing such accounts, AOC generally utilizes a multi-manager, multi-strategy investment philosophy pursuant to which it sets asset allocation parameters, selects investment strategies to be used in the management of client assets and selects and monitors independent investment advisory firms (or, if appropriate, private or registered investment companies managed by them) to manage the separate asset classes and strategies used. There are no restrictions on AOC’s ability to select asset classes for any particular pooled account. Thus, AOC does not directly invest the assets of multi-manager, multi-strategy accounts.

Upon evaluating a client’s investment history, present situation, and future outlook, Acquisition Opco, LLC constructs a plan designed specifically to meet each client’s goals and objectives within each client’s defined risk tolerance, risk capacity and return expectation.

Acquisition Opco is a newly formed adviser and does not have any assets under management.

## Item 5: Fees and Compensation

Clients participating in the asset consulting service are required to enter into an investment advisory agreement (“agreement”). This agreement may be terminated at will upon written notice by either party to the other and termination will become effective upon receipt of such notice. Termination shall not affect any liability resulting from transactions initiated before Acquisition Opco, LLC receives written notice of termination. Upon termination of agreement, any fees paid in advance will be prorated, and the client will be entitled to a refund from the date of termination through the end of the billing period. To the extent that there are amounts owed by client to Acquisition Opco, LLC upon the date of termination of the agreement, the client will immediately pay such amounts to Acquisition Opco, LLC without further notice or demand. Clients shall have the right to terminate the agreement, without penalty, within five business days of the date of execution of this agreement by client and to receive a full refund of all amounts paid in advance to Acquisition Opco, LLC.

Investment advisory services are generally provided for a fee based on a percentage of the assets under management as follows:

<u>Assets under Management</u>	<u>Fee</u>
\$500,000 to \$1,000,000	2.2%
\$1,000,001 to \$5,000,000	1.6%;
\$5,000,001 to \$10,000,000	1.4%
\$10,000,001 plus	1.1%

Generally, a minimum annual fee of \$15,000 will apply to all accounts. These fees are guidelines only and are subject to negotiation with each client. The fee is calculated by applying the applicable schedule of fees to the value of assets under management on the last day of each calendar month or quarter, whichever is applicable.

Investment advisory services may be provided to Clients for a flat quarterly or monthly fee based on a combination of factors; including, but not limited to, the total assets under management and the specific advisory services provided to the client. The flat fee is reviewed with the client periodically and adjusted according to mutual agreement between Acquisition Opco, LLC and the client.

Certain asset consulting services may be provided on a fixed-fee basis. For example, the origination of an investment policy statement and asset allocation study and a manager search may be performed on a fixed-fee basis. Some of these fixed fees may be payable in addition to the fees based on a percentage of assets under management. The fees will be based on the extent of efforts involved in the asset consulting services determined by the requests of the client, and thus will be determined pursuant to negotiations between Acquisition Opco, LLC and the client. Generally, a basic fee for the origination of an investment policy statement asset allocation study will be \$3,000, and a full manager search will be \$10,000. Compensation is payable when the asset consulting services are begun by Acquisition Opco, LLC. Investment advisory services may be provided to clients for performance based fees. These fees are

typically based on a share of capital gains on or capital appreciation of the assets of a client. Additional information regarding performance based fees may be found in Item 6.

On a case-by-case basis, certain asset consulting services may be provided on the basis of hourly charges upon request of a client. The principals of Acquisition Opco, LLC will charge \$400 per hour payable on a monthly basis, or as otherwise negotiated.

Acquisition Opco, LLC's fee is typically billed to and paid by the client's custodian(s) from the assets of the client's portfolio. The client may request to be billed directly. Direct bills are due upon receipt. Fees are calculated and payable either monthly or quarterly pursuant to the Agreement with client.

In addition to our fees, clients are responsible for the fees and expenses associated with the investment of their assets, such as the fees and expenses of mutual funds, ETFs and other pooled investment products held in the client's account, transaction fees, taxes and other brokerage charges for purchases and sales of investments and custodial fees for holding and safekeeping of client assets.

Acquisition Opco's fee could be avoided if the client invested directly in investment vehicles managed by third parties but would not receive Acquisition Opco's advice regarding the allocation of assets in the client's portfolios.

