KOVITZ INVESTMENT GROUP PARTNERS, LLC
DISCLOSURE BROCHURE
(FORM ADV PART 2A)

May 1, 2024

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This disclosure brochure ("Brochure") provides information about the qualifications and business practices of Kovitz Investment Group Partners, LLC ("Kovitz", "we" or "the Firm"). If you have any questions about the contents of this Brochure, please contact us at **312.334.7300** or at **compliance@kovitz.com**. 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. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Kovitz also is available on the SEC's website at
www.adviserinfo.sec.gov

ITEM 2. MATERIAL CHANGES

This section discusses only specific material changes that are made to this Brochure since the Annual Amendment to the Brochure dated March 31, 2023. It does not describe other modifications to this Brochure, such as stylistic changes or clarifications.

Kovitz has begun a business arrangement with an affiliated firm under which certain clients of our firm invest a portion of their assets in certain of the affiliated firm's private investment vehicles. Please see Items 4, 5, 10, and 11 for details of this arrangement.

On August 31, 2023, investment vehicles affiliated with Clayton, Dubilier & Rice, LLC ("CD&R") and Stone Point Capital LLC ("Stone Point") indirectly acquired Focus Financial Partners Inc. ("Focus Inc."). This transaction resulted in investment vehicles affiliated with CD&R collectively becoming majority owners of Focus Financial Partners, LLC ("Focus LLC") and investment vehicles affiliated with Stone Point collectively becoming owners of Focus LLC. Because Kovitz is an indirect, wholly-owned subsidiary of Focus LLC, the CD&R and Stone Point investment vehicles are indirect owners of Kovitz. Items 4 and 10 have been revised to reflect this new ownership structure.

Our affiliate, Focus Treasury & Credit Solutions, LLC ("FTCS") was acquired by UPTIQ, Inc. and has been renamed UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). We have revised the information concerning FTCS to describe our new arrangement with UPTIQ. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.

Effective March 1, 2024, Kovitz completed the acquisition of assets of, and combination with Telemus Capital, LLC. Telemus Capital is now part of Kovitz and will be doing business as Telemus Capital within Kovitz's registered investment adviser. This brochure has been updated throughout to add language specific to how Telemus Capital conducts advisory business. As part of this transaction, Kovitz will be closing down its affiliated insurance agency, Kovitz Insurance Services. Kovitz will now leverage Telemus Capital's insurance agency, Telemus Insurance Services, LLC, which is a Kovitz company.

Effective May 1, 2024, Kovitz completed the acquisition of assets of, and combination with Strategic Wealth Partners Group, LLC. Strategic Wealth Partners ("SWP") is now part of Kovitz and will be doing business as Strategic Wealth Partners within Kovitz's registered investment adviser. As part of this transaction. This brochure has been updated throughout to add language specific to how Strategic Wealth Partners conducts advisory business.

Kovitz helps its clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"). FRS does not receive any compensation from such third-party insurance brokers from serving Kovitz clients. Further information on this service is available in Items 4, 5 and 10 of this Brochure.

ITEM 3. TABLE OF CONTENTS

ITEM 4. KOVITZ INVESTMENT ADVISORY BUSINESS

Kovitz is an investment adviser that provides investment management, wealth management, and financial planning services. Kovitz has over 220 employees, and we provide our services to individual and institutional clients. Our institutional clients include endowments, municipal government entities, charitable organizations, employee benefit (ERISA) plans, corporations, and other entities. We provide our services from multiple locations: our headquarters in Chicago ("Chicago Office"), and from our offices in Orange County, California ("California Office"), Madison, Wisconsin ("Madison Office") and Southfield, Michigan ("Telemus Capital") and Deerfield, Illinois and Milwaukee, Wisconsin ("Strategic Wealth Partners").

Kovitz was created in December of 2015 in response to being acquired by Focus. From October 1, 2003 to December 31, 2015, the Firm was defined as Kovitz Investment Group, LLC. Effective January 1, 2016, Kovitz Investment Group, LLC underwent an organizational change and all persons responsible for portfolio management became employees of Kovitz. From January 1, 1997 to September 30, 2003, all persons responsible for portfolio management comprised the Kovitz Group, an independent division of Rothschild Investment Corp (Rothschild).

Effective March 1, 2024, Kovitz completed the acquisition of assets of, and combination with Telemus Capital, LLC. Telemus Capital is now part of Kovitz and will be doing business as Telemus Capital within Kovitz's registered investment adviser.

Effective May 1, 2024, Kovitz completed the acquisition of assets of, and combination with Strategic Wealth Partners Group, LLC. Strategic Wealth Partners, ("SWP") is now part of Kovitz and will be doing business as Strategic Wealth Partners within Kovitz's registered investment adviser.

As of March 1, 2024, Kovitz has approximately $11.2 billion of regulatory assets under management. This is composed of approximately $10.6 billion of assets managed on a discretionary basis and approximately $649 million on a non-discretionary basis.

Focus Financial Partners

Kovitz is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, Kovitz is a wholly-owned indirect subsidiary of Focus LLC. Ferdinand FFP Acquisition, LLC is the sole managing member of Focus LLC. Ultimate governance of Focus LLC is conducted through the board of directors at Ferdinand FFP Ultimate Holdings, LP. Focus LLC is majority-owned, indirectly and collectively, by investment vehicles affiliated with Clayton, Dubilier & Rice, LLC ("CD&R"). Investment vehicles affiliated with Stone Point Capital LLC ("Stone Point") are indirect owners of Focus LLC. Because Kovitz is an indirect, wholly-owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of Kovitz.

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

INVESTMENT MANAGEMENT – GENERAL

Our main business is providing discretionary investment advice to individuals and institutions in separate accounts (further described below under the section entitled "Item 16. Investment Discretion"). We primarily invest each of our client's portfolios in equities (stocks) and/or fixed income (bond) securities. Each of our clients has his/her own account, and the equities and bonds in the account are usually individual securities.

We first consult with our clients to understand their financial situation, such as their objectives for asset growth, income and liquidity, principal protection, risk tolerance, and tax minimization.

Next, based on the above information, we recommend an initial target asset allocation for each client, generally meaning the percentage of stocks and bonds to be put in the portfolio. After working with the client to select an appropriate asset allocation, the Kovitz Chicago Office generally implements it across the client relationship, or all of the client's accounts ("allocation group"), to the extent feasible. Generally, Kovitz Chicago, Telemus Capital and Strategic Wealth Partners manages an asset allocation at the allocation group level, which means there will be variation as to asset allocation within a specific underlying account. In addition, if a client adds an account to their relationship with us, we will add the account to the existing allocation group, with the agreed-upon asset allocation, unless directed otherwise by the client. The Kovitz Madison and California Offices generally manage asset allocation at the account level. We meet with our clients to understand their needs, circumstances and objectives, work with our clients' other advisers, and rebalance, and periodically review the client's asset allocation. We will consider the client's individual situation and the nature, position size, and suitability of specific securities when reviewing and making purchase and sale decisions for each of our clients. In this manner, we tailor our investment management services to the needs of our clients.

Our clients may restrict us in the management of their accounts, such as the amount, type, or identity of stocks or bonds to buy or sell, as long as they are reasonable, consistent with our professional responsibility and investment philosophy, and allow us to substantially implement our investment strategies.

As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by the federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any unwaivable rights you possess.

Additionally, Kovitz is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to investment management services and investment advice provided to ERISA plan clients, including ERISA plan participants. Kovitz is also a fiduciary under section 4975 of the Internal Revenue Code (the "IRC") with respect to investment management services and investment advice provided to individual retirement accounts ("IRAs"), ERISA plans, and ERISA plan participants (collectively, "Retirement Account Clients"). As such, Kovitz is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a "PTE").

INVESTMENT MANAGEMENT – CALIFORNIA OFFICE

Kovitz also offers discretionary investment advice on individual securities to clients by way of its California office through various strategies in separately managed accounts. The California Office's philosophy includes primarily investing in equity securities that are considered out-of-favor and undervalued by the investing public. The philosophy also includes holding them until they have reached what their investment team believes is a reasonable fair value, or until the team finds equity candidates with what it believes are more attractive risk/reward attributes, or the particular equity's risk/reward profile does not justify continued ownership. Kovitz California generally implements it strategy on an account basis instead of across all of the client's accounts. Additional details about the California Office's strategies are further described in the sections entitled, "Equities – California Office," "ETFs – California Office," and "The Prudent Speculator – California Office."

INVESTMENT MANAGEMENT – MADISON OFFICE

In addition, Kovitz offers discretionary investment advice through various strategies in separately managed accounts via its Madison Office. The Madison Office's philosophy includes investing primarily in equity and fixed income securities, along with exchange-traded funds ("ETFs") and mutual funds. Client accounts in these strategies can solely hold equities, solely fixed income securities, or a combination of several security types. The philosophy of the Madison Office is suited for those who share their belief in long-term investment strategies. Kovitz Madison generally implements it strategy on an account basis instead of across all of the client's accounts. Additional details about strategies offered by the Madison Office are further described in the sections entitled, "Equities – Madison Office" and "Fixed Income Securities – Madison Office."

INVESTMENT MANAGEMENT – TELEMUS CAPITAL

Telemus Capital will consult with our clients to understand their financial situation, such as their objectives for asset growth, income and liquidity, principal protection, risk tolerance, and tax minimization. Based on the results of the client discussion(s) and the information provided by the client, we prepare a Financial Life Proposal for the client which includes the agreed upon investment strategy. For clients using the Envestnet program (described below), we prepare and review with the client a customized Statement of Investment Selection ("SIS"). The SIS incorporates an investment profile summary, summarizes the information the client has provided us and makes recommendations for the client's portfolio based on the information provided. Using tools provided by Envestnet, we may recommend that the client's portfolio be allocated among various investment managers and/or products.

After reviewing the client's final investment strategy or SIS (in the case of clients using the Envestnet program), the client enters into an investment advisory agreement ("Client Agreement") with Telemus Capital. The Client Agreement discusses the services to be provided to the client and other applicable terms and conditions.

For most client accounts, Telemus Capital constructs client portfolios generally in accordance with our traditional model strategies: Income Only, Capital Preservation, Conservative, Moderate, Balanced, Aggressive, Ultra Aggressive and Growth Only. Client portfolios are managed in accordance with the model strategy most appropriate for the client's risk profile. Each model strategy can allocate across as many as five sleeves: Growth, Diversifier, Income (either with taxable or tax-exempt bonds), Private Investments and Cash. Allocations to each sleeve are made in differing percentages depending on the risk profile of each model. All of the model strategies include some combination of individual equities, individual bonds, mutual funds, ETFs, private funds and potentially other investment products.

For accounts not deemed large enough for the traditional models or clients seeking a passively managed portfolio, Telemus Capital also constructs client portfolios in accordance with the following model strategies: Ultra-Conservative, Conservative, Moderate, Balanced, Aggressive and Ultra-Aggressive. Client portfolios are managed in accordance with the model strategy most suitable for the client's risk profile. Each model strategy has three sleeves: Growth, Income and Cash. Allocations to each sleeve are made in differing percentages to each model strategy depending on the risk profile of the strategy. All of these model strategies are constructed with passive ETFs.

Clients should know that their assets in each model strategy are likely to be managed in a manner similar to other clients having similar investment objectives and risk tolerance. The implementation of a model strategy may vary depending on a client's preferences for separately managed accounts, current income, liquidity constrains, taxes or environmental/social/governance concerns.

We implement investment advice on behalf of certain clients in held-away accounts that are maintained at independent third-party custodians. These held-away accounts are often 401(k) accounts, 529 plans and other assets that are not held at our primary custodian(s).

INVESTMENT MANAGEMENT – STRATEGIC WEALTH PARTNERS

We provide personalized and holistic wealth and investment management services to clients on a discretionary and non-discretionary basis. As detailed in Item 8, we typically allocate clients' investment management assets among professionally managed investments such as Mutual Funds, Exchange- Traded Funds ("ETFs"), Structured Notes, Interval Funds, External Managers, Private Collective Investment Vehicles, Treasuries Notes and other securities we believe are appropriate. Additionally, we may recommend that clients who are accredited investors or qualified purchasers as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the client's investment objectives.

The Firm renders services to certain clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that the client's primary Custodian may not hold. In so doing, SWP either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or Custodian designated by the product.

The Firm tailors its advisory services to the individual needs of clients. SWP consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon, and other factors that may impact their investment needs. SWP ensures that clients' investments are suitable for their investment needs, goals, objectives, and risk tolerance.

Clients are advised to promptly notify the Firm if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Firm's management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in SWP's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

For Participant Directed plans, SWP, in its fiduciary capacity, will provide the client non-discretionary investment advice about asset classes and investment options for the Plan. SWP may also provide non-fiduciary services to the plan, including client education, group enrollment, and participant education. For Pooled Plans, in its fiduciary capacity under Section 3(38) of ERISA, investment decisions are made by SWP in its discretionary capacity. In addition, SWP may assist in the development of an investment policy statement.

EQUITIES – GENERAL

For the equities portion of our clients' portfolios, we seek to maximize total return through a combination of long-term capital appreciation and the receipt of dividends and income while maintaining an emphasis on the preservation of capital. We approach buying equities for our clients as if we are part owners of businesses, not traders of stocks. We look to maximize the investment return we achieve given the investment risk we take. We view risk as the odds of a permanent loss of capital and not volatility of returns. We believe purchasing stock in competitively advantaged and financially strong companies at prices substantially less than our assessment of their intrinsic (business) value is the best way to preserve client capital over long periods of time. Generally, the companies we invest in are usually larger capitalization companies.

EQUITIES – CALIFORNIA OFFICE

The equity strategies (the ones that are currently "marketed" to current and prospective clients of the California Office) include the following:

- The Kovitz ValuePlus strategy (also known as "Kovitz Dividend Value," which combined the strategies formerly known as "Al Frank Value" and "Al Frank Select Value") includes both dividend and non-dividend paying stocks and seeks broad diversification through exposure to a significant number of major market sectors and industry groups. For client accounts in this strategy, the investment team in the California Office typically builds portfolios containing 70 – 90 stocks.

- The Kovitz Focused ValuePlus strategy (formerly known as "Al Frank Select Focused Value") seeks long-term capital appreciation by investing in a more concentrated portfolio of stocks across major market sectors and industry groups. For client accounts in this strategy, the California Office investment team typically builds portfolios containing roughly 30 – 40 stocks.

- The Kovitz Dividend Income strategy (which combined the strategies formerly known as "Al Frank Dividend Value" and "Al Frank Select Dividend Value") includes dividend paying stocks, and seeks broad diversification through exposure to a significant number of major market sectors and industry groups. For client accounts in this strategy, the California Office investment team typically builds portfolios of equally weighted positions containing 60 – 80 stocks.

- The Kovitz Focused Dividend strategy (formerly known as "Al Frank Select Focused Dividend") seeks long-term capital appreciation and dividend income through mostly dividend-paying stocks, and seeks broad diversification through exposure to major market sectors and industry groups. For client accounts in this strategy, the California Office investment team typically builds portfolios that contain roughly 30 – 40 stocks.

- The Kovitz Small-Mid Dividend Value strategy (formerly known as "Al Frank Select Small-Mid Dividend Value") includes primarily micro, small, and mid-cap dividend paying stocks, and seeks broad diversification to a significant number of major market sectors and industry groups, although market appreciation sometimes results in these stocks moving into what is known as the "large-cap" category. For client accounts in this strategy, the investment team in the California Office typically builds portfolios containing 70 to 90 stocks.

- The Prudent Speculator strategy generally mirrors the TPS portfolio ("TPS Strategy"), the basis for "The Prudent Speculator" newsletter (which is further described below). The TPS Strategy includes both dividend and non-dividend paying stocks and seeks broad diversification through exposure to a significant number of major market sectors and industry groups. For clients in the TPS Strategy, the investment team in the California Office typically builds portfolios that initially contain 70 to 90 positions.

EQUITIES – MADISON OFFICE

The primary goal of the equity strategies managed by the Madison Office (whether as part of stock-only portfolio, or as part of a "balanced" portfolio containing a mix of equities and bonds) is to provide performance returns from a diversified portfolio of stocks that exceed appropriate benchmarks, such as the S&P 500 Index. The Madison Office's equity strategies typically include a mix of small-, mid-, and large-capitalization domestic and international stocks.

The investment team in the Madison Office uses internal and external research to help identify companies where the current market prices do not correctly reflect the team's opinion of the underlying value or future growth potential. The team's decisions to buy or sell securities are based on expected return, as well as the potential impact of the transactions on the applicable clients' overall diversification. For certain client account groups, the team also uses cash (and/or cash equivalents) as a way to help reduce market risk at times when it believes the overall stock market is unattractive on a risk/return basis, or to enhance the client's portfolio yield and/or liquidity.

EQUITIES – TELEMUS CAPITAL

The equity strategies (the ones that are currently "marketed" to current and prospective clients of Telemus Capital) include the following:

- Core Equity: Actively managed core equity strategy that focuses on large-cap companies with demonstrated consistent, above-average earnings growth and reasonable valuations. It is managed relative to the Russell 1000 and/or S&P 500 Indices as benchmarks. Evercore Wealth Management LLC currently serves as sub-advisor for this strategy.

