ITEM 1 – COVER PAGE

WRAP FEE PROGRAM BROCHURE

IFP ADVISORS, LLC, DOING BUSINESS AS
INDEPENDENT FINANCIAL PARTNERS

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March 31, 2021

This Wrap Fee Program ("Program") Brochure provides information about the qualifications and business practices of IFP Advisors, LLC. doing business as Independent Financial Partners ("IFP"), an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). Registration does not imply a certain level of skill or training. If you have any questions about the contents of this Brochure, please contact us at 813-341-0960.

The Plan Program may cost more or less than purchasing investment advisory, brokerage, and custodial services separately, depending upon the separate costs of such services and the trading activity in the client's account.

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

The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

ITEM 2 – MATERIAL CHANGES

IFP does not have any material changes to disclose since a prior version of this Brochure. This Brochure simply formalizes an asset-based pricing model such that the service fees are all bundled into 1 fee, but does not fundamentally change the investment advisory/management services otherwise provided by IFP.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

IFP Advisors, LLC, doing business as Independent Financial Partners ("IFP"), has been an Investment Adviser ("RIA") registered with the Securities and Exchange Commission ("SEC") since 2008. Its CRD registration # 125112.

IFP is wholly owned by IFP Group, LLC. IFP conducts its investment advisory business through a network of independent Financial Professionals ("FPs") who operate offices located throughout the United States.[1] FPs can potentially be acting as a Registered Representative ("RR") of our Broker/Dealer, an investment adviser representative ("FP") of our Registered Investment Adviser. In either capacity, IFP does not centralize the investment management in client accounts. IFP offers a variety of investment advisory platforms, custodians, and brokers, including our own affiliated broker-dealer IFP Securities, LLC ("IFP Securities").

FPs construct investment advisory and management approaches for each client based upon an analysis of your investment objectives, risk tolerance, time horizon, liquidity needs, etc. Sometimes that analysis will be embodied within an Investment Policy Statement and/or a Risk Tolerance Questionnaire. The resulting investment plan is based upon the professional assessment and judgment of the respective FP as viewed through the prism of what is in your Best Interest.

FPs provide asset management services through both Wrap Fee programs and traditional management programs. Under IFP's traditional management program there are two separate types of fees. IFP charges an investment advisory fee for advisory services, and other fees are charged by activity (e.g., a ticket fee), usage or service for each transaction (e.g., buy/sell/exchange) or usage or service by IFP, its custodian and/or our affiliated introducing broker-dealer, IFP Securities, for accounts held at the qualified custodian. Under a Wrap Fee program, advisory services and transaction services are provided for one fee to the client. From a management perspective, there is not a fundamental difference in the way an IFP FP manages Wrap Fee accounts versus traditional management accounts. The significant difference is the way in which transaction services are paid. The purpose of this Wrap Fee Brochure is, among other things, to alert you about the features of the service, conflicts-of-interest and the fact that because the Wrap Fee "bundles" all services and transactions into 1 cost, it could quite possibly result in higher overall fees assuming a certain level of transactions and other services that you may want or experience in your account. The maximum fee for Wrap accounts is 2.5%, which coincides with IFP's maximum fee, but notably, a non-Wrap fee arrangement is more likely to be less than 2.5%, on average, because transaction costs and other service costs are paid in addition to the investment advisory fee. Under a Wrap Fee program, **advisory services and transaction services are provided for one fee to the client**. **You may be able to get the same services, paying separate fees for each service, at a lower aggregate fee to you.** You should discuss with your FP whether a Wrap Fee program would be better or worse for you considering the level of transactions and other service needs you have.

FPs can serve as a RRs of our Broker/Dealer, who thereby receive commissions for securities transactions, or as FPs of our Registered Investment Adviser, who receive fees for investment advice, or as an insurance agents of our insurance agency, who receive commissions for insurance/annuity transactions, or a capacity independent of each of the foregoing, who thereby receives commission for insurance/annuity transactions.[2] As a RR or FP, he/she is involved in soliciting, offering,

[1] While we oversee your advice and asset management, we do not dictate the products, platforms, or services your FP recommends to you within the scope of available options IFP makes available to your FP. Most FPs will operate under their own business name(s) or Doing Business As ("DBA") name(s). Such DBA name(s) used by the FPs are separate from and are not owned or controlled by IFP. The purpose of using a name other than IFP is for your FP to create a brand that is specific to the FP and/or branch office of IFP. FPs also offer and provide other services through such DBA name(s), although all investment advisory services conducted by FPs must be through IFP.

