FIRST REPUBLIC INVESTMENT MANAGEMENT

It's a privilege to serve you®

FORM ADV Part 2A

First Republic Investment Management, Inc. ("FRIM")

111 Pine Street

San Francisco, CA 94111 Phone: 415-392-1400

https://www.firstrepublic.com/private-wealth-management/investment-management-services

July 3, 2018

This brochure provides information about the qualification and business practices of First Republic Investment Management, Inc. ("FRIM"). If you have any questions about the contents of this brochure, please contact us at the phone number above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about First Republic Investment Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

First Republic Investment Management, Inc. is a federally registered Investment Adviser with the SEC. Registration of an Investment Adviser does not imply a certain level of skill or training.

ITEM 2 – Material Changes

The following updates have been made to the Form ADV Part 2A ("the Brochure") since FRIM's update on March 28, 2018:

Item 5

- Additional disclosure related to fees paid by SEC-registered mutual funds

Item 10

- Enhanced disclosure of conflicts of interest related to fees paid by SEC-registered mutual funds to FRIM's affiliate and how FRIM manages these conflicts

Item 3 – Table of Contents

Item 4 - Advisory Business

First Republic Investment Management, Inc. ("FRIM") was acquired by First Republic Bank ("FRB" or the "Bank") in 1999. FRIM is a wholly owned subsidiary of FRB, a publicly held California Chartered Commercial Bank which is listed on the NYSE (symbol FRC). First Republic Bank was founded in 1985.

Investment Management Services

FRIM provides full service personalized wealth management solutions for individuals, trusts, families, foundations, endowments, pensions, defined contribution plans, profit sharing plans, banks, for-profit and not-for-profit corporations and other business entities ("Clients"). FRIM assists Clients in formulating long-term wealth management strategies that are customized to meet their unique needs or circumstances. These services are typically provided in the following two stages (collectively, the "Advisory Services") as set forth in the investment management agreement ("IMA") entered into between FRIM and the Client:

Initial Advisory Services The "Initial Advisory Services" include some or all of the following, as FRIM and Client determine to be appropriate: (i) evaluating Client's existing holdings and non-liquid assets; (ii) understanding Client's financial circumstances and establishing investment objectives with Client; (iii) exercising discretion (if granted) or making recommendations (if Client elects only non-discretionary Advisory Services) with respect to purchases and sales of equity, fixed income or other securities but not limited to, selecting appropriate managers or investment funds for same; and (iv) if Client elects only non-discretionary services, proposing an asset allocation for Client's Account(s) and following client instructions(s) to implement the allocation; and (v) if discretion is granted, implementing Client's asset allocation through making appropriate arrangements with investment managers and purchasing interests in appropriate investment funds (if applicable). Once the Initial Advisory Services have largely been completed, Advisor will coordinate with Client and any of Client's investment managers, custodians and/or advisers to effect the transfer of any monies or securities to the investment managers or investment funds and their respective custodians as necessary to implement Client's investment objectives as established by Client and Advisor for the Account and, for non-discretionary Advisory Services, upon instructions from Client. Clients can impose reasonable restrictions on investing in certain securities or types of securities subject to the approval of FRIM. FRIM does not provide legal, tax, or accounting advice.

Ongoing Advisory Services FRIM shall provide certain "Ongoing Advisory Services," which include some, but not necessarily all, of the following: (i) ongoing monitoring and rebalancing of Client's portfolio including any of Client's existing managers or funds that are not recommended by FRIM, but that Client has asked one of FRIM's Investment Representatives ("Wealth Manager") to keep as part of Client's Account(s); (ii) if discretion is granted, ongoing rebalancing of the Client's portfolio; (iii) conducting portfolio reviews; (iv) providing performance reporting upon request; (v) adjusting any investment strategies and asset allocations used (if discretion is granted) or recommended (if Client elects only non-discretionary Services) as Client's needs and goals change and are communicated to Wealth Manager; and (vi) working with Client to address Client's investment objectives.

Online Investment Management Separately, FRIM offers Eagle Invest, an online investment management service that offers an alternative version of FRIM's advisory services. A Client's Eagle Invest portfolio is determined based on data provided by the client at the point of enrollment.

Financial Planning Services

FRIM offers integrated financial, tax and estate planning to high net worth clients and prospects. Financial planning services generally involve a comprehensive review of the client's liquid and illiquid investment holdings, estate plan documents, income and gift tax returns, shareholder or partnership agreements, generational planning structures risk management, and insurance program, and philanthropic entities, as applicable. As part of FRIM's broader financial planning services, the firm often proposes suggestions for the client's personal life, disability and long-term care insurance needs.

Private Funds

FRIM provides investment management services to private pooled investment vehicles that are not registered under the Investment Company Act of 1940 and whose interests are not publicly offered under the Securities Act of 1933 ("Altair Funds"). The Altair Funds are typically structured as fund of funds or as access vehicles to underlying funds or portfolios managed by third-party investment advisers ("Private Funds"). When appropriate and suitable, FRIM recommends to Clients that they invest in one or more Altair Funds and, in certain instances, directly into certain Private Funds. FRIM will, from time to time and as appropriate, solicit clients to invest in such vehicles, and FRIM will decide which clients to approach for some or all of these investments, in its own discretion. Not all clients will be offered the opportunity to invest, and not all clients that were offered that opportunity will choose to invest. Similarly, not all Wealth Managers are eligible to place clients into all Altair Funds and Private Funds. All relevant information pertaining to private fund recommendations, including the compensation received by FRIM or an affiliate (as applicable) and by the third-party investment adviser, other fees and expenses paid by the respective funds, withdrawal rights, minimum investments, qualification requirements, suitability, risk factors and potential conflicts of interest is set forth in the respective fund's disclosure documents, governing documents and other offering materials pertaining to such interest (collectively the "Offering Documents"). Each investor is required to receive, review and execute (as applicable) the Offering Documents prior to being accepted as an investor in any of these respective funds.

Sponsor and Manager of Wrap Program

FRIM is the sponsor and manager of a wrap fee program (the "Program") which is offered to all clients who custody through First Republic Securities Corporation ("FRSC") at Pershing (clearing broker). The services and management provided in the Program is often identical to that provided through FRIM's non-wrap service. A wrap fee program is an advisory program under which a specified fee or fees not based directly upon transactions in a client's account ("Program Fee") is charged for advisory services (including portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions.

Clients in the Program will incur additional charges imposed by third parties (including FRSC's clearing broker), including but not limited to the costs of "trading away", or in some cases by FRIM or its affiliates (including FRSC), in addition to the Program Fee. These fees will include fees and expenses charged by Independent Managers (as defined below in Item 5) fees and expenses imposed directly by a Private Fund (and the funds or managers in or with which a Private Fund invests), mutual fund or exchange-traded fund in the account, which is disclosed in the fund's private placement memorandum or prospectus, deferred sales charges, odd-lot differentials, transfer taxes, margin fees and interest, wire transfer and electronic funds transfer fees, and other fees, expenses and taxes on accounts and securities transactions. Investments through an advisory account into mutual funds, ETFs, Altair Funds, and other third party investment managers, involve payment of two or more levels of fees: one to FRIM at the advisory account level and another to the third party investment manager. Depending on how the third party investment manager in turn invests, there have in the past and likely will in the future be additional levels of fees, which in the aggregate reduce net returns. The Program is not available for accounts that are not held in custody through FRSC at Pershing. Accounts not in the Program will be charged both advisory and transaction-based fees.

In evaluating the Program, clients should consider the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, the fact that the Program is only offered for accounts held in custody through FRIM-affiliate FRSC at Pershing, the fact that the Program still includes certain additional charges above and beyond the Program Fee, and other factors. The Program Fee will often exceed the aggregate cost of such services if they were purchased separately. A complete description of the Program terms and conditions (including fees) is contained in the Program wrap fee brochure.

Assets under management as of 3/31/2018

Discretionary	$52,971,333,626
Non-discretionary	$20,597,507,745
Grand Total	$73,568,841,371

Item 5 - Fees and Compensation

FRIM offers its services on a fee basis, which can include fixed fees as well as fees based upon a percentage of assets under management.

Investment Management Fee

FRIM provides investment management services for an annual fee based upon a percentage of the market value of the assets (which will include any accrued dividends and interest) being managed by FRIM. For services provided outside of the Program, FRIM’s annual fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. FRIM’s annual fee is prorated and generally charged quarterly in advance, based upon the market value of the assets (which will include any accrued dividends and interest) being managed by FRIM on the last trading day of the previous quarter. The annual fee varies depending upon the market value of the assets under management and the type of investment management services to be rendered. The fees are deducted from clients’ assets or paid directly by the client. FRIM, in its sole discretion, negotiates lower or higher management fees with different clients based upon a variety of different criteria (i.e., unique client circumstances and/or requirements, level and frequency of services desired and provided, anticipated future earning potential, anticipated future additional assets, dollar amount of assets to be managed, broader business relationship between client and FRB or FRIM affiliates, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.). The standard fee schedule is as follows:

Equity/Balanced Portfolios	
AUM	Incremental Fee
First $2 million	1.50%
$2 - $5 million	1.25%
$5 - $10 million	0.75%
$10 - $25 million	0.60%
$25 million and up	Negotiated

Fixed Income Portfolios	
AUM	Total Fee[1]
$2 - $10 million	0.40%
$10 < $25 million	0.35%
$25 million or greater	Negotiated

(1) All fixed income assets are charged a fee based on total fixed income assets managed (not on a tiered basis)

The standard fee schedule for FRIM's online investment management platform, Eagle Invest, is 0.40% of assets under management.