- Taurus: Actively managed growth strategy focusing on above-average growth businesses that are poised to benefit from secular growth trends. The process utilizes a proprietary screen to identify attractive securities alongside fundamental and technical analysis.

- Aware: Actively managed domestic equity portfolio focused on making investments in businesses that meet strict environmental, social and governance (ESG) criteria.

- High and Rising Dividend: Equity strategy which seeks to invest in equity securities of companies that pay relatively high dividends as measured by yield. Stability and/or growth of dividends and dividend yield may also be considered by the manager. The strategy invests across a broad range of market capitalizations. It is primarily designed for taxable investors seeking current income and/or who can benefit from the lower federal income tax rates applicable to dividends and/or long-term capital gains. The strategy may also be appropriate for taxable or tax-exempt investors seeking a different and complimentary income stream, the principal of which can fluctuate greatly. Finally, investors may use this strategy to diversify their equity allocation. Investments are diversified across sections and industries in an effort to reduce the risk of concentrating investments only in industries with the highest dividend yields.

FIXED INCOME SECURITIES – GENERAL

For the bond portion of our clients' portfolios, we focus on diligent execution and high credit quality. We take into consideration our client's tax situation, the type of issuer and bond, and general market conditions when we construct bond portfolios for our clients. Depending on the client's needs, market conditions, and pricing, we typically purchase the following types of bonds for our clients:

- Taxable, tax-free, and alternative minimum tax (AMT) municipal bonds;
- Municipal bonds;
- Corporate bonds;
- Mortgage-Backed Securities; and
- U.S. Treasury and government agency bonds.

Our goal is to capture excess yield without incurring additional risk. We primarily try to accomplish this by patiently bidding on bonds owned by third party bond sellers, by finding bonds with perceived complexity and liquidity risks, and by our willingness to buy odd (smaller) lots of bonds. The demand for these kinds of bonds is typically lower, and therefore we attempt to buy them at lower prices (and higher yields) for our clients.

The firm primarily uses a network of third-party dealers and electronic trading platforms to help construct fixed income portfolios for clients. Please refer to the “Directed Brokerage” section under “Item 12. Brokerage Practices” for examples of these brokers.

We generally buy bonds with the intent to hold to maturity, and therefore we are less concerned about interim price changes.

We do not keep bonds in an inventory for later sale to our clients. We buy bonds for direct allocation to specific client accounts based on the specific client’s asset allocation and circumstances.

Depending on our specific client’s investment objective, we will typically build a bond ladder of individual bonds maturing in different years in order to provide liquidity, an income stream, and to help guard against interest rate and credit risk.

FIXED INCOME SECURITIES – MADISON OFFICE

The primary goal of the fixed income strategy of the Madison Office (whether as part of a bond-only portfolio, or a balanced portfolio containing a mix of equities and bonds) is to provide performance returns from a diversified portfolio of bonds that exceed industry-recognized benchmarks, such as the Barclays Intermediate Government/Credit Index. The fixed income strategy typically includes a mix of U.S. Treasury and government agency bonds; investment and below-investment grade corporate bonds; convertible bonds; municipal bonds; mutual funds; and fixed income ETFs.

The Madison Office investment team evaluates and selects fixed income securities based on its assumptions about interest rates, the treasury yield curve, company-specific risk, and other variables that will impact the relative performance of the security. Similar to what it does for its equity (and balanced) strategies for certain client account groups, the team uses cash (and/or cash equivalents) when it believes that the fixed income market is unattractive on a risk/return basis or to enhance the client’s portfolio yield and/or liquidity.

FIXED INCOME SECURITIES – TELEMUS CAPITAL

The fixed income strategies (the ones that are currently “marketed” to current and prospective clients of Telemus Capital) include the following:

- Investment Grade Taxable Fixed Income: Actively managed intermediate taxable bond portfolio managed relative to the Bank of America Merrill Lynch 1-10 Year US Corporate & Government Index as its benchmark.

- High Yield Taxable Fixed Income: Actively managed fixed income portfolio that focuses exclusively on the highest quality (BB) component of the high yield universe. The portfolio is managed relative to the Bank of America Merrill Lynch 1-10 Year BB Cash Pay High Yield Index as its benchmark.

- Blended Taxable Fixed Income: Actively managed fixed income portfolio that combines Telemus Capital’s investment grade capability with its high yield (BB) capability. The portfolio is managed relative to a custom blended benchmark comprised of 50% corporate/government intermediate investment grade bonds (as identified in the Bank of America Merrill Lynch 1-10 Year US Corporate & Government Index) and 50% intermediate BB rated bonds (as identified in the Bank of America Merrill Lynch 1-10 Year BB Cash Pay High Yield Index).

- Treasury Bond Ladder: Actively managed strategy that invests in Treasury bonds 1-10 years in maturity.

- Tax-Exempt Fixed Income: Actively managed strategy that focuses on investment grade, short-to-intermediate maturity municipal bonds. The strategy is customized to maximize the after-tax returns for each individual client.

OTHER TYPES OF SECURITIES

OPTIONS

We use option transactions in conjunction with our day-to-day management of clients' equity investments. We primarily do this by selling covered calls. Our clients own the stock and, in return for a premium, we sell to a third party the right to buy the stock at a certain price by a certain date. We usually do this for tax reasons to extend the holding period so our clients can get more favorable long-term capital gains tax treatment. When option prices are volatile, we have also sold covered calls to generate income for clients and to manage their sector exposures. Typically, we will sell "at the money" calls (where the call strike price is near the underlying stock's market price) in order to maximize the premium that the client receives.

We also use other option strategies as a way for clients to earn income while waiting to invest their assets in our primary equity strategy. We accomplish this by, for example, buying or selling options on index-tracking ETFs, or by selling puts on our equity recommendations. The goal of these strategies is to supplement the firm's primary equity investment strategies as a way to enhance client returns.

MUTUAL FUNDS

Open-End Mutual Funds

Occasionally, we recommend investments in no-load, open-end mutual funds instead of individual equity or fixed income securities. We believe this is appropriate for diversification in smaller accounts below our recommended investment minimums (described below in the section entitled "Types of Clients") or to gain access to sectors outside of our core investment strategies, and usually at a client's request.

Al Frank Fund

We also manage an affiliated mutual fund, the Al Frank Fund (ticker: VALAX). The Al Frank Fund is an advisory client of Kovitz, and Kovitz generally intends to manage the Al Frank Fund according to the same strategy as that of its separate (equity) account clients that are managed by the investment team in the California Office. Depending on the prospective client or client's investment objectives and risk tolerance, the California Office generally recommends the Al Frank Fund for those clients who have assets below applicable investment minimums (refer to the section below entitled "Types of Clients"), or otherwise for clients and prospective clients who we believe would be better served by the diversification that we intend for the Al Frank Fund to provide. Please refer to the Al Frank Fund prospectus for more information, or the website (www.alfrankfunds.com).

Absolute Capital Opportunities Fund

In addition to the mutual funds noted above, we are the sole sub-adviser of an affiliated mutual fund, the Absolute Capital Opportunities Fund (ticker: CAPOX). The primary adviser of CAPOX has hired us to manage the fund consistent with, and according to the same long/short equity strategy as our affiliated hedge funds (which we further describe below). Depending on the prospective client or client's investment objectives and risk tolerance, we also recommend CAPOX to our clients as a way to diversify a traditional portfolio of equity and bond investments. Our goal is for CAPOX investors to achieve returns that do not always directly relate to those in the equity markets, and to preserve capital significantly better than "unhedged" equity investments. We believe CAPOX is suitable for advisory clients who have assets below our "separate account" or hedge fund investment minimums, and for those who desire daily liquidity, as it is a publicly registered mutual fund. Please refer to the CAPOX prospectus for more information, or the CAPOX website (www.absoluteadvisers.com/absolute-capital-opportunities-fund/fund-overview).

ETFS – GENERAL

Similar to our approach with open-end mutual funds, we occasionally recommend investments in ETFs instead of individual equity or fixed income securities. We believe this is appropriate for diversification in smaller accounts below our recommended investment minimums, to gain access to sectors outside of our core investment strategies, or at a client's request. Additionally, we leverage ETFs as a strategy where we use passively managed indexes by using various index ETFs to give our clients direct exposure to the various markets. In addition, we use active ETF's, such as EQTY, for a portion of a client's equity portfolio.

Kovitz Core Equity ETF

We manage an affiliated ETF, the Kovitz Core Equity ETF (ticker: EQTY) ("EQTY"). EQTY is an advisory client of Kovitz, and Kovitz generally intends to manage EQTY according to the same strategy as that of its separate (equity) account clients that are managed by the investment team in the Chicago Office. Depending on the prospective client or client's investment objectives and risk tolerance, the Chicago Office generally recommends EQTY for those advisory clients who have assets below our investment minimums (refer to the section below entitled "Types of Clients"), or otherwise for clients and prospective clients who we believe would be better served by the diversification that we intend for EQTY to provide. Please refer to the EQTY prospectus for more information, or the EQTY website (www.Kovitz.com/eqty).

ETFS – CALIFORNIA OFFICE

Aside from our general use of ETFs in the context described above, the California Office recommends strategies that invest in portfolios of ETFs, with the goal of outperforming applicable benchmarks on a risk-adjusted basis through diversification; active management; style integrity; minimized security selection risk; trading; and cost efficiency. The California Office offers the following ETF strategy:

Kovitz Global Value (also known as Dynamic Portfolio Series ("DPS"))

The Dynamic Portfolio Series seeks opportunities in U.S. equities, developed international equities, emerging and frontier market equities, commodities, REITs and global fixed income. The family of portfolios seek to provide long-term absolute return through a combination of enhanced diversification and tactical management of portfolio-level exposures to valuation and behavioral factors over time. The valuation factors ensure the portfolio maintains a preference to exposures with strong fundamentals, while the behavioral factor seeks to capitalize on near-term opportunities. The country rotation segment of the strategy seeks to provide complimentary returns through enhanced diversification at the individual country equity market level. In strategies with lower risk tolerance, a Fixed Income portion acts as a ballast during challenging market conditions, while maximizing income for a set level of risk.

ETFS – MADISON OFFICE

The Madison Office's strategies occasionally use ETFs with the goal of increasing diversification and enhancing returns. The investment team believes certain ETFs can provide client portfolios with exposure to investment opportunities that fall outside the team's traditional research universe, such as market segments (market capitalization or style), international, alternative investment, or sectors where the team believes that individual stock selection does not adequately reflect the desired exposure for the client.

ETFS – HEDGED FUNDS AND RELATED ACCOUNTS

In managing our affiliated hedge funds and certain separately managed accounts (described below under "Hedge Funds"), we take short positions in ETFs that are sometimes held as long positions in individual advisory client accounts. We acknowledge the potential conflict of interest in making such recommendations. However, we believe that it is not inconsistent or disadvantageous to a particular client to use ETFs in the hedge funds as part of an overall hedging strategy (and not necessarily as an assertion of our view on the sector covered by the ETF), and also as a way to gain exposure in a diversified manner to that same sector for a particular advisory client. We have considered that it is unlikely that our trading activities would impact the price of ETFs, and that their use for individual advisory clients is not a significant part of the firm's overall assets under management.

COLLATERALIZED MORTGAGE OBLIGATIONS

If suitable for a particular client, we also recommend investments in collateralized mortgage obligations (CMOs), also known as mortgage-backed securities (MBS). This recommendation depends on the client's investment objectives and risk tolerance, and is part of the client's overall asset allocation.

HEDGE FUNDS AND OTHER PRIVATE PLACEMENTS

Kovitz manages hedge funds in which clients and others are solicited to invest. All such funds are limited to accredited investors. The hedge funds generally invest in equities and options. Kovitz also provides services to, or certain of its employees are otherwise involved in several private real estate funds in which clients and others have been solicited to invest. These funds are limited to accredited investors, and their objectives are to invest in properties across the real estate sector, including industrial, commercial, and residential. In addition, certain of Kovitz's executive officers own a separate company that sponsors and manages private equity funds. All such funds are limited to accredited investors. The private equity funds' primary investment objectives are to acquire controlling interests in existing companies and to make other investments.

Kovitz is the investment manager to the Telemus Decorrelation Opportunity Fund, LP (the "TDOF Fund"), and its affiliate, Telemus Decorrelation Opportunity GP, LLC, is the General Partner of the Fund. The TDOF Fund, which is a fund of funds, is a multi-strategy, privately offered investment vehicle that invests in a diversified portfolio of investments that seeks to provide low and non-correlated returns relative to the broader equity and fixed income markets. The underlying investment strategies include, but are not limited to, insurance-linked securities, longevity-contingent assets, real estate credit, alternative lending, and other assets that generally have low or non-correlated returns with traditional financial markets. The TDOF Fund is closed to new investors and is in the process of being dissolved.

Kovitz's affiliate, Telemus Life Science Real Estate Fund Manager, LLC, is the Manager of the Telemus Life Science Real Estate Fund, LLC (the "TLSRE Fund"). The TLSRE Fund is a privately offered investment vehicle that was created for the purpose of investing in IQHQ, Inc., a privately traded REIT formed to acquire, develop and redevelop real estate for life sciences tenants.

WRAP AND UNIFIED MANAGED ACCOUNT PROGRAMS

We also participate in several wrap, Unified Managed Account (UMA), and other "turnkey" asset management programs (TAMPs), although we do not "sponsor" any such programs. In these cases, the sponsors of such programs typically have contracts directly with their clients to perform various types of investment management services. For UMA programs, the sponsors hire us to deliver "model" portfolios to them. We generally apply the same equity investment philosophy and strategy for clients of wrap and UMA programs as we do for our own separate account clients, depending upon the strategy for which they've hired us, and depending upon any restrictions, limitations, or specific directions that the sponsors or their clients give to us. The sponsors of the wrap and UMA programs generally charge their clients an aggregated or "all-inclusive" fee, and we receive a portion of those fees.

Kovitz, primarily Telemus Capital, also has relationships with external providers of investment management, research and due diligence services. One such service provider is Envestnet[1], a registered investment adviser that provides an asset management platform and related technology, as well as operational and administrative support services. TC uses some of the services provided by Envestnet, including the Unified Managed Account Program (the "UMA program") and the Separate Managed Accounts Program (the "SMA program"). Through the UMA program Telemus Capital constructs a single client portfolio comprised of various investment vehicles, typically third-party managers. Through the SMA program Telemus Capital will select third party managers which are appropriate to manage the client's assets. In both programs, the client grants Kovitz, Telemus Capital, with discretion to make changes to the managers and/or investments if Telemus Capital determines such a change is in the client's best interest. Factors considered in making this determination include account size, risk tolerance, the opinion of each client, the investment philosophy of the third-party manager, and the client's investment objectives. Kovitz, Telemus Capital, will have full discretionary authority to invest and reinvest client assets and retain third party asset managers who, in turn, have full discretionary authority to invest and reinvest client assets, subject to reasonable restrictions imposed by the client.

THE PRUDENT SPECULATOR – CALIFORNIA OFFICE

Kovitz publishes "The Prudent Speculator" ("TPS"), an investment newsletter which is written by the investment team in the California Office, and charges an annual subscription fee. TPS provides frequent commentary about the financial markets, macro-economic trends, and individual equities to subscribers. TPS also issues commentaries centered around equity recommendations, provides "sales alerts" when the TPS "newsletter portfolios" sell certain equities, and provides subscribers access to holdings reports. The holdings report allows subscribers to "mirror" the activities and holdings of their own personal securities accounts to TPS recommendations if they wish. Separate account clients in the firm's California Office receive a complimentary subscription to TPS.

FINANCIAL PLANNING SERVICES

Kovitz also provides financial planning services (Planning Services) to certain investment management clients. The Planning Services include the following: analyses regarding retirement cash flows; goal identification and funding; Monte Carlo simulations; education funding; estate planning; tax planning; and charitable giving. Kovitz determines client eligibility for Planning Services on a case-by-case basis. Kovitz will consider the size of the client relationship and whether the client uses other financial advisers in determining whether to offer Planning Services. Kovitz generally does not charge fees for Planning Services in addition to the fees it charges for investment management services. Kovitz does offer financial planning and consulting services to clients who seek more complex or specific services on a standalone basis.

The scope of Planning Services is agreed upon by Kovitz and the client, although Kovitz and its clients typically do not execute formal, written "agreements" in this context, as Kovitz provides the services to complement its day-to-day, ongoing investment management services. Kovitz acknowledges that if it provides Planning Services and investment management services to a particular client, there is a potential conflict of interest in making and implementing planning and investment recommendations to the client. The conflict is that the planner is a Kovitz employee and will have an incentive to choose to use or recommend Kovitz as investment manager. We believe that the conflict is addressed by the aligned long-time

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[1] We currently use the services of certain sub-advisors, including those of Envestnet Asset Management, Inc., Evercore Wealth Management LLC, Mar Vista Investment Partners, LLC, Aristotle Capital Management, LLC and SpiderRock Advisors, LLC.

horizon of the client, the Kovitz planner, the Kovitz investment professionals, and by the fact that the Kovitz employees are not compensated in a manner that will incentivize inconsistent or short-term recommendations. Additionally, clients are under no obligation to act upon any of the recommendations made by Kovitz.