[2] Many of our FPs also act as insurance agents independent from our firm. To the extent your FP provides fixed insurance products or services to you (other than fixed indexed annuities) through their own insurance agency, he or she does so outside of IFP's supervision. Some of our FPs are also involved in other business activities, such as accounting, legal, tax, and other noninvestment services for which we are not responsible.

and selling investment products, investment advisory and management services and/or insurance products to you.

IFP sponsors the "Wrap Program" to its Clients as a way to offer its investment advisory and management services through its custodians by charging a single fee to cover all costs related to the Client's account. In other words, our Wrap Fee Programs are fundamentally just a bundled pricing model for the same investment advisory and management services that we offer to our other separately management account clients that pay fees separately for each element of the Investment advisory/management services model, including, but not limited to, investment advisory fees, commissions, custodial fees, etc. Succinctly stated, our Wrap Program consists of the following Wrap sponsors and the applicable bundled fee adjacent to the respective Sponsor:

Wrap Program Name	Sponsor	Fee[3]
Lockwood	IFP Advisors, LLC, d/b/a/ Independent Financial Partners	2.5%
TD Ameritrade Platform	IFP Advisors, LLC, d/b/a/ Independent Financial Partners	2.5%
Schwab Platform	IFP Advisors, LLC, d/b/a/ Independent Financial Partners	2.5%

Notwithstanding the foregoing, investment advisory products include investment advisory products proprietary to or administered by third-party service providers which, among other things, allows IFP Clients to access portfolio managers participating in our Custodian's Advisory Product platforms for purposes of managing trading activity in a Client's Wrap Fee account. Services offered by Wrap Sponsors/Custodians will include all custodial functions customarily performed with respect to such accounts including, but not limited to, back-office support, execution of securities transactions (when applicable), crediting of interest and dividends and periodic reporting, which reports the respective Custodian will send directly to the Client.

A Client who participates in a Wrap Fee Program should consider that, depending on the level of the Wrap Fee charged, the amount of portfolio activity in the Client's account, the value of the custodial and other services which are provided under the arrangement, as well as other factors, the Wrap Fee may or may not exceed the aggregate cost of such services if they were to be purchased separately. Because the Wrap Fee may be greater than would have been the case if the Client paid separately for investment advice and brokerage and other services or participated in another program, FPs may have an incentive to recommend the Wrap Programs over alternative programs or over the purchase of such services separately, including with respect to mutual funds, collective investment vehicles, or other assets that may be contained within a Wrap Fee Program account and which may be purchased on an individual basis through IFP Securities standard brokerage services.

Investments in mutual funds and ETFs are subject to various other fees that are paid by those portfolios, but ultimately are borne by shareholders through lower returns than would likely be realized without those fees. These expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit, and other customary fees related to investments in mutual funds. In addition, mutual funds' portfolio managers and IFP's custodians that conduct the order routing result in spreads being paid to market makers as markups or markdowns of the price of the security purchased. Additional information and product descriptions can be found in the prospectus for the applicable product.

[3] These "asset-based" fees are the maximum, bundled pricing/fee, and the actual fees may be lower, depending upon your agreement with the particular FP. Some portions of the Account Fee are negotiable and subject to discounts on a FP-by-FP, Client-by Client, or account-by-account basis.

IFP is generally compensated by fees calculated as a percentage of assets under management ("AUM fees") and may also on occasion be compensated through fixed-fee arrangements. Fees that are calculated as a percentage of AUM are generally charged quarterly in advance or arrears, depending upon the agreement with you, the client, based upon the average daily balance of the AUM, including money market and other cash equivalent assets, during the relevant billing period.[4]

All fees are deducted from the account held at the Qualified Custodian, unless otherwise agreed.

IFP will share its portion of the wrap fee it receives with the IFP FP for the Client's account ("Fee Split"). The payment by IFP of compensation to FP will not affect the amount of the Fee charged to Client's account. The amount of such compensation may be greater than what the IFP FP would receive if the Client purchased separately IFP's brokerage or other services as such services. Such personnel may, therefore, have a financial incentive to recommend these products over other products, programs, or services.

IFP may in its sole discretion change the actual fee charged upon thirty days' written notice to the Client. Clients may accept the change or close the account.