Registered funds, such as mutual funds (including money market funds), and privately-offered funds charge management fees. When an account invests in these funds, the client will, in effect, pay fees to the respective fund managers and a separate fee to FRIM.

Clients invested in pooled investment vehicles (e.g., Altair Funds or Private Funds) that are managed by FRIM and/or a third-party investment manager will pay the fees and expenses as agreed to under the relevant fund's Offering Documents, including in certain instances a performance-based fee or investment profit allocation. For direct investments in pooled investment vehicles managed by a third-party investment manager, in addition to the third-party pooled investment vehicle fees and expenses, FRIM will charge the client an advisory fee based on assets under management in that pooled investment vehicle. Further information regarding performance-based fees and investment profit allocations can be found in Item 6 below. In addition, information regarding redemption rights and termination of an investment in Altair Funds, Private Funds or other pooled investment vehicles managed by FRIM or invested in directly can be found in the Offering Documents for such vehicles.

Some SEC-registered mutual funds, or some share classes thereof, pay 12b-1 (distribution), service or administrative fees to FRIM's affiliates who sell fund shares or provide services to a fund's shareholders. These fees are deducted out of fund assets and reduce a shareholder's returns. FRIM's affiliates have earned and kept these 12b-1, service and administrative fees. FRIM's affiliates generally receive less compensation when these fees are reduced or waived completely, or when there is no fee. In some years, the amount of these fees has been material to FRIM and its affiliates. In the past, FRIM's affiliate has credited these fees to some advisory clients' accounts but not others. In an effort to reduce client costs, minimize the conflicts of interest presented by mutual fund 12b-1 fees, and conform treatment of different types of FRIM client accounts, as of July 1, 2018, FRIM's affiliate will, for all advisory account clients on a going-forward basis, credit these fees to advisory clients' accounts. These credits will be subject to the advisory fee if they remain in a client account at the time of billing.

ERISA Accounts

If the client account is subject to Title I of ERISA or Section 4975 of the Code, in the event account assets are invested in any investment vehicle in respect of which 12b-1 fees or any other fees or amounts are payable to FRIM (or any of its affiliates), the pro-rata share of such 12b-1 and other fees attributable to the account's investment shall be either credited to the account or offset, dollar for dollar, against the fees payable.

Wrap Fee Program

For detailed information regarding the Program, including the fee schedule, terms and other important considerations, clients should refer to the disclosure document (Form ADV, Part 2A Appendix 1).

Financial Planning and Consulting Fees

FRIM typically charges a fixed fee for financial planning and consulting services. These fees are negotiable depending upon the level and scope of the services as pre-determined by the professional rendering the financial planning and/or the consulting services. Amounts billed are payable before any work can begin. In the event the agreement is terminated prior to the delivery of the plan, the client can request a refund. FRIM retains the right to deny the request or reduce the amount of the refund to offset the time and expenses attributable to the work that has already been performed by the professional rendering the services. FRIM can, at its discretion, waive all or a portion of its financial planning fees.

Insurance Commissions

FRIM is an insurance agency licensed to conduct insurance activity in all states where entity level licensure has been obtained. This insurance licensure was obtained for the purpose of offering risk management services and certain insurance related products to clients not otherwise available other than by a duly licensed insurance entity. Insurance products sold through FRIM will result in commissions being paid to FRIM. In addition, certain representatives of FRIM are licensed insurance agents and are compensated for the sale of insurance-related products.

The payment of commissions to FRIM or its representatives results in a potential conflict of interest as the receipt of commissions provides an incentive to recommend certain products based on commissions to be received, rather than on a particular client's need. FRIM clients are under no obligation to purchase any commission products through FRIM. FRIM endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address this and other conflicts of interest arising due to FRIM's insurance related activity:

1. FRIM discloses to clients the existence of all material conflicts of interest, including the potential for FRIM and its employees to earn compensation from advisory clients in addition to FRIM's advisory fees;
2. FRIM discloses to clients that they are not obligated to purchase recommended insurance products from FRIM's employees;
3. FRIM collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
4. FRIM's management conducts reviews of client accounts to verify that recommendations made to a client are suitable to the client's needs and circumstances;
5. FRIM requires that its employees seek prior approval of any outside employment activity so that FRIM ensures that any conflicts of interests in such activities are properly addressed;
6. FRIM periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by FRIM; and
7. FRIM educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Certain FRIM supervised persons and related sales personnel are securities registered with M Holdings Securities, Inc. ("MHS"), a member firm of the Financial Industry Regulatory Authority (FINRA) and an unaffiliated broker-dealer. FRIM, supervised persons and related sales personnel receive compensation on certain insurance or securities products offered through MHS. Thus, FRIM and its supervised persons have an incentive to recommend certain insurance and securities products through MHS for which FRIM and the supervised person receive compensation. All such compensation will be fully disclosed to the client, and FRIM has a compliance program in place to supervise such activities.

Fees Charged by Other Financial Institutions

FRIM generally recommends that clients utilize the brokerage services of FRSC (an affiliate of FRIM), Charles Schwab & Co., Inc. (“Schwab”), TD Ameritrade or Fidelity Investments Company (“Fidelity”) for investment management accounts. Financial institutions utilized include, but are not limited to FRSC, Schwab, TD Ameritrade, Fidelity, any other broker-dealer recommended by FRIM, any broker-dealer directed by the client, trust companies, banks, etc., and are collectively referred to herein as the “Financial Institutions”. For additional information regarding brokerage and other transaction costs, please refer to Item 12 (“Brokerage Practices”) of this Brochure.

Clients will often incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers (as defined below), custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, certain “trading away” fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients will incur brokerage commissions and transaction fees. Such charges, fees and commissions are in addition to FRIM fees.

FRIM’s IMA and the separate agreement entered into by the Client with any Financial Institutions have in the past and likely will in the future authorize FRIM or independent investment managers and investment funds recommended by FRIM or selected by client (“Independent Managers”), to debit the client’s account for the amount of FRIM’s fee and/or the Independent Manager's fee to directly remit that management fee to FRIM or the Independent Managers, respectively.

This Brochure is provided to FRIM clients (not custodied at FRSC) who pay a bundled asset-based fee for investment advice and custodial services and have in the past and likely will in the future pay separately for commissions and other brokerage costs at the discretion of their custodian. These clients do not pay a wrap fee to FRIM, and therefore do not receive a brochure for FRIM’s wrap fee program, because they do not pay a single asset-based (or “wrap”) fee to FRIM for investment advice, brokerage and custody.

Fees for Investment Management During Partial Quarters of Service

For the initial period of investment management services, advisory fees are calculated on a pro rata basis. The IMA between FRIM and the Client will continue in effect until terminated pursuant to the terms of the IMA. For any quarter in which the IMA is terminated, FRIM’s fees are prorated and any remaining balance is charged or refunded to the Client, as appropriate.

Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. Clients can withdraw account assets upon notice to FRIM, subject to the usual and customary securities settlement procedures. However, FRIM designs its portfolios as long-term investments and the withdrawal of assets will often impair the achievement of a client’s investment objectives. FRIM’s advisory fees remain in effect unless a client is notified of any change in accordance with the terms of their IMA. Fees for investment management services are based on the amount of assets managed (including any accrued dividends and interest) and are normally paid quarterly in advance based on the current market value of the assets at the end of the preceding quarter, however, a number of clients are billed in arrears as agreed. Fees for certain existing clients differ from the fees discussed herein based on the fee schedules in effect at the time they became clients and/or negotiations between FRIM and the Client. Related accounts have in the past and likely will in the future be combined in order to reduce the fee charged. FRIM holds a limited power of attorney to act on a discretionary basis for certain client accounts, but does not maintain possession of the funds or securities of any client. The client's funds and securities will typically be deposited in either a brokerage firm or bank custodian account. Clients can terminate an IMA upon formal notice to FRIM. In the event the relationship is terminated prior to quarter-end, the client will receive a pro-rated refund, calculated in accordance with terms of the IMA.

Recruitment of Advisors

Consistent with industry practice, FRIM from time to time recruits financial advisors and other employees to join FRIM and has in the past and likely will in the future enter into significant compensation arrangements with these employees to facilitate their transition to FRIM. Such compensation can take different forms, such as immediately payable, payable over time, and/or as a loan and has in the past and likely will in the future be contingent upon the Wealth Manager satisfying certain performance-based criteria including total client assets serviced and revenue generated from those assets.

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

Although FRIM does not generally charge performance-based fees or investment profit allocations (e.g., "carried interest") on client accounts, in certain instances, it receives such fees with respect to the Altair Funds.

FRIM advises two Altair Funds that charge a performance-based fee or investment profit allocation. These funds, which are closed to new investors, were acquired in separate transactions, and the original fee structure was maintained as part of the acquisition. FRIM receives an investment profit allocation, (or, "carried interest"), with respect to one of these funds, a private equity fund-of-funds. The investment profit allocation is calculated on a percentage of the realized gains of the fund after investors have first received all the capital they have contributed to the fund. FRIM also receives a performance-based fee with respect to the other fund, which is structured as a hedge fund-of-funds. The performance-based fee is non-cumulative, is calculated based on a percentage of unrealized and realized gains of the fund, and is only paid if a certain hurdle rate is achieved.

Although FRIM generally does not charge performance-based fees for the Altair Funds that are a fund of fund(s) structure (other than the two specifically identified above), unaffiliated managers of the underlying Private Funds invested in by the Altair Funds will often charge performance-based fees. Such performance-based fees are in addition to advisory fees charged by the underlying Private Fund manager as well as FRIM, and they are also in addition to the expenses as agreed to in the relevant fund's Offering Documents for both the Altair fund and the underlying fund.