Kovitz uses a combination of its Certified Financial Planner™ (CFP®) Professionals, non-CFP Professionals, and certified public accountants (CPAs) in the process of gathering and analyzing client information, in providing recommendations to the client, and in providing Planning Services.

RETIREMENT PLAN REVIEW SERVICES

Kovitz provides retirement plan advisory services for its clients, which provides clients the opportunity to have Kovitz review and consult on the client's assets invested in her or his employer's retirement plan. This provides clients with a consolidated view of their retirement assets.

Kovitz and Sentinel Pension Advisors, LLC ("SPA") have an agreement in place whereby Kovitz, primarily Telemus Capital, serves as a subadvisor to SPA for certain client retirement plans. This arrangement is more fully described in Item 10.

Kovitz also offers the following non-fiduciary retirement plan services. Kovitz assists in the education of retirement plan participants about general investment information and the investment alternatives available to them under their plan. Clients understand that Kovitz's assistance in education of plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Kovitz's advisors are not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) when offering such educational services to plan participants.

FAMILY OFFICE SERVICES

In addition to Planning Services, Kovitz offers "Family Office Services", also called Virtual Family CFO Services in some instances, to certain investment management clients. The Family Office Services include the following: comprehensive reviews and monitoring of clients' investment assets, including investment strategies and assets that are not directly managed by Kovitz; tax planning and services; family succession planning and education; bookkeeping; insurance advice; invoice management; administrative services and bill paying services, among other things. Kovitz develops customized, detailed reports that provide meaningful information to help families better understand their overall financial picture. Kovitz determines eligibility for Family Office Services on a case-by-case basis. Kovitz typically charges fixed, hourly, or "project-based" fees for Family Office Services, depending on the nature of services provided. These fees may or may not separate from the firm's standard "asset-based" fees that it charges for ongoing investment management. The exact fee structure is laid out in an engagement letter executed by the client.

Kovitz uses a combination of its Certified Financial Planner™ (CFP®) Professionals, non-CFP Professionals, and CPAs in the process of providing Family Office Services to clients.

CORPORATE EXECUTIVE SERVICES

Kovitz, and primarily Telemus Capital, provides a suite of services referred to as "Corporate Executive Services." These include concierge-like advisory services to senior corporate executives. These services, which in some cases will be in concert with third party services providers, including advisory services related to the following:

- Compensation and Benefits.
- Estate Planning and Wealth Transfer.
- Risk Management and Insurance.
- Tax Planning and Return Preparation.

- Retirement Planning.
- Investment Planning.

Corporate Executive Services is provided separately from the Investment Management services noted above and does not automatically include those investment management services noted.

TELEMUS CAPITAL TAX CONCIERGE

Telemus Capital's Tax Concierge service assists clients with their tax return preparation requirements. If a client needs a tax preparer to complete his/her returns, Telemus Capital will make an introduction to a qualified CPA. If the client engages the CPA, Telemus will receive a referral fee from the CPA which is disclosed to the client. For clients using this service, Telemus Capital will help in the compilation of source documents and other information needed to complete the client's return(s).

NON-DISCRETIONARY ADVISORY SERVICES

Kovitz also provides personalized investment management services on a non-discretionary basis at a client's request. This typically involves selecting or making recommendations as to specific securities or other investments the client's account(s) should purchase or sell based on the client's needs and objectives, however, the client must approve the recommendations before the trade is placed. As noted above, investments by clients in affiliated private funds will be on a non-discretionary basis.

Kovitz also provides fee-based wealth management services, including estate tax, social security, education expense planning and asset allocation, as well as other financial planning services to its clients on a non-discretionary basis.

In addition to the non-discretionary investment management services described above, Telemus Capital also offers other non-discretionary advisory services. Clients who utilize our discretionary advisory services may, as an accommodation, also be permitted to establish non-discretionary advisory accounts in which all securities transactions are client-directed. For these accommodation accounts, Telemus Capital generally charges an annual fee of 20 basis points based on the average daily balance of the account market values for the 12-month period being billed. These assets are not included in the calculation of Kovitz's regulatory assets under management. Additionally, certain accounts hold assets which the client has directed Telemus Capital to hold for tax or other purposes. Telemus Capital provides ongoing and continuous supervision of these client assets. These assets are included in the calculation of Kovitz's non-discretionary regulatory assets under management.

THIRD-PARTY MANAGERS

Kovitz will leverage the use of unaffiliated third-party managers in some situations. Kovitz uses these managers for their expertise and/or services to manage a portion of the client's assets. Kovitz will use outside managers for clients that are looking for active management and exposure to a wide array of asset classes. Kovitz may recommend to client, or engage on client's behalf, one or more third-party managers to provide access to these different strategies and/or asset classes. The selection or replacement of any third-party manager will be based on Advisor's discretion or by client's acceptance, depending on outside manager's structure. These third-party managers will have discretion over the assets allocated to them and Kovitz will have no ability to affect the trading decisions of said manager.

For certain relationships, clients will receive the disclosure Brochure of the unaffiliated third-party manager. These managers may impose more restrictive account requirements and varying trading and billing practices than the Firm. In such instances, Kovitz will alter its corresponding account requirements and/or billing practices to accommodate those of the third-party manager. It is important for clients to read the disclosure Brochures of unaffiliated third-party managers.

Kovitz will evaluate the third-party manager initially and on an ongoing basis to confirm whether the manager is suitable for Kovitz clients. Kovitz will review, among other things, the manager's performance and management, background, specialized knowledge, expertise investment objective, and fees. In these instances, client pays Kovitz's advisory fee in addition to the fee charged by the outside manager for the assets allocated to the outside manager. This is a conflict as client could invest directly with the outside manager without having to pay Kovitz's advisory fee. Kovitz reduces this conflict by adding value to the outside manager relationship by performing initial due diligence on the manager and ongoing monitoring of the manager and their performance.

BUSINESS RELATIONSHIPS

Kovitz has a business arrangement with Institutional and Family Asset Management, LLC ("IFAM") under which Kovitz refers certain retirement plan clients to IFAM. Kovitz is an affiliate of IFAM by virtue of being under common control with it, through Focus LLC. Please see Items 5, 10 and 14 of this Brochure for further details.

Kovitz also has a business arrangement with Dorchester Wealth Management Company ("D9rchester") under which Kovitz refers certain clients to Dorchester. Kovitz is an affiliate of Dorchester by virtue of being under common control with it, through Focus LLC. Please see Items 5, 10 and 14 of this Brochure for further details.

Kovitz also has a business arrangement with Relative Value Partners, LLC ("RVP") under which Kovitz refers certain clients to RVP. Kovitz is an affiliate of RVP by virtue of being under common control with it, through Focus LLC. Please see Items 5, 10 and 14 of this Brochure for further details.

Kovitz has a business arrangement with Ancora Alternatives LLC ("Ancora Alternatives") which is an indirect, wholly owned subsidiary of Focus LLC. The arrangement allows certain clients to have the option of investing in certain private investment vehicles managed by Ancora Alternatives. Kovitz is an affiliate of Ancora Alternatives by virtue of being under common control with it. Please see Items 5, 10, and 11 of this Brochure for further details.

Kovitz has a business arrangement with Origin Credit Advisers, LLC ("OCA"), who is an indirect, wholly-owned subsidiary of Focus LLC, under which certain clients of Kovitz have the option of investing in certain private investment vehicles managed by OCA. Kovitz is an affiliate of OCA by virtue of being under common control with it. Please see Items 5, 10, and 11 of this Brochure for further details.

Finally, we have a business arrangement with a subsidiary or subsidiaries of Origin Investments Group, LLC ("Origin"), who are each an indirect, wholly-owned subsidiary of Focus LLC, under which certain clients of Kovitz have the option of investing in certain private investment vehicles managed by Origin. Kovitz is an affiliate of Origin by virtue of being under common control with it. Please see Items 5, 10, and 11 of this Brochure for further details.

UPTIQ TREASURY & CREDIT SOLUTIONS, LLC ("UPTIQ")

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). Please see Items 5 and 10 for a fuller discussion of these services and other important information.

FOCUS RISK SOLUTIONS, LLC (“FRS”)

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC (“FRS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of this service and other important information.

MY PERSONAL BOOKKEEPER (“MPB”)

Kovitz, through SWP, has implemented a line of business called My Personal Bookkeeper (“MPB”) which provides bill payment, tax organization, insurance claim management and household budgeting. Although MPB is not part of Kovitz’s investment advisory services, SWP may recommend use of MPB for its clients when deemed appropriate. Clients are advised that a conflict of interest exists when they pay us on a standalone basis for MPB services. The client is under no obligation to act upon the recommendation to use MPB. The IARs of Kovitz do not receive compensation for these recommendations. Additional information is provided in Item 5, 10 and 15.

ITEM 5. FEES AND COMPENSATION

We charge our individual clients an annual fee (typically payable quarterly in advance) based on the fair market value of assets under management, which includes cash and cash equivalents, as of the last day of the previous calendar quarter. Certain private investments (limited partnerships) are billed quarterly in advance based on the most recently available net asset value provided by the fund manager. We can change our fees if we give prior written notice to clients. If a client relationship ends, we will use the date of termination to value the account to calculate the final fees that we owe to the client. We prorate fees using the termination date and we reimburse clients for any portion of collected fees we do not earn. Kovitz employees receive a payout based on aggregate assets within a client account or relationship managed and/or advised by Kovitz. The payout amount is the same regardless of the investment type (i.e. affiliated and non-affiliated hedge funds, mutual funds, real estate funds and private equity funds). Therefore, there is no advantage for an employee to steer clients to any specific investment vehicle.

STANDARD FEE SCHEDULE

Our “standard” fee schedule for separate accounts is below:

- 1.00% per annum on all assets $0 - $5,000,000*
- 0.85% per annum on all additional assets from $5,000,001 up to $10,000,000
- 0.75% per annum on all additional assets from $10,000,001 up to $20,000,000
- 0.65% per annum on all additional assets from $20,000,001 up to $35,000,000
- 0.55% per annum on all additional assets from $35,000,001 up to $50,000,000
- 0.50% per annum on all additional assets over $50,000,000

If assets are below a $1,000,000 minimum, fees are 1.25% per annum on all assets.

Our standard fee schedule is a based on a tiered approach where you pay the stated rate for the asset range. For example, if Kovitz managed $6 million in assets for a client, they would pay 1% per annum on the first $5 million of assets and 0.85% per annum on the $5,000,001 to $6 million.

Fees are generally charged on cash and cash equivalents held in clients' accounts, account margin balances and on accrued but unpaid interest. However, exceptions are made subject to negotiation depending on the level of the client's cash balances.

We are willing to negotiate fees, depending on the aggregate size or nature of a relationship, including for large individual or institutional clients, wrap arrangements, model, or other types of "platform" relationships. Also, fee schedules for our clients, including those in the California office and for Telemus Capital, do vary and are higher than the standard schedule shown above. This is due to various factors, including, but not limited to, many being "legacy" in nature, or were in place before their respective acquisition by Kovitz. In these cases, advisory fee calculations are typically based on either "tiered," "level," or "flat" fee schedules. These accounts can contain one security type, or a mix of stocks, bonds, ETFs, or mutual funds. Additionally, Kovitz waives the annual fee for employees and some of their family members.

TELEMUS CAPITAL DIVISION FEE SCHEDULE

Kovitz generally bills the clients of its Telemus Capital division its investment management fees quarterly in advance, based on the average daily balance of the assets under management during the prior quarter, except for institutional accounts which are generally billed quarterly in arrears based on the prior quarter-end market value. 401(k) plan accounts are generally billed in this manner. Accounts initiated during a calendar quarter will be charged a prorated fee based on the remaining calendar days in the billing period. Upon termination of an account, any earned, unpaid fees will be due and payable, and any prepaid, unearned fees will be refunded based on the remaining calendar days in the billing period. Terminating clients should contact their advisor regarding any refunds due.

Market Value of Client Asset	Annual Fee Rate(%)
First $1,500,000	1.25%
Next $1,500,001 - $3,000,000	1.00%
Next $3,000,001 - $5,000,000	0.90%
Next $5,000,001 - $10,000,000	0.80%
Next $10,000,001 - $20,000,000	0.70%
Next $20,000,001 - $50,000,000	0.60%
Next $50,000,001 - $100,000,000	0.55%
Over $100,000,001	Negotiable

Additional Account Type Fee Schedules

Account Type	Annual Fee Rate (%)
ERISA Accounts (at plan sponsor level only)	
Market Value of Plan Assets (AUM)	
◆ Less than $5,000,000	0.50%
◆ $5,000,000 - $10,000,000	0.35%
◆ $10,000,001 - $20,000,000	0.30%
◆ Over $20,000,000	0.25%
529 Accounts	0.50%
Public Charities/501(c)3 and Institutional Accounts	0.50%
Client Direct Accounts	0.20%
Managed Individual Municipal Bond Only Accounts	0.35%
Blended Fixed Income Accounts	0.75%
Investment Grade Taxable Fixed Income Only Accounts	0.50%

- Fees generally include financial, life and retirement planning services as needed; however, exceptions may apply at Kovitz's sole discretion.

STRATEGIC WEALTH DIVISION FEE SCHEDULE

The annual fee shall vary (generally between 0.20% and 1.25%) depending upon the market value of the assets under management and the type of investment management services to be rendered.

Minimum Fees: For our services, there is generally an annual minimum fee. In certain situations, minimum fees may be waived or customized and may be higher or lower. The minimum fee varies by types of services SWP offers:

- Financial Planning & Consulting: Annual Minimum of $25,000
- Investment Management: Annual minimum of $10,000
- Retirement Plan Management: Annual minimum of $2,500

Across Kovitz, Fees are generally charged on cash and cash equivalents held in clients' accounts. However, exceptions are made subject to negotiation depending on the level of the client's cash balances. Fees are not assessed on account margin balances or on accrued but unpaid interest.

For certain clients, we charge an advisory fee for services provided to the held-away accounts mentioned above in Item 4, just as we do with client accounts held at our primary custodian(s). The specific fee schedule charged by us is provided in the client's investment advisory agreement with us.

In addition, for the firm's Family Office Services, clients typically pay fixed, hourly, or "project-based" fees, depending on the nature of the services provided. Similar to management fees, they are negotiable on a client-by-client basis.

For the Corporate Executive Services described in Item 4 above, Kovitz charges a flat annual consulting fee based on the complexity of the services to be provided, including the amount of time and travel involved. The fee typically is billed either quarterly or semi-annually based on its agreement with the client.

Usually, we deduct our management fees from client accounts. We also invoice certain clients for our fees. Clients may choose which method of payment they prefer.

For certain clients, we charge an advisory fee for services provided to the held-away accounts mentioned above in Item 4, just as we do with client accounts held at our primary custodians(s). The specific fee schedule charged by us is provided in the client's investment advisory agreement with us.

In billing our client accounts for management fees, we typically "group" them by family (or "household") as a way for clients to reach breakpoints, such as those shown above in our standard fee schedule. In addition, we, at our discretion, group multiple households or multiple client relationships together for purposes of reaching fee breakpoints. Under these circumstances, we acknowledge that individual clients or client households may not have complete control over whether or not they reach fee breakpoints. In other words, one client's decision to increase or decrease their assets under Kovitz management may affect whether or not another (and sometimes unrelated) client will reach a breakpoint. Clients should understand that the grouping of accounts within households, or across multiple households or relationships for purposes of reaching fee breakpoints, is solely at our discretion.

Our recommendations with respect to asset allocation are based on what we believe are our responsibilities as investment professionals, our fiduciary obligations, and when considering factors such as: client age, liquidity needs, tax-specific situations, and investment time horizon, among others. We also consider these factors when making recommendations specifically related to rollovers of retirement account and benefit plan assets.

TPS FEES

TPS has different levels of subscriptions:
Monthly rate: $33
One-Year subscription digital only: $325, digital and print subscription: $375
Two-Year subscription digital only: $595, digital and print subscription: $695

OTHER FEES AND EXPENSES

We invest certain client assets in open and closed-end mutual funds and ETFs. Mutual funds and ETFs pay advisory fees to their own managers, and they pay brokerage commissions when their managers execute transactions. These fees and commissions are on top of the advisory fees we charge the client, and the commissions that the client pays to his/her broker when we buy and sell such mutual funds and ETFs in the client's account.

The firm's general policy is to not receive compensation from unaffiliated firms in connection with mutual fund purchases in managed client accounts, such as 12b-1 trail commissions from mutual funds, or from money market funds in which Kovitz invests clients' cash balances.

With respect to EQTY, CAPOX, the Al Frank Fund, and our affiliated private and hedge funds, clients that hold such investments in their Kovitz-managed accounts do not pay management fees in addition to the management fee that Kovitz charges to such products themselves. In other words, there is no "layering of fees" in such circumstances.