Conflicts of Interest

- Our FPs have incentives to increase the amounts in your accounts when their fee structure is based upon the value of investments in your account. So, they may encourage you to investment or transfer as much of your assets possible from other accounts, or otherwise request you fund your investment account with non-investment assets.
- Account Rollover recommendations presents a conflict of interest because FPs have an economic incentive to recommend you to rollover your retirement plan into an IFP advisory program account.
- Because the Wrap Fee "bundles" all services and transactions into 1 cost, it could quite possibly result in higher overall fees assuming a certain level of transactions and other services that you may want or experience in your account. **You may be able to get the same services, paying separate fees for each service, at a lower aggregate fee to you.**
- You are under no obligation to engage the services of a FP or other professional recommended by IFP. You retain discretion over implementation decisions and will accept or reject recommendation from IFP or its FP. You are not obligated to use IFP for securities transactions or individual insurance provider products.
- Because IFP's advisory fees and those of the other Third-Party Asset Managers ("TPAMs" or 3rd Party Investment Advisers") within IFP's advisory program are based on AUM, IFP and those TPAMs have a conflict of interest in valuing securities held in Client accounts, since a higher valuation produces higher advisory fees. To ensure that Client assets are accurately valued, for purposes of calculating fees, securities listed on any national securities exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which they are traded. Any other securities or investments shall be valued in a manner determined in good faith to reflect fair market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets. Our custodians, in their sole discretion, may use the services of an independent valuation agent, as well as other independent sources with respect to the computation of market value of securities. The data contained in those reports has not been verified by IFP.
- When our personnel serve in the capacity as a RR or an insurance agent, FPs have a conflict of interest when they solicit, offer and sell securities and insurance products for which you would pay a commission, while also soliciting, offering and selling investment advisory services and managing the assets in your accounts and charging a separate investment advisory fee. IFP addresses this conflict of interest by requiring the FP to

[4] Uninvested cash balances should generally not be subject to AUM fees, unless there is material portion of such balance is relatively short-term or the FP can demonstrate active management of the entire portfolio strategy, of which a certain and varying level of cash balances are being regularly reviewed and reassessed.

disclose to you at the time a brokerage account is opened through IFP Securities, LLC the nature of the transaction or relationship, his or her role as an IFP Securities RR, and any compensation including commissions that are paid by you and/or received by the FP. Moreover, our FPs, beyond mere disclosure, should disclose and support why each securities purchase and portfolio allocation is In your Best Interest, and if our FPs are collecting an AUM fee for providing investment advisory/management services, they, absent compelling justification, not also charge a commission because such a dual compensation structure is not generally considered as in the Best Interest of the Client. It is your responsibility to promptly notify us if there is a change in your financial situation or investment objectives. You are not obligated to use IFP for securities transactions or individual insurance provider products.

- Some of our FP engage in referring clients of IFP to other service providers such as accountants. Fees not allowed to be shared, unless *bona fide* solicitor Agreement in place. In these cases, a conflict of interest exists if the FP is receiving any fees as a solicitor or there is a tacit expectation or understanding that the other service provider should refer client to FP in exchange for a referral to such other service providers. IFP policy disallows such "tied" or "tacit" agreements.
- Securities and insurance products sold in exchange for a commission also have conflicts of interest when the product sold has a higher commission or fee than another product (e.g., private placement and variable annuities have higher fees than other registered securities products. Some indexed or market-linked fixed annuities may also have relatively higher fees).
- Because IFP's advisory fees and those of the other TPAMs within the firm's advisory program are based on assets under management, IFP and those TPAMs have a conflict of interest in valuing securities held in Client accounts since a higher valuation produces higher advisory fees. To ensure that Client assets are accurately valued, for purposes of calculating fees, securities listed on any national securities exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which they are traded. Any other securities or investments shall be valued in a manner determined in good faith to reflect fair market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets. Our custodians, in their sole discretion, may use the services of an independent valuation agent, as well as other independent sources with respect to the computation of market value of securities. The data contained in those reports has not been verified by IFP.
- Revenue Sharing:
  - Revenue sharing is a form of a conflict of interest. IFP has entered into various arrangements with some companies where revenue sharing occurs. Although IFP endeavors at all times to put the interest of its clients ahead of its own or those of its officers, directors, or representatives ("affiliated persons"), these arrangements could affect the judgment of IFP or its FPs when recommending investment products. Because these situations present a conflict of interest that may affect the judgment of our financial professionals, IFP believes it is important that you are aware of our revenue sharing arrangements when you and your financial professionals evaluate your investment options.
  - IFP has established revenue sharing arrangements with a select group of companies that offer a broad spectrum of products. These Companies participate in activities that are designed to help facilitate the distribution of their products. Companies participating will have greater access to our financial professionals through marketing activities, training, and other educational presentations so that our financial professionals can better serve their clients.
  - These payments can originate from the company's distributor, its investment adviser, and/or other related entities. Certain Companies will make this payment from investment assets, while others will not. While the revenue sharing arrangements with each company will vary, IFP typically receives a flat fee, payment based on sales, or payment based on assets under management. Such fees oftentimes are structured as due diligence fees and other product provider revenue streams, non-cash compensation/event-sponsorship and account transfer expense reimbursement. Based upon its review, IFP has concluded that no such revenue sharing runs afoul of the Soft Dollar Safe Harbor or