Clients should be aware that performance-based fees give FRIM a financial incentive to achieve gains and to choose investments that are riskier or more speculative than might otherwise be chosen. Also, performance-based fee arrangements present a potential conflict of interest with respect to other client accounts that are not subject to performance-based fee arrangements because such arrangements give FRIM an incentive to favor client accounts subject to performance-based fees over client accounts that are not subject to performance-based fees by, for example, allocating our best investment ideas to accounts from which FRIM stands to earn additional compensation should the account perform well.

FRIM will only charge performance-based fees or carried interest in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations. FRIM's policies and procedures seek to provide that investment decisions are made in the best interests of clients and without consideration of FRIM's (or such personnel's) pecuniary investment or other financial interests. Further, potential conflicts of interest in relation to side-by-side management are largely mitigated due to the fact that the Altair Funds typically do not charge performance-based fees and due to the structure of the Altair Funds (as ‘fund of fund(s)’). In a fund of fund(s) structure, the Altair Funds invest in the interests of other Private Fund(s) that are generally not traded or available for investment for other client accounts. In a situation where interests in an underlying Private Fund are available (and suitable) for investment by both an Altair Fund and one or more FRIM clients, but the fund has capacity constraints, FRIM will seek to allocate the interests in a fair manner.

Item 7 - Types of Clients

FRIM generally provides investment advice to: individuals, trusts (including estates or charitable organizations), pensions, defined contribution plans, profit sharing plans, banks, for-profit and not-for-profit corporations and other business entities as well as the Altair Funds.

FRIM requires a $7,500 annual fee minimum for its separate account investment management services in order to provide sufficient individual advisory services. Under certain circumstances, FRIM has in the past and likely will in the future provide advisory services for less than the annual minimum. The annual fee varies, but will represent less than 3% of the assets under management. FRIM reserves the right to adjust or waive the minimum fee and to impose an initial set-up fee.

FRIM has expanded its offering to include online investment management through Eagle Invest which is not subject to the annual fee requirement but is subject to a minimum account size of $10,000.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

FRIM utilizes multiple investment strategies to meet the investment objectives of each client. These methodologies are formulated based on a comprehensive review and assessment of current and future return objectives, investment time horizon, risk tolerance level and cash flow requirements for each client. This Item 8 describes various methods of analysis and investment strategies, as well as the primary risks associated with these investment strategies. However, it is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held.

While FRIM seeks to manage portfolios so that risks are controlled, it is often not possible to fully identify and mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients and other investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients and other investors should read carefully all applicable informational materials and offering/governing documents, including Offering Memorandum documents and prospectuses prior to retaining FRIM to manage an account or investing in any investment product. Clients and prospective clients should be aware that investing in securities involves risk of loss that clients should be prepared to bear.

Clients and other investors should be aware that while FRIM does not limit its advice to particular types of investments, client mandates will often be limited to certain types of securities or to the recommendation of investment advisers and runs the risk of not being diversified. Unless stated in the client’s Investment Policy Statement, the accounts managed by FRIM are generally not intended to provide a complete investment program for a client or investor. Clients and other investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

FRIM’s primary investment strategies are described below. FRIM has in the past and likely will in the future offer additional strategies or variations of the strategies described.

Analysis
FRIM's approach to equity management combines both quantitative and qualitative research as FRIM believes the blended approach produces better results than either method alone. The quantitative approach uses multiple numeric measures to gauge a stock's relative attractiveness. Qualitative analysis extends the quantitative analysis to identify stocks suitable for the investment strategy and trading at attractive prices. Members of the equity research team are assigned one or more sectors and conduct bottom up research on the stocks highly ranked by the quantitative model. After undergoing qualitative research to verify a stock's relative attractiveness, an equity security is deemed eligible to be combined into client portfolios, consistent with the objective specified in the clients Investment Policy Statement.

Investment Strategies
FRIM has in the past and likely will in the future develop and manage investment mandates and products involving multiple strategies and asset classes. FRIM has in the past and likely will in the future develop asset allocation strategies and liability driven strategies for these mandates. Multi- asset strategies have in the past and likely will in the future utilize a wide variety of asset classes and/or investment styles, and employ a variety of techniques and investment vehicles, including Funds of Funds that invest in hedge funds (including commodity pools), private equities, ETFs and mutual funds or other categories of funds, equities, bonds, cash, alternative investments and derivatives.

FRIM utilizes multiple investment strategies to meet the investment objectives of each client. These methodologies are formulated based on a comprehensive review and assessment of current and future investment objectives, investment time horizon, risk tolerance level and cash flow requirements for each client.

It is important to note that it is not possible to identify all of the risks associated with investing. The nature of the account, the investment strategy or strategies and the types of securities held all impact the risks applicable to a particular client.

FRIM's primary investment strategies are set forth below. FRIM has in the past and likely will in the future offer additional strategies or variations of the strategies described.

Cash Management
In cash management portfolios, the investment process emphasizes safety and liquidity over yield. Risk is sought to be controlled through ongoing credit review, risk management analysis and diversification.

Fixed Income
FRIM utilizes fixed income strategies that are actively managed. Actively managed fixed income mandates generally employ an active investment style that has in the past and likely will in the future emphasize rotation among different types of debt on a relative value basis, specific security selection, quantitative analysis of each security and the portfolio as a whole and intensive credit analysis and review. Alpha sources have in the past and likely will in the future include security selection, duration and yield curve positioning, industry rotation, asset allocation, and currency positioning.

Equity
FRIM's equity strategies include a broad range of products that vary according to investment style, market capitalization and geography. The asset range has in the past and likely will in the future also include sector funds, long-only and long-short portfolios, as well as products that combine different strategies to create balanced, multi asset and asset allocation portfolios. For many clients, FRIM creates and maintains portfolios of individual securities, which change securities from time to time. Individual portfolio

management teams have in the past and likely will in the future interact daily to review market developments, opportunities and strategies.

Third-Party Investment Strategies
FRIM researches investment managers and provides client access to these strategies through sub advisory relationships. The due diligence process incorporates qualitative review of the investment manager's investment team, their philosophy and process. This analysis is complemented with quantitative analysis of the manager's past performance and portfolio. FRIM monitors and maintains updated information on investment managers and funds through routine compliance, operational and research due diligence efforts. FRIM seeks to select managers who will deliver competitive performance versus both peers and market benchmarks. Each sub-advisor has discretion to purchase and sell securities for their portion of an assigned portfolio.

Model Management
FRIM model management is designed to maximize operational efficiencies for separately managed account investments and provide portfolio customization. It centralizes the delivery and manufacturing of proprietary and third-party model portfolios across asset classes. FRIM relies on proprietary and vended applications to assist in the ongoing management of these strategies.

Private Investments
As a part of its investment advisory services, FRIM provides certain Clients with the opportunity to invest in certain pooled private investment vehicles that present attractive investment return opportunities, typically involving longer investment horizons, limited liquidity, potential downside risk, and potential exposure to increased fees and expenses. FRIM's research approach to private investments includes in-house research and use of external consultants to provide useful and relevant information. Additionally, FRIM's team and consultants scrutinize operational aspects and risks including but not limited to counterparty risk, prime-broker relationships, and service providers (auditors and administrators). Once a potential manager is identified, an intensive due diligence process is conducted which involves quantitative and qualitative analysis.

FRIM will, from time to time and as appropriate, solicit clients to invest in such vehicles, and FRIM will decide which clients to approach for some or all of these investments, in its own discretion. Not all clients will be offered the opportunity to invest, and not all clients that were offered that opportunity will choose to invest. Similarly, not all Wealth Managers are eligible to place clients into these investments. A subscription for interests in a Private Fund should be considered only by persons who do not anticipate any short-term need for their funds. Each investor should consult his or her own advisors regarding the legal, tax, and financial suitability of private investments.

Investment Risks
FRIM supports its investment strategies with risk management procedures intended to keep portfolios in conformity with client objectives. Prospective clients and other investors should be aware that no risk management system is fail-safe, and no assurance can be given that risk frameworks employed by FRIM will achieve their objectives and prevent or otherwise limit substantial losses. No assurance can be given that the risk management techniques will accurately predict future trading patterns or the manner in which investments are priced in financial markets in the future. Risks for relevant products are more fully described in such products' offering and/or governing documentation.

Certain risks apply specifically to particular investment strategies or investments in different types of securities or other investments that clients and other investors should be prepared to bear. The risks involved for different client accounts or funds will vary based on each client's investment strategy and the type of securities or other investments held in the client's account or the fund. The following are descriptions of various primary risks related to the investment strategies used by FRIM. Not all possible risks are described below.

Asset Allocation Risk - Asset allocation strategies do not assure profit or diversification and do not protect against loss.

Asset Class Risk - Securities in an asset class in portfolio have in the past and likely will in the future underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

Borrowing Risk - Borrowing has in the past and likely will in the future exaggerate changes in the net assets and returns of a portfolio. Borrowing will cost the portfolio interest expense and other fees and has in the past and likely will in the future reduce a portfolio's return. A portfolio can need to liquidate positions when it is not advantageous to do so to satisfy its borrowing obligations. Borrowing arrangements have in the past and likely will in the future be used to meet short-term investment and liquidity needs or to employ forms of leverage. The use of leverage entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

Commodity Risk - Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value of commodity-linked investments has in the past and likely will in the future be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (e.g., drought, flooding), livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of sector commodities (e.g., energy, metals, agriculture and livestock) have in the past and likely will in the future fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

Concentration Risk - Concentrating investments in an issuer or issuers, in a particular country, group of countries, region, market, industry, group of industries, sector or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that issuer or issuers, particular country, group of countries, region, market, industry, group of industries, sector or asset class than a more diversified mix of investments.