We recognize the conflicts of interest in recommending EQTY, CAPOX, or the Al Frank Fund instead of other investments to clients. These conflicts include:

- Our incentive to "steer" client assets into the funds to make them more attractive to the public with respect to asset-raising efforts;

- Growth in the funds allows for spreading of costs over a larger asset base. CAPOX and the Al Frank Fund currently have an "expense cap" in place. For the Al Frank Fund, we as the primary adviser, have agreed to reimburse the funds for costs that exceed the cap. Similarly, for CAPOX, the primary adviser has agreed to reimburse the fund for costs that exceed its expense cap. Asset growth in each of the funds over time will likely result in lower amounts of reimbursements. In addition, we have an incentive to invest clients in CAPOX, as the fees which we receive from the primary adviser will increase, depending on the size of the fund's asset base. Under these scenarios, we will receive a benefit;

- Our employees occasionally use our affiliated mutual funds or EQTY as "placeholders" or substitute for individual equities or other investments in client accounts instead of holding money market funds or cash. As the firm implements its management strategies, we sell shares of these funds to make cash available for other investments. There is an incentive, therefore, for our employees to hold these affiliated mutual funds in client accounts, as they pay higher management fees to Kovitz than the standard management fee (see the Standard Fee Schedule above).

- In selecting EQTY, CAPOX, or the Al Frank Fund for a client's accounts we are, by definition, not selecting another ETF or mutual fund which is unaffiliated with Kovitz, and which may have a lower management fee or may achieve (or may have already achieved) greater recent performance returns.

To address these conflicts, and as we have noted above, depending on the prospective client or client's investment objectives and risk tolerance, we generally recommend EQTY, CAPOX, or the Al Frank Fund for those advisory clients who have assets below our investment minimums. We also limit our recommendations to those clients and prospective clients who we believe would be better served by the diversification (or in the case of CAPOX, the hedging opportunity) that we intend for these funds to provide. In addition, while we have discretion to invest our clients in EQTY, CAPOX, or the Al Frank Fund, we discuss these decisions (or recommendations) in connection with our initial and periodic asset allocation discussions with clients. With respect to our existing advisory clients, the Al Frank Fund is primarily intended for those accounts below our investment minimums where, by choosing Kovitz as investment manager, the client has expressed his/her desire to invest in one of our firm's equity strategies. For EQTY, we will recommend it for those accounts below our investment minimums, however we do recommend EQTY to other clients due to the structure of ETFs that we believe may benefit certain clients. Therefore, we believe it is in the client's best interest for us to invest them in an ETF or mutual fund that is as close to our strategies as possible. Finally, for IRAs and ERISA accounts we follow the requirements of Department of Labor's prohibited transaction exemption 77-4. Kovitz discloses the fees associated with EQTY, CAPOX, and the Al Frank Fund and the client consents to the purchase prior to investment.

Kovitz directly or indirectly receives fees in consideration for its management of the hedge funds described above in amounts described in the prospectuses and other offering documents for those investments. We generally charge an annual management fee, and performance-based fees, as described below.

Investment management fees that we charge for our client accounts, hedge funds and mutual funds are in addition to any brokerage commissions, custodial fees, transaction fees, and other related costs and expenses. The hedge funds, mutual funds and ETFs are also subject to administrative, tax preparation, consulting, legal, audit, and any other types of professional expenses. In addition, the hedge funds reimburse Kovitz for certain expenses, or portions of expenses, which are paid by Kovitz. Please refer to the applicable offering documents or offering materials for more information.

From time to time, Kovitz will introduce clients to other non-investment service providers if it believes the introduction will benefit the client. Sometimes the service provider will offer Kovitz a fee for making the introduction. Kovitz will accept the fee only if it is disclosed to the client and the client does not object. Clients should be aware that Kovitz's receipt of the fee from the service provider creates a conflict of interest since the payment could influence Kovitz's choice of the service provider instead of other providers from whom Kovitz does not receive an introduction fee.

Kovitz addresses the conflicts of interest created by the above arrangements through these ADV brochure disclosures and reviews the quality and investment or service opportunity provided by the foregoing products and services when considering their potential value to, and appropriateness for, Kovitz's clients.

IRAS AND BENEFIT PLANS – OTHER FEES AND EXPENSES; CONFLICTS OF INTEREST

For certain clients for whom we manage their benefit plan, due to the location of their assets, these clients typically pay trustee fees and custodial fees if the client chooses or uses these services. The client will pay brokerage costs, and the amount will depend on the brokerage firm executing the client transactions. Brokerage is discussed in greater detail in the section entitled "Item 12. Brokerage Practices." If a client selects the IRA or benefit plan trustee, the custodian, or the broker, we are not able to control the amount of these fees. Kovitz is generally unable to negotiate these fees on behalf of the client.

However, in some cases, we have the ability to waive, or otherwise absorb the periodic fees that IRA/benefit plan clients pay. We do this occasionally, at our sole discretion.

Where appropriate, Kovitz will recommend to a client or prospect to rollover or transfer retirement funds to Kovitz. There is no fee to perform this action, but this is a conflict as Kovitz will receive additional compensation from the assets that are investment with the Firm. Kovitz follows the requirements of the Department of Labor's prohibited transaction exemption 2020-02 to proceed with these recommendations.

ENVESTNET FEES

Envestnet receives fees for its advisory and administrative services. For its UMA program, clients are charged a tiered platform fee ranging from 11 basis points (0.11%) to 19 basis points (0.19%) depending on the assets under management. For its SMA Program, Envestnet charges clients a tiered platform fee ranging from 8 basis points (0.08%) to 14 basis points (0.14%) depending on the assets under management. Clients will also pay an additional manager fee for each manager model used ranging from approximately 35 basis points (0.35%) to 60 basis points (0.60%) per model. These amounts, which clients pay to Envestnet, are in addition to the fees clients pay to Kovitz.

TDOF FUND AND TLSRE FUND

As indicated above in Item 4 the TDOF Fund is no longer open to new investors and is in the process of being dissolved. Kovitz does not charge an investment management fee for its advisory services to the TDOF Fund.

With respect to the TLSRE Fund managed by Kovitz, also described in Item 4 above and as more fully described in the TLSRE Fund's offering materials, Kovitz does not receive a management fee for its advisory services. Its affiliate, Telemus Life Science Real Estate Fund Manager, LLC, receives an annual management fee equal to 1.25% of the aggregate capital contributions made to the Fund, and following investors' receipt of a 12% annual return hurdle, receives 15% of the excess cash distributed by the Fund. Kovitz waives its account-level advisory fees on client assets invested in the Fund to ensure that advisory clients are only charged once for Kovitz's advisory services.

KOVITZ CARES FOUNDATION; CONFLICTS OF INTEREST

Several of Kovitz's employees are involved in a charitable organization called the Kovitz Cares Foundation (Kovitz Cares). Kovitz Cares primarily focuses on organizing volunteer projects for Kovitz employees and raising funds to donate to charities.

While Kovitz employees are not compensated for their involvement with Kovitz Cares, a conflict exists in that the firm solicits donations from its clients, its vendors, and other parties in carrying out the foundation's activities. We also acknowledge that Kovitz employees serve on boards of directors or are otherwise involved in charitable organizations with whom Kovitz Cares has relationships. We have an incentive to direct clients and other parties to certain vendors if they decide to sponsor a charitable event sponsored by Kovitz Cares. Also, there is a risk that we will give preferential treatment to certain clients over others or use certain vendors or other parties (or recommend them to clients) based on their involvement with Kovitz Cares, rather than based what is in our clients' best interests. In instances where trade gains can be made to charitable organizations, Kovitz is able to receive an economic benefit if it chooses to donate such gains to Kovitz Cares, as these donations are tax-deductible.

We believe we have taken steps to address these conflicts in the following ways:

- Our investment management and trading processes are largely centralized, reducing the risks of preferential treatment to certain clients, regardless of the circumstances;
- Kovitz does not actively solicit clients to sponsor events or other activities related to the business of Kovitz Cares; and
- The firm maintains policies and procedures regarding trade error resolutions (refer to the Trade Error discussion under the section below entitled, "Item 12. Brokerage Practices").

FAMILY OFFICE SERVICES; FIXED FEES

Kovitz's Family Office Services charges a fee to clients for the value-added services they are providing to the client. This fee, in some instances, is in addition to the annual management fee, if applicable, charged to the client for managing their assets. The fee is charged on a quarterly basis or upon completion of services and covers, among other things, bill paying, tax planning and services and philanthropic endeavors.

FINANCIAL PLANNING AND CONSULTING FEES

As detailed above, Kovitz may also provide its clients with certain financial planning and consulting services. For clients that meet an annual minimum wealth management fee, these services are provided as part of Kovitz's overall annual management fee. However, in other circumstances where this minimum is not met, a separately negotiated fixed fee may be charged, depending on the type of planning services to be rendered.

THIRD PARTY MANAGERS

In addition, Advisor may recommend to Client, or engage on Client's behalf, one or more third-party managers to provide some or all of the services covered by this Agreement, including, where applicable, the selection or replacement of any third-party manager, in Advisor's discretion, based upon our assessment of the credentials, background, specialized knowledge and expertise of the third-party manager with respect to specific investment types and/or strategies.

In addition to our advisory fee, you may also incur certain fees and charges imposed by third parties, including where Advisor has recommended or engaged a third-party manager on Client's behalf. Any third-party manager may charge its fee separately or apply its fee directly to the Client's account, along with any transaction costs incurred. Any such fee is separate and in addition to Advisor's fee. In the event of investments with a third-party manager, as applicable, the Valuation Balance will be determined based on the most recent quarter end valuation of (a) the assets managed by such manager or (b) the fund(s) managed by such manager. If the most recent quarter end valuation is not available, then the Valuation Balance will be determined using the most recent valuation or other information available plus or minus capital calls, distributions and/or unrealized gain/losses, as applicable. External Managers may purchase or sell securities through a broker/dealer other than through your Custodian (s) (referred to as trading away). Managers of Fixed Income Securities may trade away on a frequent basis. Such accounts may incur higher transaction costs than you would be charged through your Custodian. It is important to read the Disclosure Brochure of External Managers.

MY PERSONAL BOOKKEEPER

If the client uses the MPB service, the client will pay additional fees for that service as described in the separate agreement, specific to MPB. No client will be invoiced for MPB without a signed MPB agreement in place.

BUSINESS RELATIONSHIPS

Kovitz does not receive any compensation from SWP in connection with assets that their clients place in our private funds. SWP's clients are not Kovitz advisory clients and do not pay Kovitz advisory fees. However, SWP's clients bear the costs of the fund or funds in which they are invested, including any management fees payable to us. The allocation of SWP client assets to Kovitz's private fund rather than to an unaffiliated investment manager increases Kovitz's compensation (and the revenue to Kovitz and SWP's common parent company, Focus LLC) relative to a situation in which SWP clients are excluded from Kovitz's private funds. As a consequence, the common parent company has a financial incentive to cause SWP to recommend that its clients invest in Kovitz's private funds.

Kovitz does receive indirect compensation from IFAM, through our parent company, in connection with referral of retirement plan clients from Kovitz to IFAM. Clients referred to IFAM, will only pay applicable fees to IFAM. Clients will not have to pay more fees to IFAM due to the referral from Kovitz. The referral of client assets to IFAM rather than to an unaffiliated investment adviser increases the revenue to Kovitz and IFAM's common parent company, Focus LLC, relative to a situation in which the referred clients take their business to an unaffiliated investment adviser. As a consequence, the common parent company has a financial incentive to cause Kovitz refer clients to IFAM.

Kovitz does receive direct compensation from Dorchester, in connection with referral clients from Kovitz to Dorchester. Clients referred to Dorchester, will only pay applicable fees to Dorchester. Clients will not have to pay more fees to Dorchester due to the referral from Kovitz. The referral of client assets to Dorchester rather than to an unaffiliated investment adviser increases the compensation to Kovitz and the revenue to Kovitz and Dorchester's common parent company, Focus LLC, relative to a situation in which the referred clients take their business to an unaffiliated investment adviser. As a consequence, the common parent company has a financial incentive to cause Kovitz refer clients to Dorchester.

Kovitz receives a portion of the asset management fee obtained by Origin and OCA in connection with assets that our clients place in Origin and OCA's pooled investment vehicles. These clients do not pay an advisory fee to Kovitz on the assets placed in Origin's pooled investment vehicles. Kovitz's clients are not advisory clients of and do not pay advisory fees to Origin. However, our clients bear the costs of Origin and OCA's investment vehicle or vehicles in which they are invested, including any management fees and performance fees payable to Origin and OCA.

The allocation of Kovitz client assets to Origin and OCA's pooled investment vehicles, rather than to an unaffiliated investment manager, increases Origin and OCA's compensation and the revenue to Focus LLC, and potentially Kovitz, relative to a situation in which our clients are excluded from Origin and OCA's pooled investment vehicles or invested in an unaffiliated third party's pooled investment vehicles. As a consequence, Focus LLC and Kovitz have a financial incentive to cause us to recommend that our clients invest in Origin or OCA's pooled investment vehicles.

We do not receive any compensation from Ancora Alternatives in connection with assets that our clients place in Ancora Alternatives' pooled investment vehicles. Kovitz's clients are not advisory clients of and do not pay advisory fees to Ancora Alternatives. However, our clients bear the costs of Ancora Alternatives' investment vehicle or vehicles in which they are invested, including any management fees and performance fees payable to Ancora Alternatives.

The allocation of Kovitz client assets to Ancora Alternatives' pooled investment vehicles, rather than to an unaffiliated investment manager, increases Ancora Alternatives' compensation and the revenue to Focus LLC relative to a situation in which our clients are excluded from Ancora Alternatives' pooled investment vehicles or invested in an unaffiliated third party's pooled investment vehicles. As a consequence, Focus LLC has a financial incentive to cause us to recommend that our clients invest in Ancora Alternatives' pooled investment vehicles.

FOCUS RISK SOLUTIONS, LLC ("FRS")

Kovitz helps our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial

Partners, LLC. FRS has arrangements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity. FRS does not receive any compensation from such third-party insurance brokers from serving our clients. Further information on this service is available in Item 10 of this Brochure.

UPTIQ TREASURY & CREDIT SOLUTIONS, LLC ("UPTIQ")

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). Focus Financial Partners, LLC ("Focus") is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.'s investors, including Focus, our parent company. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC ("FSH"). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from such third-party financial institutions. For securities-backed lines of credit ("SBLOCs") made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions or, for cash balances, a lowered yield. Further information on this conflict of interest is available in Item 10 of this Brochure.

ITEM 6. PERFORMANCE- BASED FEES/SIDE-BY-SIDE MANAGEMENT

As we described above, we charge quarterly investment management fees for providing investment management services to our advisory clients.

We charge performance-based fees to our affiliated hedge funds (which are open to new investors) and certain other separate accounts that we manage alongside our hedge funds. These fees are generally a percentage of net profits, subject to a high-water mark. We also receive management fees and performance-based servicing fees in connection with the real estate funds discussed above. In addition, certain of our executive officers own a separate company that sponsors and manages private equity funds. They receive compensation based on their ownership of the private equity funds' manager, and based on the ongoing management and performance-based fees that the funds pay to the manager.

This is a conflict of interest in that Kovitz and its employees have an incentive to recommend that clients invest in the potentially riskier and less liquid and higher fee-paying hedge funds and other private placements over separate account management because the funds pay higher management fees and also performance-based fees. We have an incentive to devote more time and resources to the hedge funds and other private placements over our advisory clients who only pay investment management fees and not performance-based fees. In addition, performance-based fees create an incentive for us to make investments that are riskier or more speculative than we would if we did not charge performance-based fees. Also, this creates an incentive to over-value investments that do not have readily available market values.

We have designed our policies regarding trade allocation, valuation, and our Code of Ethics to help address these risks:

KOVITZ'S AFFILIATED HEDGE FUNDS AND OTHER PRIVATE PLACEMENTS

- Kovitz's affiliated hedge funds and other private placements are not suitable for all clients, they are not permitted for certain clients, and we do not market them to the general public. As described above, we first consult with our clients to determine the nature of their financial condition, their financial objectives, income and liquidity needs, desire and need for principal protection, risk tolerance, and tax sensitivities. We also assess the client's investment sophistication, net worth, and eligibility in determining whether it is suitable to recommend investments that pay performance-based fees;

- The affiliated hedge funds and other private placements have a different investment objective, require a higher risk tolerance, have a different investment strategy, and are usually less liquid than investments held in our non-private placement advisory clients. The hedge funds and other private placements invest in securities or other assets in which non-private placement investors do not invest;

- When the hedge funds invest in the same securities as non-hedge fund investors, we generally execute those transactions around the same time. However, because the hedge funds generally use different brokers (where applicable) than our separate account clients, we do not necessarily apply the same average price across all participating client accounts and hedge funds. To address this, we have implemented trade rotation policies and procedures. In connection with "firm-wide" trades, we rotate executions across several client account "groups" (for example, one group is comprised of our hedge funds and certain related separate accounts). We have created client groups based on, among other things, the custodian(s) of client accounts, and whether or not we have substantial control over the trade execution process. Our goal is to achieve fairness of execution over time across our entire client base;

- Kovitz does not exercise discretion with respect to investing client assets in its affiliated hedge funds and other private placements (that is, the client must choose to invest in such funds);

- Many of the investors in the affiliated hedge funds and other private placements are also separate account advisory clients of Kovitz, and these clients' non-private placement assets under management usually significantly exceed their investments in the private placements. This creates a disincentive for Kovitz to favor the private placements over separately managed accounts;

- Kovitz does not charge fees in a manner which results in charging more than once on certain assets (sometimes referred to as "double dipping"); and

  - The allocation of investments in private investments or limited investment opportunities across client portfolios is generally not executed on a pro rata basis as a number of factors will determine whether the private or limited offering is appropriate or suitable for a client. Accordingly, such opportunities may be allocated based on another approach, including random selection, selection based on account size or another methodology. Factors which may impact the allocation, include but are not limited to: client acceptance, account size, liquidity, investor qualification and risk tolerance. We note that private investments or limited investment opportunities may not be appropriate for smaller accounts, depending on factors such as minimum investment size, qualification status, account size, risk, and diversification requirements, and accordingly may not be allocated such investments;

EQTY AND THE AL FRANK FUND

With respect to EQTY, and as noted above, Kovitz generally intends to manage EQTY according to the same primary equity strategy as that of its separate (equity) account clients (i.e., side-by-side). In addition, the investment team in the California Office manages the Al Frank Fund according to the same strategy as that of its separate account clients. Subject to day-to-day cash flows in or out of the Al Frank Fund (which result from underlying shareholder activity over which Kovitz does not have complete control), Kovitz generally intends to transact in the same securities as in its clients' separate accounts, and apply an average price to such transactions. If we cannot complete the entire desired transaction for all clients, we use a lottery system to determine on a random basis which clients will receive an allocation of the intended transaction. With respect to the Al Frank Fund, the California Office generally groups transactions in the fund with its separate client accounts that are managed according to a similar investment strategy. Similar to our hedge funds, EQTY will trade in its own "trade group" and will not be aggregated with other clients' separate accounts.