applicable regulations governing non-cash compensation. Nevertheless, they broadly fall into the category of conflicts of interest.

- You are free to implement investment advice through any broker-dealer or product sponsor you chose. However, you should understand that, if you authorize our FP to engage in securities transactions on your behalf, your FP must place all purchases and sales of securities products through IFP Securities, LLC or other IFP approved institutions.
- IFP's program to provide Forgivable Notes to transfer their busines to IFP present a conflict of interest as it incentivizes FP's to maintain your relationship with IFP for the duration of the Note and/or to choose IFP over another firm.

Our FPs are compensated based on:

- the amount of client assets they service;
- product sales commissions; and/or
- the time and complexity required to meet a client's needs;
- revenue the firm earns from the FP's advisory services or recommendations;
- the product sold (e.g., differential compensation, where 1 product pays more than another product).

Management of your Portfolio

All clients in the Program shall grant IFP either (i) discretionary authority to buy, sell, and otherwise trade in the type of securities for their account and to liquidate previously purchased securities that the Client has transferred to their Account(s), or (ii) non-discretionary authority, in which case their role is advisory-only. In order to have trading authorization on your account, you must grant your FP limited power of attorney over your account. This can be done by executing an IFP advisory agreement or via other legal documents such as a Limited Power of Attorney.

Assets in the Client's Account subject to discretionary management shall be managed by one of IFP's FP according to an investment strategy, taking into account your individual needs, objectives and risk tolerance, and may also utilize an Investment Policy Statement or Risk Tolerance Questionnaire. The terms and conditions under which the Client shall engage the FP may be set forth in separate written agreement between the Client and IFP or a tripartite agreement between IFP, the Client and the designated FP. IFP shall continue to render advisory services to the Client relative to the ongoing monitoring and review of account performance, for which IFP shall receive an annual advisory fee which is based upon a percentage of the market value of the Program Assets being managed by your FP.

IFP FPs provide investment management services, defined as giving continuous and regular investment advice to a Client and making investments based on a Client's individual needs through advisory accounts. In this Program, FPs are responsible for determining investment recommendations and, depending upon the scope of the engagement, are responsible for implementing transactions with or without your prior approval.

If you wish to contract with IFP and FP for asset management services, you are required to use only those broker-dealers and custodians approved by IFP. IFP recommends broker-dealers and custodians based on relationships that have been established. IFP has an affiliated broker-dealer, IFP Securities, that may be utilized, or a broker/dealer appointed by our Qualified Custodians or TPAMs may be used, or you may request the use of such other broker/dealers that you desire, although such "Directed Brokerage" requests are generally not honored due to Best Execution and operational reasons.

Models and strategies used by one FP are different than strategies used by other FPs. Some FPs limit your advice to mutual funds, whereas others will provide advice on a broad range of securities. Various asset types are available and include, but are not limited to, no-load mutual funds, load-waived mutual funds, equities, fixed income securities, options, variable annuities, cash and cash equivalents, etc. Alternative investments including, but not limited to, Real Estate Investment Trusts and limited partnerships, may be held within the account as a convenience to the Client, or they are purchased at

Net Asset Value and included within the managed portfolio and billed a fee. They could also be purchase by FPs who are RR for a commission, if excluded from AUM/advisory billing. Some FPs develop models or strategies that are less actively managed or based upon clients with similar investment objectives.