Conversion of Equity Investments - After its purchase, a non-equity investment directly or indirectly held by a portfolio (such as a convertible debt obligation) could convert to an equity security (converted investment). Alternatively, a portfolio could directly or indirectly acquire equity securities in connection with a restructuring even related to one or more of its non-equity investments. The portfolio can then be unable to liquidate the converted investment at an advantageous time, impacting the performance of the portfolio.

Counterparty Risk - Transaction, including certain derivative transactions, entered into directly with a counterparty are subject to the risks that a counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of a transaction. A counterparty could become bankrupt or otherwise fail to perform its obligations due to financial difficulties, resulting in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

Credit/Default Risk - Debt issuers and other counterparties of fixed income securities or instruments could default on their obligation to pay interest, repay principal or make a margin payment, or default on any other obligation. Additionally, the credit quality of securities or instruments could deteriorate (e.g., be downgraded by ratings agencies), which could impair a security's or instruments liquidity and decrease its value.

Currency Risk - Currencies have in the past and likely will in the future be purchased or sold for a portfolio through the use of forward contracts or other instruments. A portfolio that seeks to trade in foreign currencies has in the past and likely will in the future have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. A portfolio has in the past and likely will in the future hold investments denominated in currencies other than the currency in which the portfolio is denominated. Currency exchange rates can be volatile, particularly during times of political or economic unrest or as a result of actions taken by central banks. A change in the exchange rates has in the past and likely will in the future produce significant losses to a portfolio.

Cyber Security Risk - With the increased use of technologies to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third-party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents. Third party investment managers engaged to manage Client assets are subject to and present cyber security risk.

Derivative Risk - Investments in derivatives, or similar instruments, including but not limited to, options, futures, options on futures, forwards, participatory notes, swaps, structured securities, tender-option bonds and derivatives relating to foreign currency transactions, which can be used to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that will reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to fulfill its contractual obligations, the portfolio receiving cash collateral under the transactions and some or all of that collateral being invested in the market, or the risks arising from margin posting requirements and related leverage factors associated with such transactions. In addition, many jurisdictions globally have proposed or adopted new regulations for derivatives transactions (e.g., U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010). The full extent and impact of some of the regulations are not yet known and will not be known for some time. New regulations could make derivatives more costly, limit the availability of derivatives, or otherwise adversely affect the value or performance of derivatives.

Developed Countries Risk - Investment in developed countries will subject a portfolio to regulatory, political, currency, security, demographic, and economic risk specific to developed countries. Developed countries will potentially be impacted by changes to the economic health of certain key trading partners, regulatory burdens, debt burdens and the price or availability of certain commodities. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other countries or regions.

Distressed Securities - Investments in companies that are in poor financial condition, lack sufficient capital or are involved in bankruptcy or reorganization proceedings face the unique risks of lack of information with respect to the issuer, the effects of bankruptcy laws and regulations and greater market volatility than is typically found in other securities markets. As a result, investments in securities of distressed companies involve significant risks that could result in a portfolio, incurring losses with respect to such investments.

Emerging Markets Risk - Investments in emerging markets are potentially subject to a greater risk of loss than investments in more developed markets, as they are more likely to experience inflation risk, political turmoil and rapid changes in economic conditions. Investing in the securities of emerging markets involves certain considerations not typically associated with investing in more developed markets, including but not limited to, the small size of such securities markets and the low volume of trading (possibly resulting in potential lack of liquidity and in price volatility), political risks of emerging markets including unstable governments, government intervention in securities or currency markets, nationalization, restrictions on foreign ownership and investment, laws preventing repatriation of assets and legal systems that do not adequately protect property rights. Further, emerging markets can be adversely affected by changes to the economic health of certain key trading partners, such as the U.S., regional and global conflicts, terrorism and war. Emerging markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

Equity Securities Risk - Equity securities are subject to changes in value and their values can be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which the issuer securities are subject to stock risk. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and will do so again in the future.

Frontier Markets Risk - Investments in frontier markets can be subject to a greater risk of loss than investments in more developed and traditional emerging markets. Frontier markets are more likely to experience inflation, currency and liquidity risks, political turmoil and rapid changes in economic conditions than more developed and traditional emerging markets. Frontier markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

Hedging Risk - Hedging techniques could involve a variety of derivatives, including futures contracts, exchanged listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. A transaction used as a hedge to reduce or eliminate losses associated with a portfolio holding or particular market that a portfolio has exposure, including currency exposure, can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the hedging transaction and its reference portfolio holding or market (correlation risk), and there can be no assurance that a portfolio's hedging transaction will be effective. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge can be greater than gains in the value of the positions of the portfolio. Increased volatility will generally reduce the effectiveness of the portfolio's currency hedging strategy. Hedging techniques involve costs, which could be significant, whether or not the hedging strategy is successful. Hedging transactions, to the extent they are implemented, have in the past and will likely in the future not be completely effective in insulating portfolios from currency or other risks.

Income Risk - A portfolio's income will likely decline when interest rates decrease. During periods of falling interest rates an issuer can repay principal prior to the security's maturity ("prepayment"), causing the portfolio to have to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.

Index-Related Risk - Index strategies are passively managed and do not take defensive positions in declining markets. There is no guarantee that a portfolio managed to an index strategy ("index portfolio") will achieve a high degree of correlation to its underlying index and therefore achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the index portfolio's ability to adjust its exposure to the required levels in order to track its underlying index. Errors in index data occur from time to time and are sometimes not identified and corrected for a period of time, and can have an adverse impact on a portfolio managed to the index. The index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indices, and does not guarantee that the index will be in line with its described index methodology. Errors and rebalances carried out by the index provider to the underlying index has in the past and likely will in the future increase the costs and market exposure risk of a portfolio.

Interest Rate Risk - When interest rates increase, fixed income securities or instruments will generally decline in value. Long-term fixed income securities or instruments will normally have more price volatility because of this risk than short-term fixed income securities or instruments.

Issuer Risk - A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Changes to the financial condition or credit rating of an issuer of those securities can cause the value of the securities to decline or become worthless.

Investment Style Risk - Different investment styles tend to shift in and out of favor depending upon market and economic conditions and investor sentiment. Portfolios will outperform or underperform other portfolios that invest in similar asset classes but employ different investment styles.

Leverage Risk - A portfolio utilizing leverage will be subject to heightened risk. Leverage involves the use of various financial instruments or borrowed capital in an attempt to increase the return on an investment and can be intrinsic to certain derivative instruments. Leverage takes the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged, including but not limited to, forward contracts, futures contracts, options, swaps (including total return financing swaps and interest rate swaps), repurchase agreements and reverse repurchase agreements, or other forms of direct and indirect borrowings and other instruments and transactions that are inherently leveraged. Any such leverage, including instruments and transactions that are inherently leveraged, can result in the portfolio's market value exposure being in excess of the net asset value of the portfolio. A portfolio will often need to liquidate positions when it is not be advantageous to do so to satisfy its borrowing obligations. The use of leverage entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

Liquidity Risk - Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or becomes less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio is unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes can be more difficult to value.

Long/Short Strategy Risk - There is no guarantee that returns on a portfolio's long or short positions will produce high, or even positive, returns and the portfolio could lose money if either or both the portfolio's long and short positions produce negative returns.

Management Risk - A portfolio is subject to management risk, which is the risk that the investment process, techniques and analyses applied will not produce the desired results, and those securities or other financial instruments selected for a portfolio has in the past and likely will in the future result in returns that are inconsistent with the portfolio's investment objective. In addition, legislative, regulatory, or tax developments will affect the investment techniques or opportunities, available in connection with managing the portfolio and has in the past and likely will in the future also adversely affect the ability of the portfolio to achieve its investment objective.

Market Risk - The market value of the instruments in which a portfolio invests go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets.

Micro-cap Companies Risk - Stock prices of microcap companies are significantly more volatile, and more vulnerable to adverse business and economic developments, than those of larger companies. Microcap stocks also are often thinly traded, making it difficult for a portfolio to buy and sell them.

Municipal Securities Risk - Municipal securities can be significantly affected by political or economic changes, as well as uncertainties in the municipal market related to taxation, changes in interest rates, relative lack of information about certain issuers of municipal securities, legislative changes or the rights of municipal security holders. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets.

Non-Diversification Risk - Non-diversification of investments means a portfolio invests a large percentage of its assets in securities issued by or representing a small number of issuers or exposure types. As a result, a portfolio's performance will depend on the performance of a small number of issuers or exposures.

Non-U.S. Exchange Risk Exposure - Portfolios that are denominated in U.S. dollars, but invest in securities denominated, and will receive a portion of their income and gains, in currencies other than the U.S. dollar, can experience a reduction in the value of such other currencies relative to the U.S. dollar prior to conversion into U.S. dollars. This can adversely affect the net asset values of the portfolio.

Non-U.S. Securities Risk - Investments in the securities of non-U.S. issuers are subject to the risks associated with non-U.S. markets in which those non-U.S. issuers are organized and operate, including but not limited to, risks related to foreign currency, limited liquidity, less government regulation, privatization, and the possibility of substantial volatility due to adverse political, economic, geographic events, or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange controls or other regulations and potential restrictions on the flow of international capital. These risks are often heightened for investments in smaller capital markets, emerging markets, developing markets or frontier markets.