ITEM 7. TYPES OF CLIENTS

We provide investment management services to:

- Individuals (primarily those with a high net worth) and their related accounts such as IRAs, trusts, partnerships, and custodial accounts;
- Retirement/benefit plans such as 401(k) and profit-sharing plans;
- Accounts of small businesses;
- Institutional clients, such as Taft-Hartley plans and other entities, such as corporations, limited partnerships, and limited liability companies;
- State and municipal government entities;
- Charitable foundations and other not-for-profit organizations; and
- Affiliated private placements (described above).

As noted above, we also have several "wrap," "model," and TAMP arrangements where we provide a model portfolio to the primary advisers' clients.

In addition, we act as a sub-adviser to CAPOX, which we manage according to an investment strategy that is similar to the strategy of our affiliated hedge funds, and which we recommend for our separate account clients (refer to our discussion of CAPOX in various places throughout this Brochure. Please also refer to the CAPOX prospectus for more information, available at www.absoluteadvisers.com/absolute-capital-opportunities-fund/fund-overview).

Lastly, we act as investment adviser to EQTY and to the Al Frank Fund (refer to our discussions of EQTY and the Al Frank Fund in various places throughout this Brochure. Please refer to the EQTY prospectus for more information, available at www.Kovitz.com/eqty, and the Al Frank Fund prospectus for more information, available at www.alfrankfunds.com).

INVESTMENT MINIMUMS

We inform clients that we generally require a $1,000,000 minimum initial relationship for separate accounts, although with respect to the firm's California Office and Madison Office, the general investment minimum is $500,000. Telemus Capital does not have formal investment minimum amount but they retain the discretion to decline any proposed client engagement that is too small to serve appropriately within their structure. We reserve the right to waive these minimums at our sole discretion.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

Investing in securities involves the risk of loss, and the loss may be permanent, and clients should be prepared to bear that risk. We try to manage that risk for our clients by considering the client's financial condition, financial objectives, income and liquidity needs, desire and need for principal protection, risk tolerance and tax sensitivities, and by managing and periodically rebalancing the client's assets to a target asset allocation. We also manage this risk of loss by diligent security selection. We discuss this issue in more detail below.

In certain instances, Kovitz will develop a written investment policy statement ("IPS"), which establishes expectations for minimum and anticipated real return, volatility, and maximum acceptable losses. The IPS also sets forth guidelines for the selection of managers and mutual funds, as well as parameters for manager termination. Once the IPS is developed, Kovitz coordinates and supervises the implementation of the long-term plan.

The following discussion is limited to our investment strategies, methods of analysis, and risks relating to individual equities, ETFs, fixed income securities (including CMOs), structured notes, interval funds, external managers and private collective investment vehicles. These are the strategies and securities that we believe are the most relevant in our relationships with our advisory clients.

EQUITIES

Investment Philosophy and Strategy
Our equity selection philosophy is based on adopting a business owner mentality and adhering to a "Margin of Safety" principle. Risk of loss from an investment in equities can arise from faulty assumptions about a company's intrinsic value, including assumptions as to normalized earnings, growth of earnings, and the company's competitive advantage. We try to pay a price significantly below our estimate of intrinsic or private business valuation. This approach attempts to mitigate risk of permanent loss of capital should our analysis or assumptions prove inaccurate. We apply this methodology and analysis diligently.

Discipline
We look to invest in industry leading, prudently capitalized (focus on use of leverage) companies that have a competitive advantage. We are very focused on the price we pay. We will pay a price we believe is significantly below intrinsic value and we are willing to wait for the market to realize that value. Intrinsic value is based on the discounted value of future cash flows. We do not decide to buy, sell, or hold stocks based on what others think the market or the economy is going to do, but based instead on how the intrinsic value of the business compares to the market price of the stock. We select (or hold) clients' equities in much the same way we would evaluate a business if we wanted to buy or keep the whole company.

Patience
We believe that having a long-time horizon is an advantage to investing successfully (outperforming a benchmark over multi-year periods). Our business structure allows us a long-time horizon as the interests of the client, the planner, and the investment manager are aligned. Our decisions are based on long-term business values rather than short-term events or analysts' reports. Our client base shares our long-time horizon, and we believe this is an advantage with respect to investing.

Perspective
While we strive to maximize return, we stress the importance of safety of principal with a focus on minimizing permanent loss of capital. We therefore purchase stocks at a significant discount to our estimate of underlying intrinsic value. Our goal is to generate substantial return when our analysis and assumptions prove correct, while minimizing downside risk if a particular investment thesis is flawed or if for some other reason our assumptions prove incorrect. Implementing these principles often results in investment decisions that run counter to general market sentiment. We believe this approach is consistent with our focus on maximizing long-term net worth whether or not we generate short-term performance. Market price movements are important to us because they alternately create low price levels at which we can buy and high price levels at which we can sell.

EQUITY RESEARCH – METHOD OF ANALYSIS
Our equity research and method of analysis apply a thorough process to screen, track, evaluate, and manage our clients' equity portfolios. Our method of analysis is primarily fundamental, and we rely heavily on our review of publicly available filings and other proprietary research. We do not concentrate on meetings with management or research reports prepared by third party analysts. We summarize below the important facets of our approach:

Qualitative Assessment

- Market leaders with strong competitive positions;
- Stable products and economies of scale and/or scope;
- Low capital requirements; and
- Experienced and competent management with ownership stakes.

Quantitative Assessment

- High returns on capital;
- High correlation between earnings and cash flow;
- Low financial risk; and
- Valuations based on discounted cash flow models.

Kovitz investment teams use various methods of analysis and sources of information in formulating investment advice. The methods of analysis are primarily based on economic and company/fund fundamental analysis as well as economic cyclicality. Charting and technical analysis are used only as conformational tools. For some investment strategies, Kovitz uses proprietary screening criteria. Kovitz's sources of information include, but are not limited to, Bloomberg, Zephyr, Morningstar, Thompson Reuters, The Daily Shot, I Portfolio Solutions, Standard & Poor's and KDP Corporate Bond Research. Other sources of information include corporate annual reports, prospectuses, SEC filings, inspections of corporate activities, third-party research (i.e., "street" research materials), corporate rating services, newspapers, financial periodicals and the internet.

Risks
We remind our clients and prospective clients that there are risks to investing in equities. The following are examples of such risks:

Market Risk: Equity securities fluctuate in value, and such fluctuations can be significant. The price of an equity security may drop in response to the activities of the individual company, but can also be caused by other factors that are unrelated to company's condition or circumstances. Equity prices can react to tangible and intangible events, such as political, economic, and social conditions. In addition, stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The value of the equities that a client holds may decline over short or extended periods of time.

Business Risk: Securities issued by certain types of companies or companies within certain industries are subject to greater risks of loss due to the nature of their business. For example, certain companies may have to devote a large amount of resources and investment over many years before they can deliver a product or service to customers at a profit. They may carry a higher perceived risk of loss than companies which receive a steady, predictable stream of income from customers regardless of the economic environment.

Concentration Risk: Clients whose investment portfolios are not "diversified" – that is, portfolios heavily weighted in a small number of securities, industries, sectors, or types of investments (equities versus fixed income) may experience more volatility and fluctuation in market values than those who have more diversified portfolios. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Liquidity Risk: "Liquidity" is the ability to readily convert an investment into cash. If an asset is not liquid, there may be a greater risk that, if circumstances require an investor to sell the asset quickly, it will be sold at a price substantially below what is perceived as a "fair" value. Generally, an asset is more liquid if it represents a standardized product or security and there are many traders interested in making a market in that product or security. For example, Treasury Bills are highly liquid, while real estate properties are generally considered illiquid.

FIXED INCOME

Our investment approach to fixed income investing stresses preservation of wealth. We believe that a quality bond portfolio, constructed and rebalanced to a thoughtful asset allocation, helps to mitigate risk by adding a low correlated asset class to equities. We believe our competitive advantage in managing fixed income lies in our diligent execution process which enables us to achieve excess yield without accepting excess risk.

Investment Philosophy and Strategy; Method of Analysis

We try to carry out our investment approach by patiently bidding on bonds (municipal and corporate) owned by third party bond sellers and by our willingness to buy odd (smaller) lots of bonds, bonds selling at a premium, AMT bonds, and sinking fund bonds. The demand for these kinds of bonds is typically low, and we are generally able to buy them at lower prices (and higher yields) for our clients. While this is the firm's primary (and preferred) bond-buying strategy, the firm also buys bonds directly from the inventories of brokers that hold the clients' assets, depending on the client's specific circumstances. We anticipate holding the bonds to maturity and therefore are less concerned with interim price fluctuations. We do not take ownership or maintain an inventory of bonds for later sale to our clients. We buy bonds for direct allocation to specific client accounts based on the specific client's asset allocation and circumstances.

Depending on our specific client's investment objective, we will build a bond ladder of individual bonds maturing in different years in order to provide liquidity, an income stream, and to hopefully reinvest at higher rates.

Our strategy, method of analysis, and objective in purchasing bonds are:

- To preserve client principal;
- To not attempt to forecast interest rates. Instead, we attempt to take advantage of current market conditions to identify excess yield available in the bond market;

- To not compromise credit quality. We consider underlying ratings and financial health of the bond issuer and any insurer. We focus on the nature of the bond issue, and we prefer general obligation and essential service-backed bonds;
- To obtain above market returns through a disciplined purchasing strategy, and not by assuming added credit risk;
- To adhere to the client's specific needs and circumstances such as state preferences, income needs, and tax sensitivities;
- To be flexible as to the timing of principal and interest payments so long as our clients receive satisfactory additional yield due to this nuance;
- To be willing to accept modest liquidity risk when such risk can potentially lead to greater returns;
- To match the client's cash flow needs with our view of interest rate and liquidity risk to build a suitable portfolio;
- To purchase and sell through an open bidding process to ensure fresh, accurate, and above market yields. We do not hold bonds in inventory. We do not buy bonds from clients for our company's account, nor do we sell bonds to clients from our own company's account; and
- To purchase bonds with specific clients in mind.

Risks

As with equities, there are risks to investing in fixed income securities, such as Market Risk, Business Risk, and Concentration Risk (please see the discussion of those risks above). In addition, there are risks that are specific to fixed income securities. The following are some examples:

Liquidity Risk: As we have described above, liquidity is the ability to readily convert an investment into cash. Generally, an asset is more liquid if it represents a standardized product or security and there are many parties interested in making a market in that product or security. For example, Treasury Bills are highly liquid, while real estate properties are generally considered illiquid.

If an asset is not liquid, there may be a greater risk that, if circumstances require an investor to sell the asset quickly, it will be sold at a price substantially below what is perceived as a "fair" value. Given our firm's investment philosophy and trading strategy, which we have described above, this risk applies to our clients who hold fixed income securities. As we have also described above, we tend to purchase fixed income securities in smaller lots for our clients, and intend for our clients to hold them until maturity. If clients direct us, however, to sell certain fixed income securities rather than holding them to maturity, we may be unable to obtain a favorable or "fair" sale price.

Interest Rate Risk: Fluctuations in interest rates may cause prices of fixed income securities to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. Specifically, with respect to structured notes (steepeners), coupon rates can fall to zero, as the rates on such securities are adjustable, and will change as a result of changes in interest rates.

Credit (Default) Risk: The owner of a fixed income security may lose money if the party that issues the security is unable or unwilling to make timely principal and/or interest payments or to otherwise honor its obligations. Further, when an issuer's financial condition suffers, or a credit rating agency lowers the issuer's credit rating, the price of the issuer's bonds may decline and/or experience greater volatility. These changes can also affect the liquidity of the issuer's fixed income securities and make them more difficult to sell.

Prepayment Risk: When the issuer of a fixed income security has the right to prepay principal, if it exercises that right earlier or at a higher rate than expected, a client may incur losses. This means that the client may be unable to recoup his/her initial investment and may have to reinvest in lower yielding securities. This can have a negative effect on the client's income stream, total return and/or the price of the security. Prepayment risk tends to be highest in periods of declining interest rates.

Reinvestment Risk and Inflation Risk: Reinvestment Risk is the risk that future proceeds from investments may have to be reinvested at potentially lower rates of return (interest rates). With respect to inflation, when any type of price inflation is present, a dollar today will not buy as much as a dollar next year, because a person's "purchasing power" is eroding at the rate of inflation.

RISKS – ETFS

Market Risk: Similar to equity securities, ETFs fluctuate in value, and such fluctuations can be significant. The price of an ETF can drop in response to the activities of the individual companies held by the ETF, but can also be caused by other factors that are unrelated to a specific holding's condition or circumstances. ETF prices can react to tangible and intangible events, such as political, economic, and social conditions. In addition, stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The value of the ETFs that a client holds may decline over short or extended periods of time.

Also, ETFs that seek to provide investment results that are the inverse (opposite) of the performance of an underlying index, are subject to the risk that the performance of such ETF will fall as the performance of that ETF's benchmark rises. In addition, some ETFs utilize leverage (i.e., borrowing) in order to acquire their underlying portfolio investments. The use of leverage can exaggerate changes in an ETF's share price and the return on its underlying investments.

Accordingly, the value of a client's investments in ETFs may be more volatile and all other risks, including the risk of loss of an investment, tend to increase. As a result of compounding, inverse and leveraged ETFs often have a single day investment objective. An inverse ETF's performance for periods greater than one day is likely to be either greater than or less than the inverse of the index performance as stated in the ETF's objective. Similarly, a leveraged ETF's performance for periods greater than one day is likely to be either greater than or less than the index performance times the stated multiple in the ETF's objective. This effect becomes more pronounced for these types of ETFs as market volatility increases. Investments by clients in inverse and leveraged ETFs may result in increased volatility of returns. As a result, investments in these types of securities can result in client not achieving their investment objectives.

Concentration Risk: Sector ETFs, such as REITs, are subject to industry concentration risk, which is the chance that stocks comprising the sector ETF will decline due to adverse developments in that particular industry.

Interest Rate Risk: Fixed income (bond) ETFs are subject to interest rate risk which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. Securities rated below investment grade, commonly referred to as "junk bonds", involve greater risks than securities in higher rating categories. Junk bonds are regarded as speculative in nature, involve greater risk of default by the issuing company, and may be subject to greater market fluctuations than higher rated fixed income securities.

Credit (default) Risk: Fixed income ETFs are also subject to credit (default) risk. The owner of a fixed income security may lose money if the party that issues the security is unable or unwilling to make timely principal and/or interest payments or to otherwise honor its obligations. Further, when an issuer's financial condition suffers, or a credit rating agency lowers the issuer's credit rating, the price of the issuer's bonds may decline and/or experience greater volatility. These changes can also affect the liquidity of the issuer's fixed income securities and make them more difficult to sell.

RISKS – MORTGAGE-BACKED SECURITIES

As we have noted above in the section entitled "Item 4. Kovitz's Investment Advisory Business," part of our fixed income approach includes investing in MBS, specifically CMOs. We apply the same investment philosophy, trading strategy, and method of analysis as we do for other fixed income securities (as we have also described above). As with equities and other types of fixed income securities, there are risks to investing in CMOs, such as Market Risk, Business Risk, and Concentration Risk. Liquidity Risk, Interest Rate Risk, and Credit (default) Risk also apply when investing in CMOs. In addition, there are other risks specific to CMOs:

General: The performance of a client's CMO holdings can be affected by a variety of factors, including its priority in the capital structure of the issuing company, the nature of the mortgages themselves within the CMOs, and the level and timing of principal and interest payments made by underlying mortgage borrowers. Also, a rapid change in the rate of defaults of mortgages within a CMO may have a significant effect on the yield to maturity. Clients risk loss on CMO investments regardless of their ratings by the ratings agencies.