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

Acquisition Opco offers performance or incentive based fees. These fees may consist of a lower base fee with additional fees earned if the client portfolio outperforms its benchmark index. Alternatively, or in addition, the fee may be based on a share of capital gains on or unrealized appreciation of the assets of the client. The performance fee is only offered to qualified clients as defined under SEC Rule 205-3. These performance based fees are only applicable to those securities for which a market quotation is readily available. The fee would be payable quarterly, in arrears, based on a portfolio's trailing 12-month or other period performance or gains, either realized or unrealized. Performance based fees create an incentive for the adviser to enter into riskier or more speculative investments than would otherwise be the case and to invest more time and energy into investments or clients that have the potential of paying a performance based fee than clients and investments that do not pay such fees. We address these conflicts of interest through this disclosure and by remaining mindful of our duties as fiduciaries to our clients. The benchmark index used in the calculation of the incentive fee would be chosen from the benchmarks or a blend of benchmarks, applicable to the client portfolio's composition or as otherwise agreed to by the client.

## **Item 7: Types of Clients**

Acquisition Opco clients include individuals; pension and profit sharing plans; trusts and estates; charitable organizations; and corporations and other business entities. Clients also include multi-manager, multi-strategy private investment company partnerships with different investment objectives and risk/return characteristics, as described above in Item 6.

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

Acquisition Opco's methods of investment analysis and strategies include; investment charting, fundamental analysis, technical analysis and cyclical analysis. With respect to accounts managed utilizing a multi-manager, multi-strategy philosophy, the methods of analysis for recommending managers also include quarterly analysis of actual performance returns of investment management firms and analysis of style index performance results. The analytical process also includes direct contact with the investment management firms, reading their materials describing their philosophy and methodology, and studying their Forms ADV or other brochures. The final source of analysis involves direct personal meetings with the individual principals and portfolio managers of the investment management firms.

For multi-manager, multi-strategy accounts, the assets of the client accounts are divided into separate investment strategy portfolios as determined by Acquisition Opco pursuant to its asset allocation process, to be: (1) invested in registered investment companies, private investment companies or other pooled accounts managed by different investment management firms ("Portfolio Managers") selected by Acquisition Opco; and/or (2) invested in separate individual accounts, each managed by different investment management firms selected by Acquisition Opco.

Acquisition Opco conducts due diligence and monitoring of the portfolio managers and, when appropriate, recommends that clients increase or reduce their allocations to the portfolio manager.

The success of client's investment activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the client's investments. Unexpected volatility or illiquidity could impair the client's profitability or result in losses.

All securities investing and trading activities risk the loss of capital. There can be no assurance that the client's investment activities will be successful, or the client will not suffer losses. Interests in private funds are speculative securities and should be considered by clients only if the client can afford the risk of loss of their entire investment. The following discussion sets forth some of the more significant risks associated with the Acquisition Opco the Portfolio Manager's and the client's style of investing:

### **Equity Securities**

The investment programs of Portfolio Managers selected by the client for investment may be primarily equity-focused. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments. Portfolio Managers may acquire long and short positions in listed and unlisted common equities, preferred equities and convertible securities of issuers domiciled in developed or in emerging countries. (See "Non-U.S. Investments" below.) Portfolio Managers may invest in equity securities regardless of market capitalization, including micro and small cap companies. The securities of smaller companies may involve more risk and their prices may be

subject to more volatility. Portfolio Managers may also invest in distressed equity securities, which are generally considered to be more risky, speculative and less liquid.

### **Short Selling**

The Portfolio Managers with which the assets of the client are invested will engage in short selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

### **Investments Are Leveraged**

The investment vehicles we recommend or select generally do not utilize leverage in connection with their investment programs but may, however, utilize short-term borrowings for operating and investing purposes and funding withdrawals. In addition, the Portfolio Managers with which the assets of pooled investment vehicles or the client are invested, including through managed accounts, may buy and sell securities on margin and otherwise utilize leverage, increasing the volatility of the client's investments. The use of leverage can, in certain circumstances, substantially increase the adverse impact to which the client's investment portfolio may be subject. Trading securities on margin, unlike trading in futures (which also involves margin), will result in interest charges and, depending on the amount of trading activity, such charges could be substantial. The low margin deposits normally required in futures and forward trading permit a high degree of leverage; accordingly, relatively small price movement in a futures contract may result in immediate and substantial losses to the investor. Irrespective of the control objectives of Acquisition Opco's multi-asset, multi-manager approach, such a high degree of leverage necessarily entails a high degree of risk. In the event that the client enters into an investment advisory agreement with a Portfolio Manager that utilizes leverage in its investment program, the client may become subject to claims by financial intermediaries that extended "margin" loans in respect of such managed account. Such claims could exceed the value of the assets allocated to such Portfolio Manager by the client. The risks involved in the use of leverage are increased to the extent that the client itself leverages its capital.