Fees, fee structure, and experience will vary by FP. Furthermore, FPs determine advisory fees differently. For example, some FPs will household all or a subset of your managed accounts together to determine a fee Breakpoint/tier or charge a fee based on each account size. Additionally, some FPs have a flat fee assigned to the account regardless of account value. There are advantages and disadvantages to all fee structures, but each FP may set their own variances within IFP's fee structure. This causes some Clients to be treated in a more favorable manner than other clients when you do not receive tiered or a householding fee, and are unable to negotiate lower pricing with your FP.

The exact fee is negotiated on an FP-by-FP, Client-by-Client, or account-by-account basis. These fees are disclosed to you in the investment advisory agreement that you sign in advance of services being provided. FPs have an incentive in the fee charged to you as they receive a percentage of the fee with the remaining amount of the fee retained by IFP. Your FP will receive the same percentage of the fee regardless of which advisory program is selected. A change in your fee will be documented on the appropriate form when being increased. When your fee is decreased a verbal authorization can be accepted.

The Qualified Custodians used by IFP to maintain your account will debit the fees from your account on a periodic basis (e.g., quarterly), as disclosed in your investment advisory agreement.

IFP uses average daily balance, in advance or in arrears, at the election of the client, in lieu of the previous month-end balance for all accounts. This will simplify some aspects of the billing approach and also captures money infusions and disbursements of the valuation point for purposes of fee assessment.

Other Fees and Compensation Received by IFP from Third Parties

IFP has entered arrangements with Non-Proprietary Mutual Fund companies under which the Non-Proprietary Mutual Funds and/or the Non-Proprietary Mutual Fund companies will compensate IFP for the Non-Proprietary mutual fund services. Such services include non-cash compensation and event sponsorship for educational events and meetings designed to provide education to our FPs.

These fees for services shall be in addition to, and will not reduce, IFP’s compensation for other services to Clients’ accounts. Such fees for services will not be paid directly by clients’ accounts, but will be paid to IFP by the non-proprietary mutual fund company. The 12b-1 fee and other arrangements will be disclosed upon client’s request and are typically available in the applicable mutual fund’s prospectus. IFP will credit or cause to be credited any 12b-1 fees that its broker/dealer may receive from a mutual fund in connection with a Client’s Wrap Fee Account, if applicable, back to the Client’s Wrap Fee account. For further information, you should carefully review their IFP investment advisory services contract, the associated disclosures and the prospectus for the applicable mutual fund.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that the future performance of any specific investment or investment strategy will be profitable. Investing in any type of security (including stocks, mutual funds, bonds and any other securities/investments) involves partial or total risk of loss. Further, different types of investments have varying degrees of risk. You should be prepared to bear investment loss, including loss of original principal. Moreover, within a Wrap Fee Program, the fees being fixed at a certain bundled price, which are paid regardless of the level of account activity or market performance, can result in greater account losses than if the assets were put into a brokerage account and you paid for each transaction and the account's ancillary services separately.

Because of the inherent risk of loss associated with investing, IFP and its FPs cannot represent, guarantee, or even imply that our services and methods of analysis:

- Can or will predict future results; or
- Successfully identify market tops or bottoms; or
- Insulate you from losses due to market corrections or declines.

There are certain additional risks that should be considered when investing in securities through an investment management program including, but not limited to:

- **Market Risk** - Either the stock market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is also referred to as systematic risk.
- **Equity (Stock) Market Risk** - Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence changes. Common stock, or common stock equivalents of any given issuer generally expose clients to greater risk than if they invest in preferred stocks and debt obligations of the investment grade issuers or issuers with relatively low credit/default risk.
- **Company Risk** - When investing in stock positions, there is always a material company and industry-specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company can be materially reduced.
- **Options Risk** - Options on securities are subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.[5]
- **Fixed Income Risk** - When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodic income payments face the risk that inflation will erode their spending power.
- **ETF and Mutual Fund Risk** - When investing in an Exchange Traded Fund ("ETF") or mutual fund, there are additional expenses based on your *pro rata* share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities that the ETF or mutual fund holds. Clients will also incur imbedded brokerage costs when purchasing ETFs. Leveraged and inverse ETFs are not suitable for all investors due to their unique characteristics and risks. Although there are limited occasions when a leveraged or inverse ETF can be useful for some types of investors, it is extremely important to understand that for holding periods that are longer than a day, there are leveraging and amplified losses possible, and these funds are generally more likely experience significant market risk.
- **Management (Advisory) Risk** - The value of the client's investment varies with the success and failure of IFP's or FP's investment strategies, research, analysis, and determination of portfolio securities.
- **NTF -** Non-Transaction Funds are not allowed in our WRAP Program.