Prepayment Risk: When the issuer of a fixed income security has the right to prepay principal, if it exercises that right earlier or at a higher rate than expected, a client may incur losses. This means that the client may be unable to recoup his/her initial investment and may have to reinvest in lower yielding securities. This can have a negative effect on the client's income stream, total return and/or the price of the securities in the client's portfolio. Prepayment risk tends to be highest in periods of declining interest rates. Although CMOs can be issued with maturities of up to 40 years, unscheduled or early payments of principal and interest on the mortgages may significantly shorten their effective maturity dates. Generally, CMOs are subject to greater prepayment risk than other types of fixed income securities, such as municipal or corporate bonds.

From time-to-time Kovitz will recommend that clients invest with third party money managers. Kovitz obtains information with respect to money managers from third party consultants, tracking organizations, business publications, money managers and other sources. The factors Kovitz uses to recommend money managers include, but are not limited to, the manager's reputation, firm stability, quality and resources of the investment team, operational infrastructure and controls, investment philosophy, depth and breadth of research, portfolio construction and risk management practices, performance record, the continuity of management service to clients, minimum dollar investment requirement and fees.

Where we otherwise deem the investment appropriate in light of the client's investment objectives and risk tolerance, we recommend allocating a portion of our clients' portfolios to alternative investments (affiliated or unaffiliated) that offer exposure to asset classes or investment opportunities which would not otherwise be available to them. Alternative investments are typically much less liquid than securities that are traded in the public markets. Some alternative investments present substantial risk of loss. The risks associated with each alternative investment we recommend are detailed in the offering memorandum for the relevant investment. We urge clients to carefully review and consider the risks of any alternative investments we recommend, including the potential for losing the entire amount invested.

In addition to general business risks, investors in the TLSRE Fund are subject to the following additional risks:

- Risks associated with the success of the Fund's investment in IQHQ, Inc., including the real estate development risk that the life science real estate projects are not completed as planned.

Clients should review the offering and other documents a client participating in the TLSRE Fund will receive that set out a more detailed discussion of risks relative to investing in the particular fund.

RISKS – STRUCTURED NOTES

Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index protection from losses should the reference asset or index produce negative returns and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk, and potential for growth through the term of the structured note. Determining the performance of each note can be complex, and this calculation can vary significantly from note to note, depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse- leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with us.

Market risk: Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, or market volatility.

Issuance price and note value: The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

Liquidity: The ability to trade or sell structured notes in a secondary market is often very limited as structured notes (other than exchange-traded notes known as “ETNs”) are not listed for trading on security exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date or risk selling the note at a discount to its value at the time of sale.

Credit risk: Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

Call risk: Some structured notes have "call provisions" that allow the issuer, at its sole discretion, to redeem the note before it matures at a price that may be above, below, or equal to the face value of the structured note. If the issuer "calls" the structured note, clients may not be able to reinvest their money at the same rate of return provided by the structured note that the issuer redeemed.

Tax considerations: The tax treatment of structured notes is complicated and, in some cases, uncertain. Before purchasing any structured note, clients may wish to consult with a tax advisor. Clients also should read the applicable tax risk disclosures in the prospectuses and other offering documents of any structured note they are considering purchasing.

RISKS – INTERVAL FUNDS

Interval funds are closed-end funds that make periodic repurchase offers to its shareholders, generally every three, six, or twelve months, as disclosed in the fund's prospectus and annual report.

Repurchase offers and the need to fund repurchase obligations may affect the ability of the funds to be fully invested or force the funds to maintain a higher percentage of its assets in liquid investments, which may harm the funds' investment performance. Moreover, diminution in the size of the funds through repurchases may result in untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant) and may limit the ability of the funds to participate in new investment opportunities or to achieve its investment objective.

If the funds employ investment leverage, repurchases of common shares would compound the adverse effects of leverage in a declining market. In addition, if the funds borrow to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their shares by increasing the funds' expenses and reducing any net investment income.

In the event that the funds' boards determine not to repurchase more than the repurchase offer amount, or if shareholders tender more than the amount available for repurchase, the funds will repurchase the shares tendered on a pro-rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer.

Some shareholders, in anticipation of proration, may tender more shares than they wish to have repurchased in a particular quarter, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the value of shares tendered in a repurchase offer may decline between the Repurchase Request Deadline and the date on which the NAV for tendered shares is determined. In addition, the repurchase of shares may be a taxable event to shareholders.

RISKS – EXTERNAL MANAGERS

The profitability of a portion of Kovitz's, or External Managers', recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Kovitz or External Managers will be able to predict those price movements accurately.

As stated above, Kovitz recommends the use of External Managers for certain clients. The Firm will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the External Managers' ability to successfully implement their investment strategy. In addition, the Firm does not have the ability to supervise the External Managers on a day-to-day basis other than as previously described in response to Items 4 and 8 above.

RISKS – PRIVATE COLLECTIVE INVESTMENT VEHICLES

Kovitz recommends that certain clients invest in privately placed collective investment vehicles, which include, but are not limited to, Hedge Funds, Private Equity Funds, Private Credit Funds, Private Real Estate Funds, and other Limited Partnerships. The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify.

The funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there may be an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

CYBERSECURITY RISK

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

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

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

ITEM 9. DISCIPLINARY INFORMATION

Not applicable.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

FOCUS FINANCIAL PARTNERS

As noted above in response to Item 4, certain investment vehicles affiliated with CD&R collectively are indirect majority owners of Focus LLC, and certain investment vehicles affiliated with Stone Point are indirect owners of Focus LLC. Because Kovitz is an indirect, wholly-owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of Kovitz.

Kovitz is affiliated with Telemus Insurance Services, LLC, a Delaware LLC ("TIS"). TIS is licensed as an insurance agency in Michigan and in other jurisdictions as required. The Firm and certain of its employees refer clients and prospective clients to the TIS for various insurance products and services such as life, disability and long-term care policies and annuity contracts, and make referrals to third party providers for property and casualty and group health insurance, for which they could potentially be compensated. Ari Fischman, an officer of TIS and an employee of the Firm, is compensated for the sale of insurance products through his affiliation with TIS and as a Registered Representative of Lion Street Financial, LLC, an unaffiliated, registered broker-dealer. The compensation creates an incentive to recommend insurance products for the compensation received, rather than to meet a client's needs. We address this conflict of interest through this disclosure. Clients are free to accept our recommendation or seek insurance products through other brokers or agents, as they wish.

Kovitz is investment adviser to a mutual fund – the Al Frank Fund and an ETF, EQTY. Please refer to our discussion of EQTY and the Al Frank Fund in various places throughout this Brochure, including how we manage EQTY and the Al Frank Fund alongside our separate client accounts and affiliated hedge funds. Please also refer to the EQTY prospectus for more information at www.Kovitz.com/eqtyand the Al Frank Fund prospectus for more information at www.alfrankfunds.com. In addition, Kovitz acts as sub-adviser to CAPOX, which it recommends for investment in client accounts. Please refer to our discussion of CAPOX in various places throughout this Brochure, and refer to the CAPOX prospectus for more information at www.absoluteadvisers.com/absolute-capital-opportunities-fund/fund-overview.

Kovitz is the general partner of affiliated private placements, which are open to new investors. This is a conflict of interest. The affiliated private placements do not have the same investment objectives as Kovitz's separate client accounts. Please see the disclosure above in the section entitled "Item 6. Performance-Based Fees/Side-by-Side Management" for a description of this conflict of interest, and additional information with respect to these relationships. Kovitz also provides services to, or certain of its employees are otherwise involved in several private real estate funds in which clients and others have been solicited to invest. These funds are limited to accredited investors, and their objectives are to invest in properties across the real estate sector, including industrial, commercial, and residential. Although these funds are not investment advisory clients of Kovitz, this is a conflict of interest in that Kovitz's employees are compensated based on referrals of Kovitz clients to such funds. Additionally, the fees associated with the private placement are higher than those of a separate managed account. This is a conflict of interest as it could incentive Kovitz to move assets into the private placements. This risk is mitigated through the disclosure in Item 6. Performance-Based Fees/Side-by-Side Management and that our advisors introducing the private placements are compensated equally across all investment types. Therefore, there is no benefit to advisor for an investor to be in a private placement over a separately managed account.

For its U.S. domiciled TDOF Fund and TLSRE Fund, affiliates of Kovitz serve as the general partner/manager of the Funds. The affiliates are wholly owned by Kovitz's parent company.

Certain of Kovitz's executive officers own a separate company that sponsors and manages private equity funds. All such funds are limited to accredited investors. The private equity funds' primary investment objectives are to acquire controlling interests in existing companies and to make other investments. Although these funds are not clients of Kovitz, this is a conflict of interest in that these Kovitz officers are compensated based on their respective ownership of the private equity manager, and based on the ongoing management and incentive fees that the funds pay to the manager. In addition, the more assets that are referred and invested with the private equity funds, the larger the administrative fee payable to Kovitz under our administrative services agreement described in Item 14. This is also a conflict of interest in that certain Kovitz employees are compensated based on referrals of clients to such private equity funds which we believe is limited due to the compensation structure of employees noted Item 5.. Please refer to the section above entitled "Item 6. Performance-Based Fees/Side-By-Side Management" for additional information about these relationships, a discussion of the conflicts of interest in recommending these investments, and how we believe we have addressed these conflicts.

In addition, several of Kovitz's employees are involved in a charitable organization called Kovitz Cares. Kovitz Cares primarily focuses on organizing volunteer projects for Kovitz employees, and raising funds to donate to charities. Please refer to the section above entitled "Item 5. Fees and Compensation" for a discussion about the organization, along with relevant conflicts of interest.

Kovitz, its owner, executive officers, and employees spend as much of their time on the activities of a particular client as they deem necessary and appropriate. Kovitz and its affiliates are not restricted from investing in, forming or being involved with additional private funds, from entering other investment advisory relationships, or from engaging in other business activities. Kovitz's involvement in these other activities, such as the real estate and private equity funds referenced above, is a conflict of interest. The time and efforts of Kovitz's officers and employees are allocated among the firm's individual client accounts and hedge funds, and to separate ventures such as the real estate funds and private equity funds.

BUSINESS RELATIONSHIPS

Kovitz a business relationship with other Focus firms that is material to our advisory business or to our clients.

ORIGIN

Under certain circumstances we offer our clients the opportunity to invest in pooled investment vehicles managed by Origin. Origin provides these services to such clients pursuant to limited liability company agreement or limited partnership agreement documents and in exchange for a fund-level management fee and performance fee paid by our clients and not by us. Origin, like Kovitz, is an indirect wholly owned subsidiary of Focus LLC and is therefore under common control with Kovitz. The allocation of our clients' assets to Origin's pooled investment vehicles, rather than to an unaffiliated investment manager, increases Origin's, and indirectly, Focus LLC's and Kovitz's, compensation and revenue. As a consequence, Focus LLC and Kovitz have a financial incentive to cause Kovitz to recommend that our clients invest in Origin's pooled investment vehicles, which creates a conflict of interest with Kovitz clients who invest, or are eligible to invest, in Origin's pooled investment vehicles.

OCA

Under certain circumstances we offer our clients the opportunity to invest in pooled investment vehicles managed by OCA. OCA provides these services to such clients pursuant to limited liability company agreement or limited partnership agreement documents and in exchange for a fund-level management fee and performance fee paid by our clients and not by us. OCA, like Kovitz, is an indirect wholly owned subsidiary of Focus LLC and is therefore under common control with Kovitz. The allocation of our clients' assets to OCA's pooled investment vehicles, rather than to an unaffiliated investment manager, increases OCA's, and indirectly, Focus LLC's and Kovitz's, compensation and revenue. As a consequence, Focus LLC and Kovitz have a financial incentive to cause Kovitz to recommend that our clients invest in OCA's pooled investment vehicles, which creates a conflict of interest with Kovitz clients who invest, or are eligible to invest, in OCA's pooled investment vehicles.

IFAM

Under certain circumstances we refer certain retirement plan clients to IFAM. Kovitz refers certain retirement plan clients to IFAM for IFAM to manage the relationship moving forward. Kovitz receives a portion of the advisory fee paid to IFAM for managing the relationship, upon engagement. IFAM, like Kovitz, is an indirect wholly owned subsidiary of Focus LLC and is therefore under common control with Kovitz. The referral of clients to IFAM, rather than to an unaffiliated investment adviser, increases the revenue to Focus LLC relative to a situation in which Kovitz referred these clients to an unaffiliated investment adviser. As a consequence, Focus LLC has a financial incentive to cause Kovitz to refer certain clients to IFAM, which creates a conflict of interest with those Kovitz clients who agree to transfer to IFAM's investment management. It should be noted that these clients are not obligated to work with IFAM. Kovitz is offering IFAM as an option for management of their relationship, but the client has the option to use whoever they'd like. Kovitz, or IFAM, does not receive any compensation if the client decides to take the relationship to an investment adviser that is not Kovitz or IFAM.

DORCHESTER

Under certain circumstances we refer certain clients to Dorchester. Kovitz refers certain clients to Dorchester for Dorchester to manage an account moving forward. Kovitz receives a portion of the advisory fee paid to Dorchester for managing the account, upon engagement. Dorchester, like Kovitz, is an indirect wholly owned subsidiary of Focus LLC and is therefore under common control with Kovitz. The referral of clients to Dorchester, rather than to an unaffiliated investment adviser, increases the Kovitz's compensation and the revenue to Focus LLC relative to a situation in which Kovitz referred these clients to an unaffiliated investment adviser. As a consequence, Focus LLC has a financial incentive to cause Kovitz to refer certain clients to Dorchester, which creates a conflict of interest with those Kovitz clients who agree to transfer to Dorchester's investment management.

SENTINEL PENSION ADVISORS

Kovitz and Sentinel Pension Advisors, Inc. ("SPA") are both advisory firms owned by Focus LLC. Kovitz and SPA have an agreement in place whereby Kovitz serves as a subadvisor to SPA for certain client retirement plans. SPA and the client enter an advisory agreement that specifies the discretionary and/or non-discretionary advisory services and duties to be delegated to Kovitz. Generally, Kovitz is responsible for investment recommendations and creating and maintaining model portfolios, individual fund choices, and asset allocation targets. SPA is generally responsible for fiduciary governance, participant services, and portfolio administration, including trading, rebalancing, and fiduciary and performance reporting. Kovitz, at its discretion, may participate in SPA's investment meetings with clients. As the advisor to the client, SPA collects its quarterly advisory fee and remits 50% of such fee to Kovitz for its services.

RELATIVE VALUE PARTNERS, LLC

Kovitz has engaged Relative Value Partners, LLC ("RVP") to serve as an External Manager for certain of our client accounts. RVP, like Kovitz, is an indirect wholly owned subsidiary of Focus LLC and is therefore under common control with us. The allocation of our clients' assets to RVP, rather than to an unaffiliated investment manager, increases the revenue to Focus LLC relative to a situation in which assets were allocated to an unrelated strategy manager. As a consequence, Focus LLC has a financial incentive to encourage us to recommend that our clients' assets be allocated to RVP.

We believe this conflict is mitigated because of the following factors: (1) this arrangement is based on our judgment that allocating a portion of our clients' assets to RVP's management is in the best interests of the affected clients; (2) RVP has met the due diligence standards we apply to outside, unaffiliated investment managers; (3) SWP clients retain RVP on a discretionary basis and retain the authority to terminate RVP's services; (4) Kovitz is willing and able to recommend the reallocation of client assets to other unaffiliated strategy managers, in part or in whole, if RVP's services become unsatisfactory in our judgment and in our sole discretion; and (5) we and RVP have fully and fairly disclosed the material facts regarding this relationship to clients whose assets are allocated to us and the clients have given their informed consent to the investment.

More information about Focus LLC can be found at www.focusfinancialpartners.com.

We believe these conflicts are mitigated because of the following factors: (1) this arrangement is based on our reasonable belief that investing a portion of Kovitz's clients' assets in Origin or OCA's investment vehicles or with IFAM, Dorchester Sentinel, or SWP investing a portion of SWP's client assets in Kovitz investment vehicles, is in the best interests of the clients; (2) Origin, OCA and Kovitz's investment vehicles have met the due diligence and performance standards that Kovitz and SWP apply to outside, unaffiliated investment managers; (3) clients will invest in the pooled investment vehicles on a nondiscretionary basis through the completion of subscription documentation; (4) subject to redemption restrictions, we are willing and able to reallocate Kovitz client assets to other unaffiliated or affiliated investment vehicles, in part or in whole, if Origin's services become unsatisfactory in our judgment and at our sole discretion; and (5) we have fully and fairly disclosed the material facts regarding this relationship to you, including in this Brochure, and Kovitz clients who invest in Origin's pooled investment vehicles have given their informed consent to those investments; (6) clients are not required to invest or allocate assets with our business partners, they ultimately decide if they want to proceed or not.

UPTIQ Credit and Cash Management Solutions

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). These third-party financial institutions are banks and non-banks that offer credit and cash management solutions to our clients, as well as certain other unaffiliated third parties that provide administrative and settlement services to facilitate UPTIQ's cash management solutions. UPTIQ acts as an intermediary to facilitate our clients' access to these credit and cash management solutions.