Offshore Investor Risk - A portfolio, seeking to trade in foreign currencies has in the past and likely will in the future have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. These limitations and restrictions impact the availability, liquidity and pricing of the financial instruments that are necessary for the portfolio to gain exposure to the currency markets, impairing the portfolio's ability to achieve its investment objective.

Operational Risk - A portfolio can suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Private Investment Risk - Investments in private investments, including debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets and other similar types of investments are highly illiquid and long-term. A portfolio's ability to transfer and/or dispose of private investments is expected to be highly restricted.

Portfolio Turnover Risk - Active and frequent trading of securities and financial instruments in a portfolio can result in increased transaction costs, including potentially substantial brokerage commissions, fees and other transaction costs. In addition, frequent trading is likely to result in short-term capital gains tax treatment. As a result of portfolio turnover, the performance of a portfolio can be adversely affected.

Real Estate Risk - Historically real estate has experienced significant fluctuations and cycles in value and local market conditions which has in the past and likely will in the future result in reductions in real estate opportunities, value of real property interests and, possibly, the amount of income generated by real property. All real estate-related investments are subject to the risk attributable to, but not limited to: (i) inability to consummate investments on favorable terms; (ii) inability to complete renovation, expansion or development on advantageous terms; (iii) adverse government, environmental and tax regulations; (iv) leasing delays, tenant bankruptcies and low occupancy levels and lease rates; and (v) changes in the liquidity of real estate markets. Real estate investment strategies that employ leverage are subject to risks normally associated with debt financing, including the risk that: (a) cash flow after debt service will be insufficient to accumulate sufficient cash for distributions; (b) existing indebtedness (which is unlikely to be fully amortized at maturity) will not be able to be refinanced; (c) terms of available refinancing will not be as favorable as the terms of existing indebtedness; or (d) the loan covenants will not be complied with. It is possible that property could be foreclosed upon or otherwise transferred to the mortgagee, with a consequent loss of income and asset value.

Research Risk - Fundamental analysis entails attempting to measure the intrinsic value of a security by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysis attempts to produce a value for a security which can be compared with the current price. There are several weaknesses of fundamental analysis including; models are time consuming and specific to industries or companies, models are based on assumptions which introduce subjectivity, models are subject to biases of the analyst and the definition of fair value. Fundamental analysis should be approached with caution. An inherent risk involved in the analysis is the assumption that the market or security will reach an expected value. Qualitative analysis is a non-statistical oriented analysis. It uses subjective judgment based on unquantifiable information, for example; management expertise, industry cycles, strength of research and development and labor relations. The risk involved with qualitative analysis is that there are biases introduced by the analyst. Quantitative analysis is a method of analysis that seeks to understand behavior by using complex mathematical and statistical modeling. The risk involved with the analysis is that there is no guarantee that these models will accurately forecast results or reduce risk. There can be no assurance that a model will achieve its objective. Technical analysis is based on past market data including price and volume. The risks associated with this model are the assumption that the market will follow a pattern. However, markets do not always follow patterns or predictions of the pattern can be flawed.

Short Selling Risk - Short sales in securities that it does not own exposes a portfolio to speculative exposure risks. If a portfolio makes short sales in securities that increase in value, the portfolio will lose value. Certain securities will not be available or eligible for short sales. Short selling involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at an acceptable price; the possibility of the lender terminating the loan at any time, forcing the portfolio to close the transaction under unfavorable conditions; the additional costs that will be incurred; and the potential loss of investment flexibility caused by the obligation to provide collateral to the lender and set aside assets to cover the open position. There can be no assurance that a portfolio will be able to close out a short sale position at any particular time or at an acceptable price. Any loss on short positions will not necessarily be offset by investing short-sale proceeds in other investments.

Small & Mid-Cap Risk – Compared to large-capitalization companies, small-capitalization and mid-capitalization companies can be less stable and more susceptible to adverse developments, and their securities can be more volatile and less liquid.

U.S. Economic Risk - The United States is a significant trading partner with other countries. Certain changes in the U.S. economy could have an adverse effect on the economy and markets of other countries.

Underlying Fund Risk - A portfolio investing in funds (underlying funds), includes, but is not limited to the performance of the underlying fund and investment risk of the underlying funds' investment, as the underlying funds could involve highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts and startups, control positions and illiquid investments. In particular, the risks for a portfolio operating under a fund of funds structure include, but are not limited to, the following: the performance of the portfolio will depend on the performance of the underlying funds' investments; there can be no assurance that a multi-manager approach will be successful or diversified, or that the collective performance of underlying fund investments will be profitable; one or more underlying funds will be allocated a relatively large percentage of the portfolio's assets; there can be limited information about or influence regarding the activities of the underlying fund's investment advisors and underlying funds, like any other asset, will be subject to trading restrictions or liquidity risk. Portfolio investments in underlying funds will generally be charged the proportionate share of the expenses of investing in the underlying fund(s).

Valuation Risk - The net asset value of a portfolio as of a particular date can be materially greater than or less than its net asset value that would be determined if a portfolio's investments were to be liquidated as of such date. For example, if a portfolio was required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that a portfolio would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of a portfolio. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of a portfolio.

Volatility Risk - The prices of a portfolio's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

Item 9 - Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10 - Other Financial Industry Activities and Affiliations

Affiliated Bank

FRIM is a wholly owned subsidiary of First Republic Bank, a publicly-traded bank that offers a broad spectrum of banking products and financial services to consumers, small businesses and commercial clients. As a subsidiary of First Republic Bank, FRIM is under common ownership and control with several other providers of financial services, including those set forth below with which it has a material business relationship. The services provided by these affiliated companies are separate and distinct from the advisory services of FRIM, and are provided for separate and additional compensation.

Affiliated Broker-Dealer

FRIM is affiliated through common ownership and control with FRSC, a registered securities broker dealer. The majority of FRIM management persons and representatives are also registered representatives of FRSC. Client brokerage accounts at FRSC are cleared on a fully-disclosed basis at Pershing LLC, which has custody of the FRSC customer accounts. Pershing is a clearing broker that is not affiliated with FRSC or FRIM.

FRIM Wealth Managers, and certain other of FRIM's management persons and associates are registered, or have an application pending to register, as representatives and associated persons of FRSC.

Affiliated Trust Company

FRIM is affiliated through common ownership and control with First Republic Trust Company ("FRTC"), a division of the Bank, and First Republic Trust Company of Delaware, LLC ("FRTC-DE"). Some client trust accounts are held in custody with FRTC and FRTC-DE. When appropriate, FRIM and FRTC or FRTC-DE refer clients to each other. This creates potential conflicts of interest with clients which are addressed as set forth below.

CFTC Registrations

First Republic Investment Management, Inc. is registered as a Commodity Trading Advisor (CTA) and a Commodities Pool Operator (CPO) with the Commodities Futures Trading Commission (CFTC). Certain of the Altair Funds, which are advised by FRIM, are exempt CPOs and CTAs and file these exemptions with the CFTC.

Relationships with Affiliates

When appropriate, FRSC provides a broad range of broker-dealer services to FRIM clients for which it receives compensation. This creates conflicts of interest with clients which are addressed as set forth below.

FRSC serves as a placement agent for FRIM's Altair private investment platform. Neither the investors in the Altair Funds, nor the Altair Funds pay a fee to FRSC for serving as private placement agent. FRIM, using its own assets, reimburses FRSC for its reasonable, documented expenses in providing private placement services.

In certain instances, FRSC serves as placement agent for investments in Private Funds not advised by

FRIM ("unaffiliated Private Funds"). In such instances, if a client elects to invest in an unaffiliated Private Fund through FRSC, the client has in the past and likely will in the future be charged a one-time placement agent fee in addition to the unaffiliated Private Fund's fees (e.g., management and administration fees). FRIM or FRSC have in the past and likely will in the future also receive ongoing trailer fees from the Private Fund for the placement.

Margin buying is buying securities with cash borrowed from a broker-dealer (including an affiliate of FRIM) by using other securities as collateral. In cases where margin is used in the management of client accounts, the securities in the accounts are pledged for collateral to borrow and buy additional securities. This has the effect of magnifying any profit or loss. The securities serve as collateral for the loan, and this margin loan must be repaid even if the residual value of the client account is insufficient. FRIM and its representatives will have an incentive to borrow money on a client account and pledge the assets as collateral through FRIM's affiliated broker dealer, FRSC. Both entities are under common control, and FRSC receives compensation for use of margin. These conflicts are addressed as set forth below.

As described elsewhere in this Brochure, FRSC receives 12b-1 (distribution) fees for the sale of certain open-ended investment companies (mutual funds). FRSC, an affiliate of FRIM, receives these fees for certain mutual funds purchased by advisory clients of FRIM, as determined by FRIM or one of its representatives, in their sole discretion.

Client assets are sometimes invested in shares of registered funds (such as mutual funds) that offer several classes of shares with different fees. Some share classes charge 12b-1 (distribution) fees, shareholder services fees or administrative fees and pay these fees to FRSC. Distribution payments, or 12b-1 fees, compensate FRSC for selling registered fund shares. Shareholder services and administrative fees compensate FRSC for customer account services and administration such as account and trade detail recordkeeping, customer statement preparation and delivery, tax reporting, and other services that the registered mutual fund otherwise would have provided. Distribution, shareholder services and administrative fees are deducted from the mutual fund's assets and indirectly paid by the fund's shareholders. Registered funds often offer one or more share classes that do not charge 12b-1 or shareholder services fees. Clients may be able to invest in lower-cost share classes directly.