[5] Naked/short options positions are not allowed with IFP.

ITEM 5 ‑ ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

The types of clients in the Program include individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities. IFP, in its sole discretion, may reduce its investment management fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Minimums Imposed by Financial Professional
IFP does not impose a minimum portfolio size or minimum annual fee for participating in the Program. FPs who are independent contractors of IFP may also, however, impose more restrictive account requirements for participating. In such instances, IFP may alter its corresponding account requirements to accommodate those of the independent FPs. Please discuss with your FP whether any particular requirements or annual fees exist related to account size, etc.

ITEM 6 ‑ PORTFOLIO MANAGER SELECTION AND EVALUATION

IFP allows its FPs to act as Portfolio Managers ("RPM" or "Rep as Portfolio Manager"). Generally, FPs conduct research and analysis through the use of third-party providers. IFP FPs may also use financial newspapers, magazines, journals, company press releases, annual reports, prospectuses, and filings with the SEC. IFPs generates quarterly performance reports with comparisons to selected benchmarks.

Methods of Analysis & Investment Styles and Strategies:
IFP FP may use various methods to determine an appropriate investment strategy for client accounts. During a client's initial and subsequent interactions, the FP will discuss the methods and strategies he or she uses or can use given various investment objectives.

<u>Investment Styles</u>

- **Long-term purchases** - Investments held at least a year.
- **Short-term purchases** - Investments sold within a year.
- **Short sales** - A short sale is generally the sale of a stock not owned by the investor. Investors who sell short borrow the stock in the belief that the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.
- **Margin transactions**[6] - When an investor buys a stock on margin, the investor pays for part of the purchase and

[6] We are furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds from your firm, you will open a margin account with the firm. The securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account.
It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:
• **<u>You can lose more funds than you deposit in the margin account.</u>** A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities or assets in your

borrows the rest from a brokerage firm. For example, an investor buys $5,000 worth of stock in a margin account by paying for $2,500 and borrowing $2,500 from a brokerage firm.

- **Option writing including covered options, uncovered options, or spreading strategies** - Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time. For any options accounts, you should receive and review the Options Disclosure Document.[7]

- **Growth style** - This management style focuses on purchasing the stock of companies that have excellent financial characteristics such as above-average sales growth, profit growth, dividend growth, profit margins, and return on capital. In general, a portfolio manager following a growth approach to managing is willing to pay a higher than average valuation for this type of stock. A more conservative growth manager can choose to focus on high quality growth companies that are available at reasonable valuations determined by various pricing models.

- **Value style** - This management style focuses on purchasing the stock of companies that generally have less attractive measures of financial performance than growth companies but can be purchased at very attractive prices. In other words, such investments may be acceptable as long as the price is sufficiently attractive as compared with arguably less attractive fundamental metrics. A portfolio manager following a value approach to managing assets can choose to invest in the stock of companies that he/she feels are selling at a sizeable discount from "private market value" – a price an acquirer might be willing to pay for the entire company. Value managers are also attracted to sound companies whose stock prices are depressed by temporary business problems or investor misperceptions.

- **Fixed income style** - This management style focuses on purchasing different types of bonds. In particular, a portfolio manager following a fixed income approach to managing assets invests in high quality bonds, lower quality high yielding bonds, or international bonds, depending on the specific objectives for the account.

- **Asset allocation style** - This management style strives to construct portfolios which provide a certain lower level of overall risk (or fluctuation in principal) than would otherwise have been achieved through a less diversified approach. To achieve this objective, the portfolio manager can combine asset classes whose returns do not move in perfect tandem; in other words, their returns are not closely correlated.

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account(s).

- **The firm can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements, or the firm's higher "house" requirements, the firm can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.
- **The firm can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.
- **The firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

[7] IFP policy prohibits uncovered options positions or any options position that requires a margin account. So, Level 2 options would be the maximum options exposure.

- **Proprietary Mutual Funds** - Certain Strategists invest all or a portion of the assets in a mutual fund that are proprietary to our Wrap Fee Program platform providers (e.g., Schwab). Such mutual funds impose additional restrictions such as restrictions on investing in the mutual fund outside of the Wrap Fee account managed by the FP.