We are a wholly owned subsidiary of Focus Financial Partners, LLC ("Focus"). Focus is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.'s investors, including Focus. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC ("FSH"). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from the third-party financial institutions. For securities-backed lines of credit ("SBLOCs") made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions for credit solutions or reduced yield paid by the providers of cash management solutions. This revenue is also revenue for FSH's and our common parent company, Focus. Additionally, the volume generated by our clients' transactions allows Focus to negotiate better terms with UPTIQ, which benefits Focus and us. Accordingly, we have a conflict of interest when recommending UPTIQ's services to clients because of the compensation to our affiliates, FSH and Focus, and the transaction volume to UPTIQ. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering UPTIQ's solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use UPTIQ's services will receive product-specific disclosure from the third-party financial institutions and other unaffiliated third-party intermediaries that provide services to our clients.

We have an additional conflict of interest when we recommend credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidate some or all of the assets we manage.

Credit Solutions

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients' custodians. While credit solution programs that we offer facilitate secured loans through third-party financial institutions, clients are free instead to work directly with institutions outside such programs. Because of the limited number of participating third-party financial institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A third-party financial institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The third-party financial institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the third-party financial institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

We use UPTIQ to facilitate credit solutions for our clients.

<u>Cash Management Solutions</u>

For cash management programs, certain third-party intermediaries provide administrative and settlement services to our clients. Engaging the third-party financial institutions and other intermediaries to provide cash management solutions does not alter the manner in which we treat cash for billing purposes. Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the third-party financial institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in a cash management program if the client prefers to hold cash at the third-party financial institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

We use UPTIQ and Flourish to facilitate cash management solutions for our clients.

Kovitz, primarily Telemus Capital, provides certain categories of its clients with identity theft restoration services through Liberty ID. These services are provided to clients at no-charge. Liberty ID is an unrelated third-party service provider. If a covered client or extended family member experiences identify theft, they are directed to contact Liberty ID and provide certain information in order to be eligible for the restoration services.

We have been retained by other Focus partner firms through a subadvisory agreement in order to provide investment subadvisory services to certain clients of these Focus partner firms. We provide these services to such clients pursuant to a subadvisory agreement and in exchange for a fee paid by Focus partner firms' clients. Focus partner firms, like us, are indirect wholly owned subsidiaries of Focus LLC and are therefore under common control with us. The allocation of Focus partner firms' clients' assets to us pursuant to a subadvisory arrangement, rather than to an unaffiliated investment manager, increases our compensation and the revenue to Focus LLC, relative to a situation in which Focus partner firms' clients' assets are managed by an unaffiliated manager. As a consequence, Focus LLC has a financial incentive to encourage

Focus partner firms to recommend that a portion of their clients' assets be subadvised by us, which creates a conflict of interest with those Focus partner firm clients who are subadvised by us.

More information about Focus LLC can be found at www.focusfinancialpartners.com. We believe this conflict is mitigated because of the following factors: (1) our retention as a subadviser is based on Focus partner firms' judgment that such retention is in the best interest of their affected clients; (2) we have met the due diligence standards that these Focus partner firms apply to outside investment managers; (3) these Focus partner firms are willing and able to terminate our services, in part or in whole, if our services become unsatisfactory in the judgment of, and at the sole discretion of, each of the Focus partner firms; and (4) we have fully and fairly disclosed the material facts regarding this relationship, including in this Brochure, to the Focus partner firm clients for whom we act as subadviser, and such clients have therefore given their informed consent to this conflict.

Focus Risk Solutions

We help clients obtain certain insurance products from unaffiliated insurance companies by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC ("Focus"). FRS acts as an intermediary to facilitate our clients' access to insurance products. FRS has agreements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity.

Neither we nor FRS receives any compensation from the Brokers or any other third parties for providing insurance solutions to our clients. For services provided by FRS to clients of other Focus firms, FRS receives a percentage of the upfront commission or a percentage of the ongoing premiums for policies successfully placed with insurance carriers on behalf of referred clients, and such compensation to FRS is also revenue for our common parent company, Focus Financial Partners, LLC. However, this compensation to FRS does not come from insurance solutions provided to any of our clients. The volume generated by our clients' transactions does benefit FRS and Focus in attracting, retaining, and negotiating with the Brokers and insurance carriers. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FRS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use FRS's services will receive product-specific disclosure from the Brokers and insurance carriers and other unaffiliated third-party intermediaries that provide services to our clients.

The insurance premium is ultimately dictated by the insurance carrier, although in some circumstances the Brokers or FRS may have the ability to influence an insurance carrier to lower the premium of the policy. The final rate may be higher or lower than the prevailing market rate. We can offer no assurances that the rates offered to you by the insurance carrier are the lowest possible rates available in the marketplace.

Related Member of CAIS Advisory Board:
David J. Copeland, an executive officer of the Firm, sits on the CAIS Advisory Board. Mr. Copeland does not receive any compensation for his participation on this committee but may be reimbursed for the cost of travel to attend meetings. Kovitz does not believe that Mr. Copeland's service on the CAIS Advisory Board poses a material conflict of interest with SWP's clients.

Use of My Personal Bookkeeper:
MPB is a line of business in which SWP provides bill payment, tax organization, insurance claim management and household budgeting. Although MPB is not part of Kovitz's investment advisory business, Kovitz may recommend use of MPB for its

clients when deemed appropriate. Clients are advised that a conflict of interest exists when they pay Kovitz on a standalone basis for MPB services. The client is under no obligation to act upon the recommendation to use MPB. The IARs of Kovitz do not receive compensation for these recommendations.

Use of External Managers:
As stated previously, the Firm recommends that clients authorize the active discretionary management of a portion of their assets by and/or among certain External Managers, based upon the client's stated investment objectives. In a few instances, personnel of the External Manager is a client of Kovitz. The Firm mitigates this conflict through its investment management process. All External Managers are reviewed in a consistent manner and must meet Kovitz's due diligence and performance standards. Kovitz also monitors and reviews the account performance and the client's investment objectives when an External Manager is utilized.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

We have adopted a Code of Ethics (Code). We recognize that we have a fiduciary duty to our clients in providing investment management services and we will act in our clients' best interests. Our Code includes:

- A requirement that our employees read the Code upon the start of their Kovitz employment, and annually thereafter, and that they certify they have read it;
- Rules regarding the giving and receiving of gifts and business entertainment;
- Rules for review and approval by us if our employees wish to engage in outside business activities;
- Rules regarding Kovitz or its employees making political contributions;
- Requirements that we review the Code on a periodic basis, and annually assess the risks that exist in our business;
- Rules for enforcing our Code and for reporting violations of our Code to our compliance staff; and
- Rules for reviewing and approving our employees' securities accounts and transactions.

We will provide a copy of our Code to our clients or prospective clients upon their request.

PERSONAL TRADING; INVESTING ALONGSIDE CLIENTS

Our employees that have accounts managed by Kovitz invest in the same securities in which our advisory clients invest (our discussion of advisory clients in this context includes EQTY, the Al Frank Fund, and CAPOX). Also, we recommend stocks in TPS in which employees and the Al Frank Fund invest. In addition, our affiliated hedge funds and related accounts, though managed according to a different strategy than that of Kovitz's separate accounts, usually invest in these securities at the same time that we recommend these securities for our advisory clients. We are committed to our investment approach and security selection and therefore want to be invested in the same securities we recommend for advisory clients.

This is a conflict of interest. There is a risk that we will favor our own accounts or accounts of our performance-based fee earning affiliated hedge funds over accounts of our clients in the timing or allocation of security transactions. There is a risk that we may choose to buy a security in our personal accounts, or accounts that pay us performance-based fees, before we buy it in our advisory clients' accounts, or recommend it in TPS. There is also a risk that we may allocate a security in limited supply to our accounts or our affiliated hedge funds' accounts instead of accounts of our advisory clients.

Our Code is designed to help mitigate these risks:

- Employees must report all of their personal securities holdings, and those of members of their household ("under the same roof"). They are required to do so shortly after they start working at Kovitz, and annually thereafter;

- All employees are required to report securities transactions in their accounts, and accounts of those in their household. This includes transactions executed "away" from Kovitz. We review these transactions on a periodic basis;

- We conduct periodic reviews of the performance of employee accounts, and we review the transactions in employee and employee-related accounts as they relate to transactions in client accounts;

- When our employees or our affiliated hedge funds invest in the same securities as our advisory clients, we generally execute those transactions at the same time and use an average price to complete the transaction. However, as discussed above in the section entitled "Kovitz's Affiliated Hedge Funds and Other Private Placements," because the hedge funds generally use different brokers (where applicable) than our separate account clients, we do not necessarily apply the same average price across all participating client accounts and hedge funds. In addition, client accounts managed by the California Office and Madison Office are spread across multiple custodians. To address this, we have implemented trade rotation policies and procedures. In connection with "firm-wide" trades, we rotate executions across several client account "groups." We have implemented trade rotation policies and procedures with the goal of providing equitable treatment to all of our client account groups, over time;

- Where we can and when Kovitz is managing the employee account, when our employees invest in the same securities as our advisory clients, and if we cannot complete the entire desired transaction for all clients, we use a "lottery" system to determine on a random basis for which accounts the transaction will be completed. In lottery situations, employee and employee-related accounts are allocated after eligible client accounts are filled. Certain employee and employee-related accounts are held at other custodians as well. Therefore, in trade rotation situations, employee and employee-related accounts held at each of the custodians, are filled before we move to the next client account group in the trade rotation. With respect to the California Office, employee-related accounts that are managed according to a strategy are generally grouped with client transactions.

- Please see the disclosure above in the section entitled "Item 6. Performance-Based Fees/Side-by-Side Management" for additional discussion of how we address these conflicts.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

As we noted above, we recommend investments in which we or an affiliate has a financial interest. We will only make this recommendation if the investment is suitable for the client. We will consider the clients' net worth, risk tolerance, and sophistication in this regard. We have described these investments in the section above entitled "Item 4. Kovitz's Investment Advisory Business – Investment Management – Other Types of Securities – Hedge Funds."

This is a conflict of interest. Please see the discussion in the section entitled "Item 6. Performance-Based Fees/Side-by-Side Management."

Kovitz recommends that certain of our clients invest in private investment funds managed by an affiliated Focus partner firm. Please refer to Items 4, 5 and 10 for additional information.

ITEM 12. BROKERAGE PRACTICES

GENERAL

Our advisory clients pay brokerage commissions for execution of securities transactions in their accounts directly to the custodian where assets are held. The broker selected may assess these commissions, in part, as a minimum charge per trade. If the number of shares involved in the transaction is large, the broker's commission may be assessed as an amount per share. These commissions are in addition to the investment management fees clients pay to Kovitz.

Kovitz considers the following when selecting brokers for client trades and determining the reasonableness of their compensation in cases where the client does not select the brokers for its trades (see the section below entitled "Directed Brokerage"):

- Cost of execution (the commission);
- Execution price and timing;
- Accessibility and responsiveness of broker staff;
- Quality, depth, and breadth of services the broker offers;
- Tools and applications the broker provides to benefit our clients;
- The broker's willingness to accommodate clients' special needs;
- Access to liquidity (to facilitate our sales and minimize market price impact);
- Protection of confidential information;
- Trade allocation policies;
- Trade error correction policies; and
- The broker's integrity, reputation, and financial condition.

Kovitz has retained Global Trading Analytics, LLC/GTA Babelfish, LLC to assist it in conducting quarterly trading analyses to help ensure Telemus Capital is meeting its fiduciary obligation with respect to its advisory clients' equity securities transactions (i.e., best-execution obligations).

Because Kovitz believes that the brokerage services offered by PAS/Pershing, Charles Schwab and Fidelity (including such factors as custodial services, execution capability, financial stability and clearance and settlement capability offered through and provided by Pershing as clearing broker) are of high quality, Kovitz will not solicit competitive execution fees or commission rates from other brokers on equity trades. For fixed income trades, Kovitz will solicit competitive bids. PAS, Charles Schwab and Fidelity may not necessarily (i) deal directly with market makers in over the counter or fixed income securities transactions, (ii) always bundle the transactions of an account with transactions of other accounts in order to receive volume discounts, or (iii) execute transactions at the lowest fees or commission rates available. Accordingly, transactions will not always be executed by PAS, Charles Schwab and Fidelity at the best price or lowest available execution fee or commission rates and in some instances the charges may be higher.

External Managers may purchase or sell securities through a broker/dealer other than through your Custodian(s) (trade away). Managers of Fixed Income Securities may trade away on a frequent basis. Such accounts may incur higher transaction costs than you would be charged through your Custodian. It is important to read the Disclosure Brochure of External Managers. Such charges, fees, and commissions are exclusive of and in addition to Kovitz's fee.

RECEIPT OF CUSTODIAN BENEFITS

We receive hardware and software tools, administrative and reporting tools, access to webinars and conferences, and research and other items as a result of the relationship between Kovitz and our primary custodians, PAS, Fidelity and

Charles Schwab, and through our prime brokerage relationship with our affiliated hedge funds. Certain tools and research products benefit all Kovitz clients, while the tools available through our prime brokerage relationship benefit only the accounts held at the prime broker.

We do not have to pay separately for these tools and research products, and we benefit from that. We may have an incentive to enter these relationships based on our receipt of these tools and research products rather than on our clients' interest in receiving best execution. However, we believe that the receipt of these tools and products is customary and is not a material element of the relationships. In addition, the receipt of these tools is not dependent on the amount of commissions or frequency of trades in client accounts.

The amount of the credit Pershing pays to TC is $235,000 per year over a period of one (1) years. Pershing/PAS may in its sole discretion reduce or modify the amount of the credit if the total assets managed by Telemus Capital on the Pershing platform significantly decrease at any time unrelated to market conditions, provided, however, that "total assets" for such purpose does not include assets that constitute "plan assets" under ERISA or other retirement assets as identified by Kovitz.

The credit from Pershing is a benefit to Kovitz because Kovitz does not have to pay for items which are purchased with the credit. This arrangement is a conflict of interest and incentivizes Kovitz to recommend that clients custody their assets with Pershing based on the credit Kovitz receives, rather than on clients' interest in receiving best execution. Kovitz mitigates this conflict by have multiple custodians that we have agreements in place with. This allows us to recommend the appropriate custodian for the client needs and doesn't require us to direct accounts to a certain custodian to maintain any benefits we receive.

TRADE ERRORS

If trade errors occur, we intend to make our clients whole whether the error is caused by Kovitz, our, the clearing firm, or an unaffiliated broker (such as Pershing Advisor Solutions, LLC ("PAS"), Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade, Inc. ("TD Ameritrade"), or Fidelity Brokerage Services, LLC ("Fidelity")).

If errors occur when Kovitz uses unaffiliated brokers, Kovitz has limited ability to control their resolution. These brokers typically have their own policies and procedures for corrections, administering gains and losses, and charitable donations, for example. In some instances, gains from errors can be maintained for Kovitz to be used against future trade losses. This is a conflict for Kovitz, as there is an economic benefit to Kovitz if the gains are maintained to offset losses as Kovitz would not have to cover the trade losses themselves.

In some instances, with these unaffiliated brokers, gains from the errors will go to a charitable organization of our choosing. Kovitz Cares is an organization that we have selected in some instances to receive the gains. As noted in "Item 5. Fees and Expenses, we receive an economic benefit if we are allowed a tax deduction for charitable donations. In addition, we may, in our sole discretion, decide to credit investment management fees as a way of correcting trade errors in client accounts.

AGGREGATION AND ROTATION

Where possible, we typically aggregate or group advisory client transactions in the same securities when executed on the same day to ensure efficient trade execution. This also allows us to provide an average price for each client trade, minimizes the risk of preferential treatment for certain clients over others, and is consistent with our obligations to obtain the best execution for client trades. While this practice also applies to client accounts managed by the firm's California and Madison offices, the firm does not aggregate client transactions in the same security across the firm's divisions. Kovitz recognizes that it has multiple "investment teams" and multiple investment strategies, and will consider aggregating trades across its divisions if it believes it is beneficial to clients to do so.

There are certain custodians where we do not currently have the functionality to aggregate and average price our orders, for example Schwab and Fidelity. This is due to system limitations on our end and restrictions within the order management system we leverage. Kovitz will periodically reassess the functionality and make a change to address this in the future, if possible. Kovitz understands the conflicts related to this setup and we believe we have reduced the conflict by rotating the order of client trades as to not give preferential treatment to any certain client(s). When trade orders are generated, they are not ranked by any account characteristics and are just list in a random order. Additionally, when we place trades for a wide swath of accounts, we upload the orders to be executed all at once. Therefore, we are providing all the accounts that needed to be traded at the same time to limit the disparity in execution.

We acknowledge that our clients' assets are held across multiple custodians and various broker platforms and includes the firm's affiliated hedge funds, our control over the execution of client trades varies across these custodians and platforms. In addition, while we are able to aggregate trades for clients that are held at the same broker, custodian, or platform, in certain cases we are not able to aggregate trades across them.