### **Non U.S. Investments**

The client or the Portfolio Managers may invest in securities of foreign corporations and foreign countries. Investing in the securities of companies (and, from time to time, governments) of foreign countries involves certain considerations not usually associated with investing in securities of United States companies or the United States Government. Such risks include, among other things, political and economic considerations, such as greater risks of expropriation and nationalization, the potential difficulty of repatriating funds and general social, political and economic instability; the small size of the securities



markets in some of such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the client's investment opportunities. There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States, and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of United States companies. Securities markets outside the United States, while growing in volume, have for the most part substantially less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable United States companies. In addition, settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. There also may be less extensive regulation of the securities markets in particular countries than in the United States. Additional costs could be incurred in connection with the Portfolio Managers' international investment activities. Foreign brokerage commissions generally are higher than in the United States. Expenses also may be incurred on currency exchanges when the Portfolio Managers change investments from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of foreign laws to foreign custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and records access) may be associated with the maintenance of assets in foreign jurisdictions.

## **Call Options**

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of the theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing securities to satisfy the exercise of the call option can itself cause the price of the securities to rise further, sometimes by significant amount, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium invested in the call option.

## **Put Options**

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of the decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing his entire premium invested in the put

option.

### **Forward Trading**

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by a Portfolio Manager due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Portfolio Manager would otherwise recommend, to the possible detriment of the client. Market illiquidity or disruption could result in significant losses to the client. In addition, managed accounts or investment funds in which the assets of the client are invested may be exposed to credit risks with regard to counterparties with whom the Portfolio Managers trade as well as risks relating to settlement default. Such risks could result in substantial losses to the client. To the extent possible, the General Partner will endeavor to select Portfolio Managers that it believes will deal only with counterparties that are creditworthy and reputable institutions, but such counterparties may not be rated investment grade.

### **Futures Contracts**

Futures positions may be illiquid because, for example, most U.S. commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or daily limits." Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices on various commodities or financial instruments occasionally have moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent a Portfolio Manager from promptly liquidating unfavorable positions and subject such Portfolio Manager, and therefore the Partnership, to substantial losses. In addition, Portfolio Managers may not be able to execute futures contract trades at favorable prices if trading volume in such contracts is low. It is also possible that an exchange or a regulator (such as the SEC or the CFTC) may suspend trading in a particular trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that may be held in particular commodities. Trading in commodity futures contracts and options is a highly specialized activity that may entail greater than ordinary investment or trading risks. Furthermore, low margin or premiums normally required in such trading may provide a large amount of leverage, and a

relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss.

## **Currency Trading**

A portion of the client's assets may be invested by the Portfolio Managers in equity and debt securities and in other financial instruments denominated in various currencies, the price of which is determined with reference to such currencies. Acquisition Opco will, however, value the client's investments and other assets in U.S. dollars. To the extent unhedged, the value of the client's net assets will fluctuate with U.S. dollar exchange rates as well as with price changes of a Portfolio Manager's investments in the various local markets and currencies. Forward currency contracts and options may be utilized on behalf of the client by the Portfolio Managers to hedge against currency fluctuations, but the Portfolio Managers are not required to hedge and there can be no assurance that such hedging transactions, even if undertaken, will be effective.

## **Swap Agreements**

Investment vehicles we recommend or select may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease a portfolio's exposure to equity securities, long-term or short-term interest rates, foreign currency values, corporate borrowing rates, or other factors. Swap agreements can take many different forms and are known by a variety of names.

Depending on how they are used, swap agreements may increase or decrease the overall volatility of an investment's portfolio. The most significant factor in the performance of swap agreements is the change in the individual equity values, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap agreement calls for payments by a Portfolio Fund, such Portfolio Fund must be prepared to make such payments when due. This is only true in default and not part of mark-to-market.