FRSC generally receives less compensation when 12b-1, shareholder services and administrative fees are reduced or waived completely, or when there is no fee. FRSC has in the past earned and kept these fees. In some years, the amount of these fees has been material to FRSC. In the past, FRSC has credited these fees to some advisory clients' accounts but not others. In an effort to reduce client costs, minimize the conflicts of interest presented by mutual fund 12b-1 fees, and conform treatment of different types of FRIM client accounts, as of July 1, 2018, FRSC will, for all advisory account clients on a going-forward basis, credit these fees to advisory clients' accounts. These credits will be subject to the advisory fee if they remain in a client account at the time of billing.

FRIM has a conflict of interest in recommending these funds or share classes, both in making investment decisions in light of the receipt of these fees and in selecting a more expensive 12b-1 fee paying share class when a lower-cost share class is available for the same fund. The conflict of interest arises from FRIM's financial incentive to recommend or select registered funds or share classes for clients that pay higher 12b-1 fees, because such registered funds or share classes generally result in higher compensation for FRSC. Although there can be legitimate reasons that a particular client is invested in a more expensive 12b-1 fee paying share class, FRIM has taken steps to minimize the conflict of interest: through advisory account credits beginning on July 1, 2018; through disclosure in this Brochure; through internal policies and procedures that require investment advice to be appropriate for advisory clients; by ensuring that individual Wealth Managers are not directly compensated for recommendations to purchase share classes of registered funds that pay such fees to FRSC; by restricting Wealth Managers' recommendations to funds and share classes on FRIM's approved list; and by systematically evaluating when a lower fee share class of a registered fund on FRIM's approved list is available. It will not always be possible or in the client's best interest for FRIM to select SEC-registered mutual fund investments that do not pay these fees. Accordingly, despite the foregoing efforts to minimize conflicts of interest, FRIM clients should not assume that they will be invested in the registered fund or share class with the lowest possible 12b-1 fees.

FRSC has an insurance division, "Grand Eagle", which sells variable life insurance products. FRIM Investment Adviser Representatives, Access Persons (as defined in item 11) and FRSC Registered Representatives, in their capacity as licensed life insurance agents, receive compensation from Grand Eagle for the sale of insurance products. This creates a conflict of interest with clients. These conflicts are addressed as set forth below.

FRSC earns income from cash balances that are "swept" from brokerage accounts into money market mutual funds or bank deposits under the Eagle Bank Sweep Program that is administered by FRB. These fees are often paid by the mutual fund, through the fund custodian, or by the Bank (which is the parent company of FRSC) to FRSC. In the case of the Bank, the payment takes the form of a flat, per-account monthly reimbursement. First Republic Bank also makes flat, per-account monthly reimbursement payments to FRIM relating to the Eagle One Bank Deposit Sweep Program ("Eagle One BDSP"). These payments by the Bank create a conflict of interest with clients. In addition, an affiliate of FRIM (i.e. FRSC or FRB) receives compensation from clients based on the assets in their advisory accounts, including sweep deposit balances. These conflicts are addressed as set forth below.

FRSC makes available to clients several options for holding uninvested cash in clients' brokerage accounts. The primary option for those who qualify is the Eagle Sweep Account. The Eagle Sweep Account is an FDIC-insured deposit account opened and maintained by FRSC's clearing agent, Pershing LLC, at FRSC's affiliated bank, FRB.

The Eagle One BDSP Account is an FDIC-insured deposit account at First Republic Bank available to investment advisory clients of FRIM whose brokerage accounts are held in custody through Fidelity Brokerage Services LLC and its affiliate, National Financial Services LLC.

Funds swept into the Bank deposit accounts under the Eagle Sweep and the Eagle One BDSP provides a relatively low cost source of funding for the Bank. Because the Bank is the parent company of both FRSC and FRIM, its role as the depository institution for Eagle Sweep and Eagle One BDSP creates a conflict of interest. Information regarding the two sweep programs, including information regarding the scope of FDIC insurance coverage and the existence of the conflicts of interest with respect to the two programs has been provided to participating clients of FRSC and FRIM.

The asset based management fee charged by FRIM to advisory clients' covers cash and cash equivalents, including cash allocated to the Eagle Sweep Account and Eagle One Sweep BDSP account at First Republic Bank. These conflicts are addressed as set forth below.

In addition, FRIM refers clients to First Republic Bank for certain other financial products and services, including loans related to insurance premium financing transactions ("Premium Financings") facilitated by FRIM in its capacity as an insurance licensed entity. In connection with Premium Financings, the Bank will function as a lender and takes a security interest in the underlying policy and other collateral. As a result, FRIM will have an incentive to direct Premium Financing transactions to First Republic Bank. Specifically, both entities are under common control and First Republic Bank will receive additional compensation in the form of fees and interest on Premium Financings. These conflicts are addressed as set forth below.

Conflicts Related to Affiliations and Affiliated Activities

In their separate capacities as registered representatives and/or insurance agents, FRIM management persons and employees that are separately licensed as registered representatives with FRSC or as insurance agents will be able to effect securities transactions and/or purchase insurance and insurance-related investment products for FRIM's advisory clients, for which they will receive separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Clients should be aware that the receipt of additional compensation by FRIM and its management persons or employees creates a conflict of interest due to its affiliated entities that could impair the objectivity of FRIM and these individuals when making advisory recommendations. FRIM endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address this and other conflicts of interest arising due to FRIM's various affiliations:

1. FRIM discloses to clients the existence of all material conflicts of interest, including the potential for FRIM and its employees to earn compensation from advisory clients in addition to FRIM's advisory fees;

2. FRIM discloses to clients that they are not obligated to purchase recommended investment products from FRIM's employees or related companies;

3. FRIM collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;

4. FRIM's management conducts reviews of client accounts to verify that recommendations made to a client are suitable to the client's needs and circumstances;

5. FRIM requires that its employees seek prior approval of any outside employment activity so that FRIM can ensure that any conflicts of interests in such activities are properly addressed; and

6. FRIM educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Conflicts Related to Unaffiliated Activities

FRIM is also an insurance agency under Eagle Private Insurance Services. The agency was created for the purpose of offering risk management services and certain insurance related products to clients not otherwise available through an affiliated entity. These services and products are offered through an agreement with FRIM and M Financial Holdings Incorporated, a Delaware Corporation and an unaffiliated entity of FRIM or any of its affiliates. As a result, certain FRIM supervised persons and related sales personnel are securities registered with M Holdings Securities, Inc. ("MHS"), a member firm of the Financial Regulatory Authority (FINRA), and an unaffiliated broker-dealer. FRIM, supervised persons and related sales personnel receive compensation on certain insurance or securities products offered through MHS. Thus, FRIM and its supervised persons have an incentive to recommend certain insurance and securities products through MHS for which FRIM and the supervised persons receive compensation. All such compensation will be fully disclosed.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

FRIM maintains a comprehensive Code of Ethics (the "Code") in accordance with Rule 204A-1 of the Investment Advisers Act, and other applicable laws and regulations, as well as industry best practice standards. The Code is based on the overriding principle that the employees have a fiduciary duty to firm clients. All activities of FRIM's employees shall be guided by, and adhere to, these fiduciary standards. The Code sets forth specific rules and procedures that are consistent with these fiduciary standards. However, all activities by Employees are required to conform to these standards regardless of whether the activity is specifically covered in the Code.

Procedures established in the Code are intended to prevent and detect any conflicts of interest and prohibited activities in connection with personal trading or other activities on the part of FRIM's employees. All of the provisions of the Code apply to all of FRIM's employees.

FRIM requires all Access Persons (employees of FRIM & FRSC as well as their immediate family members living in the employee's household) to pre clear their personal securities transactions for securities that are covered under its Code of Ethics. Accounts covered by the Code, include the following:

A. Beneficial Ownership
All accounts in which an Access Person has a Beneficial Ownership interest, examples include: Brokerage, IRA, Joint, UGMA/UTMA, Trust accounts, discretionary (managed) accounts.

B. Immediate Family
All accounts of Access Person's household, including but not limited to spouse, domestic partner, parents, children, or anyone for whom the Access Person provides material financial support.

C. Investment Control
All accounts over which an Access Person has direct or indirect control or influence on investment decisions including, any arrangement where the Access Person serves as an agent, executor, and trustee, hold power of attorney, or in another similar capacity.

The following are the principal elements of the Code of Ethics:

- Prohibitions on Initial Public Offerings & Initial Coin Offerings;
- Restriction on Private Investments;
- Prohibition on Short Term Trading Profits (30 day Holding requirement);
- One full trading day black out period for changes to FRIM's recommended list;
- For investment professionals, a prohibition on buying or selling a security of an issuer traded in an associated client account within 5 days (2 days prior to the client trade, same day or 2 days after) the client trade, except for De-Minimis trades defined as daily transactions in Covered Securities involving less than 10,000 shares or $100,000 (whichever is greater) in securities with market capitalization larger than $5 billion;
- Prohibition of Trading in FRC Stock during the "Closed Period";
- Prohibition on cross trades or transfer of ownership;
- Limits relating to gifts given and received;
- Restriction on trading securities on Watch List and Restricted List;
- Pre clearance of all outside business activities and political activity;
- Reporting requirements to Compliance including:
    - Initial disclosure and quarterly certification of account holdings
    - Initial and annual Code of Ethics and Compliance Manual attestation

- Initial and quarterly Conflicts of Interest Policy attestation
- Quarterly transactions certification
- Timely disclosure and quarterly certification of gifts
- Initial and quarterly Private Investment certification
- Initial disclosure and quarterly certification of brokerage accounts
- Initial disclosure and quarterly certification of Outside Business Affiliations
- Initial disclosure and quarterly certification of Political Activity
- Initial disclosure and quarterly certification of employee/ client affiliations

A full copy of the aforementioned Code of Ethics is available to any client or prospective client upon request to the CCO at the address, fax or phone number provided on the cover page of this Brochure.