Therefore, in order to minimize the risk of preferential treatment to certain clients over others, we have implemented a trade rotation policy. We have organized our clients' accounts into broad account groups. When we execute client trades across multiple custodians and platforms, we will rotate through these client account groups, with the goal of achieving fairness of execution and equitable client treatment over time.

Kovitz uses pro-rata as its default method for partial fill allocations. Although rare, there are instances when pro-rata is not a suitable method of allocating block purchases or sales due to the volume executed. This can occur when Kovitz is trying to buy or sell a security at a particular price-point which has been chosen as the best entry or exit price in that security or when volume or float dictates.

When the pro-rata method is deemed unsuitable, based on the trader's discretion, Kovitz will allocate a partial fill using a random generator or another method based on account limitations, to help facilitate the allocation.

In select instances, Kovitz may be a larger shareholder in a given company, including being among its top ten shareholders. In these instances, when aggregating orders, Kovitz may represent a reasonable amount of average daily trading volume. Kovitz will seek to minimize their market impact when trading these securities, however, depending on market conditions, we may not always be able to limit our market impact.

Order of Trading

Because Kovitz provides investment advice to both discretionary and non-discretionary clients, there exists a potential conflict of interest between the timing of trades for discretionary clients and the seeking of approval for such trades from non-discretionary clients.

DIRECTED BROKERAGE

Advisory clients are free to direct Kovitz to use brokers to execute securities transactions. In deciding whether or not to accept an advisory client, however, Kovitz will take into consideration the client's selection of broker-dealers or custodians in connection with the advisory relationship. In this regard, the firm has established relationships with and generally requires the client to open (or already have) an account with either PAS, Schwab, TD Ameritrade, or Fidelity. Kovitz (including its California Office and Madison Office) will accept clients who use other broker-dealers/custodians at its sole discretion.

When a client directs us to use a broker/custodian other than those listed above):

- We may have a limited ability to negotiate commission rates or discounts on commission rates on the client's behalf;

- We generally do not have the ability to aggregate or group trades at such brokers. We are unable to apply an average price for trades executed by unaffiliated brokers. This results in the client paying a different total price than obtained by clients with our approved custodians, even if the trades are executed on the same day and in the same security;

- We cannot guarantee that the selected broker will average price trades executed for the client with trades that broker executes for other Kovitz clients, and we cannot guarantee that the broker will share or spread aggregate commissions for these trades among the various Kovitz client accounts it services.

We are required to obtain best execution when we choose the broker to execute our clients' trades. If we fail to obtain best execution it will cause our clients to pay more money to execute its trades or receive a less favorable price.

If a client does not receive best execution, whether with trades executed by a broker of its choice or with our approved custodians, the client may pay more money for the executed trade, or receive a less favorable price.

In certain cases, Kovitz has the discretionary authority to pick a broker other than a client's current custodian to execute a fixed income trade. For each of these trades, Client will have to pay an additional transactional charge that is paid to the custodian. This is in addition to any other charges related to the transaction. However, per custodial requirements, this ability to pick the non-custodian broker for execution is reserved to those accounts must maintain a minimum portfolio value of $100,000 or more and sign the appropriate paperwork with the custodian. It is not used in all cases. There are instances for accounts with smaller balances where we are not able to access these third-party brokers. Some custodians require accounts to meet certain thresholds to be able to participate in this type of fixed income trading. In these instances, we still follow-up our duty of best execution but we are limited to the inventory at the custodian.

CROSS TRADES

Kovitz does not cross trade equities as a matter of policy. From time to time, it will cross trade bonds in non-retirement accounts when it believes that the cross-trade benefits both the buying and selling client. When such cross trades are placed Kovitz will record the following information: (i) current quoted prices from multiple market sources; (ii) the mid-point between the average bid/ask prices; and (iii) the benefit to the client from the cross trade.

In some circumstances, affiliated and client accounts will share transaction costs equally and receive securities at a total average price. Kovitz will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

ITEM 13. REVIEW OF ACCOUNTS

PERIODIC REVIEWS AND REPORTING

Kovitz reviews client accounts on a regular and continuous basis. At a minimum, our portfolio/account managers review accounts on an annual basis, while some advisers review their accounts more frequently.. We also conduct reviews based on other triggers such as significant life events (retirement, receipt of an inheritance, etc.), firm-wide purchases or sales of securities, bond maturities, or after cash deposits or distributions. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Firm and to keep SWP informed of any changes thereto.

Our portfolio managers consider the following when periodically reviewing their clients' accounts:

- Securities held in the account;
- Position sizes;
- Suitability;
- The client's investment objective;
- Asset allocation, including allocation to private placements and mutual funds (whether or not such investments are affiliated with Kovitz); and
- The client's risk tolerance.

Our separate client accounts receive periodic account statements (usually monthly) and trade confirmations directly from their broker and/or custodian of their assets. We also provide quarterly account appraisals, annual tax reports, and various other reports to certain clients from time to time. We encourage our clients to compare their brokerage and/or custodial statements to the reports we provide, as applicable.

Telemus Capital's Investment Committee (the "IC") has responsibility for setting investment policy guidelines, risk model asset allocations, and all portfolio investment selections other than private investments, as well as monitoring and updating the investment models as warranted, for accounts the Telemus Capital division advises on. The IC meets at least monthly and more frequently as needed. The Private Investment Committee ("PC") maintains responsibility for the review, selection and oversight of all private investments.

As part of its basic wealth management service, Kovitz provides clients with a goal based financial plan. After an initial review with the client, basic financial plans are not reviewed on a regular or consistent basis, unless requested by the client. To the extent that the client subsequently establishes account(s) with Kovitz, the account review practices described above will apply.

TDOF Fund and the Telemus Life Science Real Estate Fund

Investors in the TDOF Fund and the TLSRE Fund (described in Item 4 above) will receive audited financial statements on an annual basis. Other information will be provided upon request to all or individual investors at the Funds' sole discretion.

VALUATION OF SECURITIES IN CLIENT ACCOUNTS

In administering our clients' accounts, we receive security pricing information from several different custodians, depending on which broker/custodian the client has selected for his/her account(s). While clients may hold the same securities across various custodians, the pricing information that we receive in our systems can potentially vary by custodian. This is because each custodian may use different third-party vendors or methods for valuing securities.

In spite of these potential differences, Kovitz uses the pricing information received from its primary custodian, PAS. This is for efficiency reasons, as a vast majority of Kovitz's clients' accounts are held at PAS. This pricing information is reflected firm-wide, in much of its investment management, trading, and reconciliation processes. PAS obtains its pricing information from an industry-recognized pricing vendor, a vendor that other custodians use as well. Also, the Madison Office receives pricing information from the same vendor. As such, the periodic reports that Kovitz sends to clients, and the firm's billing practices reflect pricing information received from that vendor. Ultimately, the vendor's pricing information is used on a firm-wide basis, regardless of the custodian that the client has selected for his/her accounts (for example, Schwab, TD Ameritrade, or Fidelity).

As noted above, we encourage our clients to compare their brokerage and/or custodial statements to the statements we provide, as applicable.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

We have agreements with unaffiliated third parties, called promoters, who refer clients to Kovitz. We pay these third parties a portion of the investment management fees we receive for managing the accounts of the referred clients. Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending the adviser receives an economic benefit for doing so. Rule 206(4)-1 of the Advisers Act addresses this conflict of interest by, among other things, requiring disclosure of whether the promoter is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with the promoter. Accordingly, we require promoters to disclose to referred clients, in writing: whether the promoter is a client or a non-client; that the promoter will be compensated for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral. Additionally, Kovitz employees refer clients to Kovitz and receive compensation for the referral. Kovitz employees disclose to the prospect at the time of referral that they are an employee of Kovitz, which is accomplished by various means (business card, communication from Kovitz email, etc.)

We are involved in various platforms, including "model," "wrap," and sub-advisory arrangements. Under these arrangements, the primary advisers pay us a portion of the fees that they collect from their clients. We also act as sub-adviser for a mutual fund, for which we serve as sole sub-adviser. We are paid fees by the primary adviser of the mutual fund.

Please refer to Item 12. Brokerage practices for background on benefits and certain compensation we receive from our custodial relationships.

Kovitz's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Kovitz, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Kovitz. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Kovitz. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Kovitz to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Kovitz. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus from January 1, 2023, to March 1, 2024:

Orion Advisor Technology, LLC
Fidelity Brokerage Services LLC
Fidelity Institutional Asset Management LLC
TriState Capital Bank
StoneCastle Network, LLC
Charles Schwab & Co., Inc.

You can access a more recently updated list of recent conference sponsors on Focus' website through the following link:

https://focusfinancialpartners.com/conference-sponsors/

On occasion, Kovitz hosts events for various purposes, including sharing industry information and events that facilitate networking among our firm, clients, and industry participants. Vendors have sponsored the events, giving them an opportunity to market their products and services to clients and us. This practice is a potential conflict as the marketing and education activities conducted and the access granted at such meetings and conferences could cause us to focus on those conference sponsors in the course of our duties. We mitigate the potential conflict through this disclosure and by allocating the sponsorship fees only to defray the cost of the events and not as revenue for our firm. No entities provided conference sponsorship to SWP in 2023.

A number of our principals may be eligible for additional compensation from our indirect parent company, Focus Financial Partners, LLC (or one of its affiliates), depending on the performance of Kovitz. Eligibility will be determined based on all or a portion of Kovitz's cumulative earnings. This potential for increased compensation provides an incentive for these principals to encourage you to maintain and even increase the size of your investment account with us.

Kovitz receives an administrative service fee from a private equity firm, Chicago Capital Partners Management, LLC (CCP Manager), for services provided to the funds managed by CCP Manager. CCP Manager is managed and majority-owned by certain executive officers of Kovitz. Kovitz's fee is based on a percentage of assets within the funds to which we provide administrative services. This is a conflict of interest for Kovitz as we receive more compensation in relation to the referrals we make to CCP Manager for investment in funds managed by CCP Manager. Kovitz limits this conflict by only referring funds managed by CCP Manager to clients when it determines that the funds are suitable for the client and are in line with the agreed upon asset allocation of the client. Additionally, Kovitz does not use it discretion to invest clients in the funds managed by CCP Manager.

Business Relationships

Kovitz refers clients to IFAM for retirement plan services. The affiliation between Kovitz and IFAM is disclosed to the plans referred by Kovitz. Referred retirement plans are not obligated to engage with IFAM and can choose to select a different investment adviser to manage their relationship.

Kovitz refers clients to Dorchester for investment management services. The affiliation between Kovitz and Dorchester is disclosed to the clients referred by Kovitz.

Kovitz refers clients to SPA for retirement plan services. The affiliation between Kovitz and SPA is disclosed to the plans referred by Kovitz. Referred retirement plans are not obligated to engage with SPA and can choose to select a different investment adviser to manage their relationship.

Kovitz refers clients to Ancora for alternative investment management services. The affiliation between Kovitz and Ancora is disclosed to the clients referred by Kovitz. Clients elect to invest with Ancora on their own discretion, Kovitz does not invest clients assets with Ancora using our discretion.

ITEM 15. CUSTODY

We have the authority to direct our clients' brokers or custodians to pay us our management fees directly from client accounts. As we described in the section above entitled "Review of Accounts," clients receive periodic account statements and trade confirmations directly from their broker and/or custodian of their assets. We also directly provide account statements and other reports to certain clients on a periodic basis. We urge our clients to carefully review the statements they receive and to compare the statements we provide with the statements they receive directly from their broker or custodian.

While we generally avoid obtaining the authority to hold or obtain possession of client funds or securities in connection with the advisory services we provide to clients, we do have custody in the following ways:

TRUSTEESHIPS; FAMILY OFFICE SERVICES; STANDING LETTERS OF AUTHORIZATION

- Our employees occasionally serve as trustee (or co-trustee) of client trust accounts to which we provide advisory services. In cases where the trusteeship did not result from Kovitz providing advisory services to the client over time (such as family relationships, or other relationships that pre-date the client's and employee's association with Kovitz), the firm does not claim custody over these client trusts (based on SEC guidance). On the other hand, in cases where the trusteeship resulted from Kovitz providing advisory services to the client trust over time, Kovitz considers this to be "custody" of client trust assets.

- Also, as described above in the section entitled, "Item 4. Kovitz's Investment Advisory Business," the firm provides "Family Office Services" to certain clients. As part of this segment of the business, the firm provides bill paying services, and assists with asset movement requests from clients. In carrying out the activities of the Family Office Services, firm employees have full electronic access (rather than limited, "trading-only," or "read-only" access) to certain clients' bank accounts and securities accounts for purposes of entering transactions. This is considered "custody" of client assets. We have various controls in place to monitor and supervise such activity. In addition, we have engaged a third-party accounting firm to conduct surprise exams of the applicable client accounts, as required by SEC rules.

- Kovitz also allows clients to setup standing letters of authorization (SLOAs) on their accounts. These SLOAs allow clients to distribute funds via various methods (check, wire, etc.) to an established recipient. The SLOAs that are established are a mix of first party (same name on both accounts) or third party (to different account name than the delivering account) instructions. In instances where the SLOA is directed to a third party, Kovitz is deemed to have custody. Kovitz additionally has reviewed the details of the SLOAs and has noted those that fall within the SEC's safe harbor of meeting seven specific conditions required to not be part of an annual surprise examination, namely not directed to Kovitz or a related party. Kovitz has various controls around the processing and monitoring of SLOA activity. Additionally, the accounts that are required to be part of the surprise examination due to the third-party SLOA are included in the scope of that annual requirement along with the other "custody" accounts.

- If clients of Kovitz also use the MPB service for certain services (bill pay, insurance claim management, etc), then, under federal securities laws, Kovitz will be deemed to have custody of those client accounts. In these cases, the assets are held by independent, unaffiliated qualified custodians and are subject to an annual surprise custody examination in accordance with Rule 206(4)2 under the Investment Advisers Act.

AFFILIATED PRIVATE PLACEMENTS

- We have custody of the assets in our affiliated hedge funds because we are the general partner of such funds. We also have custody of the funds and securities of an affiliated real estate fund as the "managing member" of the fund is controlled by the same executive officers of Kovitz. As such, we have control over the trading and movement of assets in and out of such funds. We have various controls in place to protect the assets in such funds. We use an independent third party to administer the hedge funds and the real estate fund, and to provide statements to the fund investors on a periodic basis. In addition, we use an independent accounting firm to audit the financial statements of our hedge funds and the real estate fund on an annual basis. We then distribute the auditor's reports to the funds' underlying investors, as required by SEC rules.

ITEM 16. INVESTMENT DISCRETION

We provide discretionary investment management services to our clients. This means that when clients hire us, they give us trading authorization. We do not need specific approval from clients each time we decide to purchase or sell securities in the accounts that we manage for them. The discretionary authority allows Kovitz to determine third-party managers to be used for Client accounts. Clients give us discretionary trading authority by executing our investment advisory agreement when they hire us to manage their assets.

As we have described in the section above entitled "Item 4. Kovitz's Investment Advisory Business," clients can limit our trading authority by restricting us from purchasing or selling certain securities.

ITEM 17. VOTING CLIENT SECURITIES

PROXIES

We are responsible for voting client securities (proxies) held in individual client accounts if we specifically agree to accept this authority and responsibility in writing (although clients may always contact us with questions on proxy matters). Where we have not accepted that authority, Clients typically receive voting and proxy information directly from the issuers of the securities in their accounts.

For institutional clients, including registered investment companies' clients such as EQTY, the Al Frank Fund, and CAPOX, and in connection with model, wrap fee, or other similar relationships, we are similarly responsible for voting proxies if the client or sponsor, etc., delegates, and we agree to accept, such authority.

We have adopted proxy voting policies and procedures designed to ensure that we vote proxies in the best interest of clients and that we provide clients with information about how their proxies are voted. In light of our fiduciary duty to clients, and given the complexity of the issues that may be raised with proxy votes, we have retained an independent, third-party proxy voting service provider to assist with the voting of client proxies. The proxy voting service provider specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers. The services provided to us include in-depth research, voting recommendations, vote execution and recordkeeping.

We use reasonable best efforts to periodically reconcile available votes or votes cast by the proxy voting service provider against shares held in client accounts to assess whether we are receiving and voting proxies for those clients and relationships for which it has voting authority.

We acknowledge that conflicts of interest can arise which can affect how we vote proxies. We address conflicts of interest by first determining whether or not we have a material business relationship with the issuer. We then work with our third-party proxy voting service provider to determine whether or not it intends to vote on the specific matter. We may then "override" the provider's vote instruction, or otherwise instruct the provider to vote in a certain way that is, in our judgment, consistent with our clients' best interests.

We serve as general partner of our affiliated hedge funds. As such, we have authority to vote securities held by such entities. We do not, however, as a general matter, exercise our authority to vote proxies on such funds' behalf.

We will provide a copy of our Proxy Voting Policy to our clients or prospective clients upon their request.

CLASS ACTION CLAIMS – GENERAL

As is outlined in our standard investment advisory agreement, Kovitz, generally handles filing of class action claims on behalf of clients. Kovitz has hired a third-party vendor to assist with monitoring, filing, and distributing of funds to clients, where applicable.

ITEM 18. FINANCIAL INFORMATION

Not applicable.