## **Single Stock Future**

A single stock futures contract is an agreement to buy or to sell shares of a specific stock at a specified price on a designated date in the future. Investment in single stock futures involves a substantial degree of risk. The market for single stock futures is new to the United States. Therefore, the size of the market for single stock futures is yet unknown. There is no assurance that a liquid secondary market will exist for single stock futures contracts purchased or sold, and the Portfolio Managers may be required to maintain a position until exercise or expiration, which could result in losses. Furthermore, margin for single stock futures contracts is typically low relative to the value of the futures contracts purchased or sold. Low margin requirements mean that a relatively small price movement in a single stock futures contract may result in immediate and substantial losses to a Portfolio Fund.

## **Highly Volatile Markets**

Price movements of forward contracts, futures contracts and other derivative contracts in which the client's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of

governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate-related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Moreover, since there is generally less government supervision and regulation of foreign stock exchanges and clearinghouses than in the United States, Portfolio Managers also are subject to the risk of the failure of the exchanges on which their positions trade or of their clearinghouses, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

### **Investment and Trading Risks in General**

All investments made by the Partnership risk the loss of capital. The Portfolio Managers may utilize such investment techniques as margin transactions, short sales, option transactions and forward and futures contracts, which practices can, in certain circumstances, maximize the adverse impact to which the client may be subject. Acquisition Opco believes that the investment programs and research techniques moderate this risk through diversification and careful selection of investment strategies and Portfolio Managers. No guarantee or representation is made that the client's investment program will be successful, and investment results may vary substantially over time.

### **Trading in Securities and Other Investments May be Illiquid**

Certain investment positions in which the assets of the client are invested may be illiquid. The Portfolio Managers may invest in restricted or non-publicly traded securities, securities on foreign exchanges and futures. Futures positions may be illiquid because certain commodity exchanges limited fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Such investment positions could prevent the Portfolio Managers from liquidating unfavorable positions promptly and subject the client to substantial losses. could also impair a fund's ability to make distributions to a withdrawing Partner in a timely manner. Portfolio Managers may invest in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and a Portfolio Manager may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

## **Cybersecurity**

The computer systems, networks and devices used by Acquisition Opco 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 9: Disciplinary Information**

As a registered investment adviser, Acquisition Opco, LLC is required to disclose all material facts for any legal or disciplinary event that would be material to a client or a potential client's evaluation of the firm and the integrity of the business and personnel employed by the firm. None of Acquisition Opco's partners or employees have ever been the subject of any legal or disciplinary actions material to our business.

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

### **FOCUS FINANCIAL PARTNERS**

As noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because AOC is an indirect, wholly owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of AOC. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of our business.

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

Acquisition Opco has adopted a Code of Ethics ("Code") and Written Supervisory Procedures ("WSP's"; and collectively with the Code, the "Manuals") designed to comply and meet the requirements of Rule

204A-1 under the Investment Advisers Act of 1940, and to reflect fully a registered investment adviser's fiduciary obligations and those of its supervised persons.

Acquisition Opco's Code of Ethics, among other things, requires our Firm's personnel to comply with applicable laws, act in accordance with the AOC's fiduciary duties to clients and to report their personal securities holdings and transactions for compliance review.

Clients and potential clients may request a written copy of Acquisition Opco's Code at any time by contacting their representative at Acquisition Opco.

## **Item 12: Brokerage Practices**

Acquisition Opco will recommend that our clients establish brokerage accounts with unaffiliated custodian broker-dealers to maintain custody of their respective assets. The custodian broker-dealer we will recommend is Fidelity Brokerage Services LLC ("Fidelity"). Fidelity provides brokerage, custody, research, and access to mutual funds and other investments. Fidelity generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades they execute and for client assets held in their cash sweep.

Acquisition Opco will generally recommend Fidelity based on its reputation, quality of service, financial strength and the estimated cost and convenience to the client. AOC will have an institutional relationship with Fidelity and Fidelity will provide AOC and our clients with access to services that are not typically available to retail customer accounts. These include custody, reporting, and related services, as well as services to help us administer our clients' accounts and manage and grow our business. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as they maintain a required minimum level of client assets.

Fidelity makes available to independent advisers other products and services that benefit the adviser and its clients but that do not benefit individual client accounts. Some of these other products and services assist the adviser in managing and administering client accounts. The products and services include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of advisory fees from client accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally can be used to service all or a substantial number of client accounts, including accounts not maintained at Fidelity.