From time to time, FRIM invests in securities on behalf of clients that are of the same type that FRIM, its parent or FRIM's employees, officers or directors also own, or buy or sell at the same time, subject to the small trade de minimis exceptions (as described above).

Where a Wealth Manager's interests are aligned and they invest in the same strategy as the client, and that Wealth Manager trades the same way alongside clients, that is buys or sells the same securities at the same time and at the same price as for FRIM's clients, and aggregates and average prices these purchases and sales, they are exempt from pre clearance rules.

Neither FRIM nor any related person is an issuer of any securities purchased for clients on a discretionary basis, and neither FRIM nor any related person has a material financial interest in any security purchased for any client on a discretionary basis.

Neither FRIM nor any related person acts as a general partner to a partnership in which clients are solicited to invest or offered to advisory clients, however, FRIM is an Adviser to the Altair family of private pooled investment vehicles, and the conflict that this represents is described in the Private Placement Memorandum for each such fund.

Registered representatives of FRIM-affiliate FRSC recommend mutual funds that participate in Pershing's FundVest Program, through which Pershing waives transaction charges for purchases of mutual funds in brokerage accounts (not advised or managed by FRIM) that would normally carry a transaction charge. Once certain asset thresholds of FundVest mutual funds are met, Pershing shares revenue with FRSC, providing an incentive for registered representatives of FRSC to recommend mutual funds that participate in the FundVest Program. Redemptions of shares of mutual funds that participate in the FundVest Program have in the past and likely will in the future be assessed a short-term redemption fee by Pershing if sold within six months, which FRSC can absorb or increase at its discretion.

FRIM's Chief Compliance Officer is responsible for the implementation and administration of the Code. The Compliance department has the following monitoring responsibilities, including but not limited to pre-clearance of all personal trade requests in covered securities, monitoring of employee activity and maintenance of records in accordance with applicable laws and regulations. Any violation of the Code, including engaging in a prohibited transaction or failing to meet reporting requirements, could result in disciplinary action, up to and including, suspension or termination of employment. The Chief Compliance Officer is required to report to FRIM's Compliance Committee, any circumstance of fraud, deceit, or manipulative practice that could be found to have been practiced on a client of FRIM in connection with personal trading by employees and other material violations of the Code.

Item 12 - Brokerage Practices

FRIM generally has discretionary authority to determine the securities to be bought or sold for clients, the amount of such securities, the broker-dealer to be used and the commission to be paid, subject to a client's established guidelines. FRIM will use its best efforts to obtain the best available price and most favorable execution under the circumstances with respect to all portfolio transactions executed on behalf of its clients.

When selecting or recommending a broker and negotiating commission rates for placing trades on behalf of client accounts, FRIM considers the full range and quality of brokerage services available. Both qualitative and quantitative factors are considered.

Qualitative factors include:

- timeliness and accuracy of trade confirmations
- ability to place trades in difficult market environments
- ability to provide investment ideas
- frequency of trading errors
- ability to access a variety of market venues
- expertise as it relates to specific securities

Quantitative factors include:

- timeliness of execution
- liquidity of securities traded
- ability to maintain confidentiality of trading intentions

Research and Soft Dollar Benefits

FRIM causes some clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), in return for receiving research or other products or services that save FRIM money. The advisory fees charged by FRIM are not reduced by the value of these services. As a result, FRIM has an incentive to select or recommend a broker-dealer based on FRIM’s interest in receiving research or other products or services, rather than on lowest cost to the Client. Such higher commissions will be paid in accordance with Section 28(e) of the Securities Exchange Act of 1934, which requires FRIM to determine in good faith that such transactions are reasonable in relation to the value of research and execution products and services provided.

The research and brokerage services are not always used to benefit the particular client’s account that paid for the research but all FRIM’s clients generally. Additionally, research and brokerage services are sometimes used to benefit the accounts of FRIM’s other clients.

The types of research and services acquired in the past year paid by soft dollars includes: economic, equity, fund equity, fundamental equity, third-party company, macro-economic, market, technical, fixed income, mutual fund, socially responsible equity screening and private equity.

Where there is no "give up" charge for executing away from the custodian, client transactions are directed to broker-dealers in return for soft dollar benefits received by FRIM.

Brokerage for Client Referrals

FRIM has had and will likely have in the future relationships with affiliated and unaffiliated broker-dealers wherein FRIM receives client referrals. This results in a conflict of interest with the client since FRIM has an incentive to select or recommend a broker-dealer based on receiving these referrals rather than selecting the broker with the most favorable execution.

FRIM does not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a potential conflict of interest arises between the client's interest in obtaining best price and execution and FRIM's interest in receiving future client referrals. Under such circumstances, therefore, clients should be aware of their various brokerage options, including utilizing the services of the referring broker, choosing another broker, or utilizing a firm (recommended/retained) by FRIM to provide custody and execution services.

Directed Brokerage

FRIM routinely recommends that clients direct FRIM to execute transactions through a specific affiliated or unaffiliated bank or broker-dealer ("Directed Brokerage"). Not all advisers require clients to direct brokerage.

A direction by the client to use FRIM's affiliated bank or broker-dealer to effect transactions in the client's account could result in less advantageous execution than if another broker-dealer were used to execute the transaction. For example, the client trades have in the past and likely will in the future be subject to greater spreads (the difference between the bid and the offer price) or less favorable net prices. This creates a conflict of interest since FRIM has an incentive to recommend its affiliate which will collect transaction fees. Clients of FRIM, however, are under no obligation to utilize the services of its affiliated bank or broker and can choose to use another bank and/or broker and still retain FRIM to provide its advisory services.

FRIM has in the past and likely will in the future recommend clients use Directed Brokerage through an unaffiliated broker-dealer with which FRIM has an economic relationship. For example, FRIM has relationships with several brokers including Charles Schwab, TD Ameritrade and Fidelity. FRIM and its affiliates receive benefits in the form of systems support, duplicate client confirmations, bundled statements; access to a trading desk that exclusively service institutional division participants; access to block trading which provides the ability to aggregate and allocate transactions to client accounts; and access to an electronic communication network for client order entry and account information. When using Directed Brokerage, unaffiliated broker-dealers can offer higher or lower trading costs and overall service offerings differ from broker-dealers to broker-dealers. FRIM has no duty of best execution and is not obligated to solicit competitive bids for each transaction or seek the lowest available commission cost when Directed Brokerage is used. The duties of best execution shall instead be met by the Client's broker-dealer. If a client's broker-dealer cannot execute a transaction on the client's behalf, or in FRIM's sole discretion, FRIM determines that the transaction should not be executed by the broker-dealer; FRIM will affect the transaction through a different broker, dealer, or bank, including those affiliated with FRIM.

Aggregation of Trades

Where possible, FRIM will aggregate orders of clients in order to obtain a lower commission rate. In situations where aggregated trades are executed in multiple lots at varying prices, each participating client's proportionate share will reflect the average price paid or received with respect to the aggregate order. Clients should note that FRIM will be unable to aggregate trades among client accounts where the participating clients have directed the use of different brokers. In addition, trades placed in the accounts of clients that do not grant FRIM discretionary authority over the account have in the past and likely will in the future be placed after those entered in the accounts of clients that have granted such authority due to the time involved in obtaining the nondiscretionary client's consent to the particular trade. Under these circumstances, and depending on the type of security traded, the nondiscretionary client's trade has in the past and likely will in the future be executed on a different day and/or at a different price, which could be more or less favorable than the price obtained for clients granting discretionary authority.

Item 13 - Review of Accounts

Periodic Reviews

FRIM Wealth Managers are responsible for ongoing review of client accounts. Client portfolios are also supervised by the Investment Policy Statement Review Group to monitor the asset allocation versus approved ranges for each investment objective guideline.

Review Triggers

More frequent reviews are triggered by a change in investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; or changes in economic climate.

Regular Reports

Investment advisory clients receive standard account statements from their custodian at least quarterly. Some clients are provided written periodic reports that contain more details about holdings; details include but are not limited to cost basis; current market prices; rates of return; estimated annual income; and yield.

Item 14 - Client Referrals and Other Compensation

FRB refers clients of the Bank to FRIM and vice versa. FRIM encourages Bank referrals and offers compensation, recognition and awards for bankers who refer business to FRIM. Additionally, FRTC and FRTC-DE refer clients to FRIM and vice versa. FRIM offers compensation for these referrals.

This practice presents a conflict of interest for the Bank because an incentive exists to recommend investment products based upon the compensation received rather than on a client's needs. However, when providing investment advisory services to clients, FRIM is a fiduciary and is required to act solely in the best interest of clients. FRIM addresses this conflict through disclosure in this brochure and by adopting internal policies and procedures that require investment advice to be suitable for advisory clients (based upon the information provided by such clients).

Notwithstanding the foregoing, FRIM reserves the right to reject any referral in its sole discretion and will only offer investment advice where it can do so in a mutually beneficial manner with the client in accordance with its fiduciary duties under the Advisers Act.

Registered representatives of FRIM-affiliate FRSC recommend mutual funds that participate in Pershing's FundVest Program, through which Pershing waives transaction charges for purchases of mutual funds in brokerage accounts (not advised or managed by FRIM) that would normally carry a transaction charge. Once certain asset thresholds of FundVest mutual funds are met, Pershing shares revenue with FRSC, providing an incentive for registered representatives of FRSC to recommend mutual funds that participate in the FundVest Program. Redemptions of shares of mutual funds that participate in the FundVest Program have in the past and likely will in the future be assessed a short-term redemption fee by Pershing if sold within six months, which FRSC can absorb or increase at its discretion. Pershing, in its sole discretion, will add or remove mutual funds from the FundVest Program without prior notice. FRSC's participation in the FundVest Program presents a potential conflict of interest because it provides an incentive for registered representatives of FRIM-affiliate FRSC to recommend mutual funds that participate in the FundVest Program; however, FRSC has adopted internal policies and procedures that require its registered representatives to make recommendations that are suitable for clients.

Additional Compensation

FRIM compensates some of its employees whereby the employee upon bringing a new client to FRIM, receives a portion of the fees paid by the client to FRIM. Additionally, some FRIM Wealth Managers are also registered with FRSC as broker-dealer representatives. In such capacities, FRIM Wealth Managers provide brokerage and related services to clients, including the purchase and sale of individual stocks, bonds, mutual funds, private investment funds, and other securities, and sales of life insurance policies and annuities. This practice presents a conflict of interest because it gives FRIM Wealth Managers an incentive to recommend investment products based upon the compensation received rather than on a client's needs. However, when providing investment advisory services to clients, FRIM Wealth Managers are fiduciaries and are required to act solely in the best interest of clients. FRIM addresses this conflict through disclosure in this brochure and by adopting internal policies and procedures for FRIM and FRSC that require them to provide investment advice that is suitable for advisory clients (based upon the information provided by such clients).

FRIM provides investment advisory services to clients through managed account programs (dual contract) sponsored by unaffiliated broker-dealers and other financial intermediaries. In a dual contract program, FRIM provides its advisory services pursuant to an advisory agreement directly with the client. A client can separately arrange with one or more unaffiliated third parties for custody, financial advisory and certain trading services to be proved. For these accounts, FRIM is appointed to act as an investment adviser through a process generally administered or assisted by the program sponsor. Clients participating in a program, generally with assistance from the sponsor, can select FRIM to provide investment advisory services for their account (or a portion thereof) for a particular strategy.

FRIM receives an economic benefit from certain third-party custodians by having fees waived or by not being charged for utilizing specialized investment adviser electronic information down loads, access to specialized institutional brokerage trading and customer service teams, and specialized batched statements. From these services, FRIM is then able to more efficiently and readily manage clients' accounts. This benefit presents a conflict of interest because it gives FRIM an incentive to recommend custody based upon the benefits received rather than on a client's needs. However, when providing investment advisory services to clients, FRIM is a fiduciary and is required to act solely in the best interest of clients. This conflict is addressed through disclosure in this brochure and by adopting internal policies and procedures that require it provide investment advice that is suitable for advisory clients.

FRIM is also a party to certain insurance networking arrangements with third-party broker dealers and receives compensation from time to time based upon a percentage of the compensation received by such third-party broker dealers from the sale of insurance products.

FRIM is a party to referral arrangements with third-party managers and receives referral fees as an unaffiliated solicitor. FRIM is party to referral arrangements with third-party solicitors, constructed in accordance with Rule 206(4)-3 of the Advisers Act, whereby third-party solicitors will refer potential clients to FRIM in exchange for compensation based on a percentage of advisory fees collected.

Item 15 - Custody

FRIM is not a qualified custodian (bank or broker-dealer) and does not generally have custody of client assets. However, because certain clients authorize FRIM to receive its advisory fees out of the assets in such clients' accounts by sending invoices to the respective custodians of those accounts or because FRIM may have the ability to transfer funds through the use of a standing letter of authorization, FRIM is likely to be deemed by the SEC to have custody of the assets in those accounts. Such clients generally will receive account statements directly from their third-party custodians and should carefully review these statements. Clients should contact FRIM immediately if they do not receive account statements from the custodian on at least a quarterly basis.

On occasion FRIM provides clients with separate reports or certain information about the account. Clients should compare these carefully to the account statements received from the custodian. If clients discover any discrepancy between the account statement provided by FRIM and the account statement provided by the custodian, then they should contact FRIM immediately.

Additionally, in limited and incidental situations where FRIM is deemed to have custody by virtue of its affiliation with a Trust Company (and also where Investment Adviser Representatives of FRIM act as Trustees in their personal capacity), FRIM is subject to a surprise audit.

FRIM's clients use its custodian to provide custody, trading and other services as it relates the terms of the Investment Management Agreement. Client acknowledges that custodians offer higher or lower trading costs and that overall service offerings differ from custodian to custodian.

In the event client assets are maintained by a related person, FRIM will obtain a report of the internal controls relating to the custody of those assets from an independent public accountant registered with and subject to regular inspection by the Public Company Accounting Oversight Board.

Finally, FRIM is likely to be deemed to have custody of the assets in the Altair Funds, due to the boards of directors of the Altair Funds providing FRIM the authority to expend the capital and revenues of the Altair Funds in the furtherance of the Altair Fund's business. Some examples of this include the ability to instruct payment of third-party service provider invoices or to make payments directly on behalf of the Altair Funds (e.g., to pay state taxes, etc.). FRIM has several controls in place to ensure the safety of the funds' assets, including: (i) assets of the Altair Funds are maintained with a qualified custodian; (ii) only authorized signatories have the authority to approve or make payments; (iii) the Altair Fund third-party administrators perform monthly and/or quarterly reconciliations; (iv) an annual audit of each fund's financials is performed by an independent auditor registered with the Public Company Accounting Oversight Board ("PCAOB"); and (vi) a copy of the fund's audited financials is provided to each investor within the required timeframe.

Item 16 - Investment Discretion

As a general rule, FRIM receives discretionary investment authority from its clients at the outset of an advisory relationship. Depending on the terms of the applicable Investment Management Agreement, FRIM's authority often includes the ability to select and negotiate with brokers/dealers through which transactions are executed and commissions paid (if any). FRIM is guided by any client-imposed guidelines and/or restrictions as well as the client approved Investment Policy Statement when making portfolio investment decisions. FRIM generally is not required to provide notice to, consult with, or seek the consent of its clients prior to engaging in transactions unless FRIM and the client have entered into a non-discretionary arrangement.

Item 17 - Voting Client Securities

In accordance with FRIM's fiduciary duties, FRIM has adopted and implemented policies and procedures it believes are reasonably designed to ensure that proxies are voted in the best interest of clients. In addition to SEC requirements governing advisers, the proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts.

The majority of clients grant FRIM the authority to vote proxies as established by the advisory contracts or comparable documents. However, clients can choose to receive any or all of their proxies or other solicitations directly from their custodian or a transfer agent, and vote any or all, in their sole discretion. Clients should contact their Wealth Managers directly with questions on a particular solicitation.

It is the policy of FRIM to vote client proxies in the best interest of the client. It is also the policy of FRIM to disclose proxy voting policies and procedures to clients; provide copies of the policies and procedures upon request and advise clients how they can obtain information on how proxies were voted. The information requested by the client will be furnished free of charge and within a reasonable period of time. FRIM can be contacted by calling your Wealth Manager. FRIM will vote in a way that it believes, is consistent with its fiduciary duty and will cause the value of the issue to increase the most or decline the least. Consideration will be given to both short and long term implications when considering the optimal vote. FRIM has adopted Proxy Voting Guidelines which detail how FRIM will direct the vote on particular proxy issues.

Any general or specific proxy voting guidelines provided in writing by an advisory client or its designated agent will supersede this policy. Clients can have their proxies voted by an independent third-party or other named fiduciary or agent, at the client's expense.

Proxies for securities in accounts managed by sub-advisors will be voted by the sub-advisors and will not be voted by FRIM, unless specifically agreed to by FRIM.

As a matter of practice, it is FRIM's policy not to reveal or disclose to any client how the Adviser voted (or intends to vote) on a particular proxy until after such proxies have been counted at a shareholder's meeting. FRIM will generally refrain from disclosing such information to unrelated third parties.

FRIM engages an unaffiliated third-party proxy vendor, Institutional Shareholder Services, Inc. (ISS), to administer proxy voting on FRIM's behalf. It is FRIM's policy to provide sufficient ongoing oversight of the third-party to ensure that the proxies are voted in the best interests of its clients. To avoid material conflicts of interest, FRIM will generally vote proxies according to the ISS Proxy Voting Guidelines. There are a limited number of situations where FRIM might vote against ISS recommendations. In those situations FRIM will document the reasons FRIM chose to vote against ISS.

Class Action Lawsuit Recoveries

For the sake of efficiency, FRIM has engaged the services of an unaffiliated firm, Chicago Clearing Corporation, to participate in class action shareholder lawsuits, on a best efforts basis, for securities beneficially owned by clients during relevant class action periods. Chicago Clearing Corporation earns a contingency fee of twenty percent (20%) of all monies recovered for clients through the filing and administration of class action lawsuit claims. Clients can choose to track their holdings versus relevant shareholder class action lawsuits, opt in or out and/or complete the paperwork instead and in lieu of Chicago Clearing Corporation, in their sole discretion.

Item 18 - Financial Information

FRIM is a wholly owned subsidiary of First Republic Bank, a publicly traded company, the balance sheet of which is publicly available.

FRIM does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance and therefore a balance sheet of FRIM is not required to be disclosed.

FRIM has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to clients at this time.

FRIM has not been the subject of a bankruptcy petition at any time during the past ten years.