Fidelity also make available to independent advisers other services intended to help the adviser further develop its business enterprise. These available services include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Fidelity makes available, arranges and/or pays for these types of services rendered to advisers by independent third parties.

Receiving products, services and payment of expenses from Fidelity creates a conflict of interest, as it incentivizes Acquisition Opco to recommend Fidelity over custodian broker-dealers who do not

recommend such products, services or pay expenses. AOC addresses this conflict by disclosing it to our clients, and by periodically reviewing the quality and cost of the services provided to our clients by the custodian broker-dealers we recommend.

### **Item 13: Review of Accounts**

When a client chooses Acquisition Opco for asset allocation and manager selection services, Acquisition Opco will review the client's portfolio, develop an investment policy statement and asset allocation study, review manager and mutual fund databases to formulate a portfolio meeting client criteria, assist client in selecting managers and mutual funds, and provide ongoing performance monitoring and analysis of the various managers and mutual funds selected by the client. Generally, these reviews will be performed on a quarterly basis, although clients may, on occasion, request more frequent or less frequent reviews. Acquisition Opco's Managing Directors will all be extensively involved in and provide overall supervision of the ongoing performance monitoring and analysis. Acquisition Opco's Managing Directors may involve other appropriate qualified personnel in such reviews, and the level of reviews will be specifically customized and tailored to the needs and requirements of the clients. All individuals named above will be extensively involved in reviews and in preparation of ongoing performance monitoring and analysis reports for each and every client. On a case-by-case basis, certain review services may be provided on the basis of monthly charges upon request of a client.

When a client chooses Acquisition Opco to manage accounts on a discretionary basis, one or more of the individuals noted in the above paragraph will review all accounts on a continuing basis.

Clients will all receive monthly and/or quarterly, written statements reporting all activity of their accounts. Additionally, periodic reviews of performance will be provided to clients based on the specific needs and instructions of the clients.

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

From time to time, Acquisition Opco enters into agreements providing cash compensation to persons who refer clients to the Acquisition Opco. These agreements are governed by and require that the solicitor meet the disclosure and other requirements of SEC Rule 206(4)-3 under the Investment Advisers Act. The terms of the agreements differ somewhat depending upon the circumstances, but generally provide either for the compensation equal to a specified percentage of the fees received by Acquisition Opco from clients referred; or for fixed compensation payable monthly or quarterly and subject to periodic review not less frequently than annually. The agreements generally are subject to termination on thirty (30) days prior written notice.

AOC'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 AOC, other Focus firms and external attendees. These meetings are first and foremost intended to provide



training or education to personnel of Focus firms, including AOC. 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 AOC. 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 AOC 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 AOC. 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.
- Orion Advisor Services, LLC

## **Item 15: Custody**

We are deemed to have legal custody over client assets when we have the authority to debit our fees from client accounts. Rule 206(4)-2 of the Advisers Act, the “Custody Rule,” requires advisers who have custody over client assets to maintain those assets with a qualified custodian who sends account statements to clients at least quarterly.

Clients will receive monthly and/or quarterly written statements from Acquisition Opco, LLC. Clients should compare these accounts statements with any account statements the client receives from broker-dealers and other qualified custodians maintaining client assets and report any discrepancies to Acquisition Opco, LLC immediately.

## **Item 16: Investment Discretion**

With respect to accounts managed on a discretionary basis, Acquisition Opco is generally given total discretionary authority to invest client funds. However, other than selecting interests in private or registered investment companies in conjunction with the management of a particular segment of a client’s portfolio or investing client uninvested funds in money market mutual funds, Acquisition Opco does not directly invest client assets for its multi-manager, multi-strategy accounts. Rather, such client accounts are invested by the separate investment advisory firms (“portfolio managers”) selected by Acquisition Opco who, for the Portfolios managed by them, select securities to be bought and sold and the amount of the securities to be bought or sold.

Clients must sign an investment advisory agreement indicating that Acquisition Opco has investment discretion prior to Acquisition Opco assuming such authority.

## **Item 17: Voting Client Securities**

Currently, Acquisition Opco does not have nor accept authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients may contact their representative Acquisition Opco with questions regarding a particular solicitation.

## **Item 18 Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. AOC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.