Asset Classes

- **Large-cap equities** - These are stocks of U.S. companies with market capitalization that is generally greater than the mean capitalization of stocks on U.S. exchanges. Stocks in this category, since they are from larger companies, tend to be more easily traded, more widely held, and more broadly followed by investment analysts. Risk levels vary widely among these stocks.
- **Small-cap equities** - These are stocks of U.S. companies with market capitalization that is generally less than the mean capitalization of stocks on U.S. exchanges. Since they are stocks of smaller companies, growth rates and risk tend to be higher, while information on the stocks and ready liquidity tends to be less available.
- **Investment grade fixed income** - This investment class is comprised of U.S. "investment grade" bonds and other fixed income instruments. Investment grade fixed income investments generally have been rated for credit quality and are used by fixed income investors who are risk averse.
- **High yield fixed income** - U.S. high yield corporate bonds, also known as "junk" bonds, are fixed income investments with low or no credit rating and generally higher risk of default than investment grade bonds. Correspondingly, these investments, while performing, tend to pay significantly higher coupon and yield rates.
- **International equities** - These are stocks of companies that derive most of their sales from outside the U.S. These investments can carry broadly varied risk, and potential return can vary as well. This investment class is used to diversify the equity exposure in a portfolio, such that all stock exposure is not dependent only on U.S. economic and market conditions.
- **Real estate investment trusts** - This investment class represents ownership in real estate or real estate loans in either commercial or residential real estate properties.
- **Cash equivalents** - This asset class is substantially equal to cash and as such carries low interest rates and little or no risk of loss in value. Money market mutual funds are the most common form of this asset class. Some portfolios move 100% of the assets in the portfolio to money market funds to preserve capital for certain periods of time.

ITEM 7 ‑ CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

IFP generally collects information about our clients through their client profiles and new account applications. Privacy is an important issue for all involved parties, and there are various regulations that govern the handling of personally identifiable information. IFP's Privacy Policy is initially given to the Client upon the opening of an account and is subsequently provided at least annually thereafter and upon request to IFP advisory Clients. In order to provide investment services, IFP solicits information concerning a client's name, address, financial situation, investment experience, tax status, tax reporting information and other personal non-public information.

Client information is shared with IFP FPs who act as Portfolio Managers for our Wrap accounts.

ITEM 8 ‑ CLIENT CONTACT WITH PORTFOLIO MANAGERS

There are no restrictions placed upon your ability to contact and consult with your FP who manages your account. In general, it is best to contact your FP for questions, concerns, to update personal information, or obtain account information.

ITEM 9 – ADDITIONAL INFORMATION

DISCIPLINARY INFORMATION

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material in your evaluation of IFP or its management.

IFP's disciplinary history consists of the following:

1. On January 13, of 2012, IFP agreed to and signed a Stipulation and Consent Order with the State of Florida Office of Financial Regulation that IFP and two Investment Adviser Representatives ("FPs") engaged in investment advisory business in the state of Florida without being properly registered. IFP paid a $20,000 fine and also paid $10,000 fines on behalf of each FP.

2. On October 7, 2013, IFP agreed to and paid an Administrative Penalty in the amount of $2,500 to the State of California, Department of Business Oversight for failing to properly register an FP in the State of California.

3. On December 3, 2013, IFP agreed to and signed a Cease and Desist Order with the State of Oregon, Department of Consumer and Business Services, Division of Finance and Corporate Securities for failing to properly license an FP who had a place of business in the state of Oregon. IFP paid a $3,600 fine.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Various IFP's FPs are also registered representatives of our broker/dealer, and, in that capacity, they also solicit, recommend, offer, and sell securities through IFP Securities, a registered broker-dealer with the SEC and a member of FINRA and SIPC. Many of them are also licensed as independent insurance agents and hold insurance licenses in the states where they solicit, offer, and sell insurance products and are appointed with and represent various insurance companies. As such, FPs are able to receive separate, yet customary commission compensation resulting from the purchase and sales of securities and insurance product transactions on behalf of their investment advisory clients. However, they should not receive commission for the assets in the Wrap account since all such fees related to the Wrap Platform should be enveloped within the Wrap fee.[8]

IFP strives to:

- Disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our advisory fees;
- Evaluate whether the conflicts should be mitigated, eliminated or whether they can remain if disclosed to the Client;
- If the conflict remains, disclose the capacity in which IFP or our employees/FPs are acting in the transaction and whether any compensation is to be earned by the employees/FPs;
- Disclose any interest that IFP or our employees have in the transaction which may be adverse to your interest;
- Clients are not obligated to purchase recommended investment products from our firm or related parties;
- IFP conducts transaction reviews and periodic account reviews to assess whether recommendations and account

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[8] For securities outside of the Wrap Fee Program, Clients are not under any obligation to purchase or sell securities or insurance products through the FP when considering whether to implement any investment advisory recommendations made by the FP. The decision to implement any or all recommendations is solely based on the discretion of the client. IFP also offers a non-qualified deferred compensation and executive benefits platform through its affiliation with IFP Insurance Group.

composition appear suitable and in the Best Interest of the Client (such reviews are not a guarantee, and you are encouraged to notify our Transaction Review Team if you feel that your account is not positioned in a way that is in your Best Interest)

- Employees are required to seek approval of outside business activities; and
- We educate our employees regarding the responsibility of a fiduciary, including the need for having a reasonable basis for believing the investment advice provided to Clients.

CODE OF ETHICS

IFP maintains a Code of Ethics for its FPs, supervised persons, and staff. As discussed below, IFP has in place an Investment Advisory Code of Ethics that provides for IFP and its FPs to discharge their fiduciary duty to Clients and to act in the best interest of the Client, avoiding conflicts of interest or, when permissible in light of our fiduciary duty, mitigation and disclosure of conflicts of interest would be acceptable. IFP takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations, as well as with IFP's policies and procedures. Further, IFP strives to handle Clients' non-public information in such a way to protect information from use and disclosure to others who do need to know such information, and our Privacy Policy address certain uses and restriction of personally identifiable information.

The Code of Ethics contains provisions for standards of business conduct to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about Client transactions.

IFP's Code of Ethics is distributed to each employee and FP at the time of hire/contract, and as the Code is modified. In addition, IFP requires an annual certification by all employees/FPs regarding their understanding and compliance with the Code of Ethics. IFP also supplements the Code with annual training and ongoing monitoring of FP activity.

A copy of IFP's Code of Ethics will be provided to any Client or prospective Client upon request to our Compliance Department at 813-341-0960. It is also available under the disclosures section of IFP's website.

PERSONAL TRADING

From time to time, our Firm or one or more supervised persons purchases or own the same securities and investments that our FP recommends to their Clients. Conflicts of interest arise when a supervised person has personal accounts because they can potentially devote more time to monitoring his/her personal accounts as opposed to spending that time reviewing and monitoring Client accounts. In addition, there is a potential that FP's favor their personal accounts over Client accounts. When the recommendation to the Client involves individual stocks, stock options, bonds, and other general securities, there can be a conflict of interest with the Client because the FP has the potential to engage in practices such as "frontrunning", scalping, and other activities that are potentially detrimental to Clients. We have adopted policies and procedures designed to prevent such conflicts and/or correct/address any detected activities that are not in full compliance. Moreover, we strive to fully disclose all material conflicts, including prohibition against more material conflicts such as trading ahead of our Clients.

We have also established policies and procedures to ensure that our supervised persons comply with applicable provisions of the Insider Trading and Securities Fraud Enforcement Act of 1988 ("ITSFEA"). To avoid conflicts of interest with Clients and to ensure compliance with ITSFEA, our Firm, among other things, does the following:

- Provides ongoing continuing education regarding avoiding conflicts of interest and complying with ITSFEA;
- Requires supervised persons to report quarterly securities trading in personal accounts (except mutual funds and government securities), which are monitored by the Transaction Supervision Team ;
- Prohibits supervised persons from executing securities transactions for Clients or in their personal accounts based

on information that is not available to the public upon reasonable inquiry;
- Informs Clients that they are not required to purchase securities through our Firm or our FP's, although if they choose to purchase securities through their FP, the transaction will be executed through the Wrap Platform provider's broker/dealer or its broker/dealer network.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

IFP FP's must execute securities transactions through IFP and/or its Wrap Program providers, unless FPs obtain authorization to execute securities transactions through another firm. Related persons of IFP (any advisory affiliate and any person that is under common control with IFP) can buy or sell securities identical to those securities recommended to Clients. Therefore, related persons will have an interest or position in certain securities that are also recommended and bought or sold to Clients. The policy of IFP is that related persons shall not put their interests before a Client's interest. FPs may not trade ahead of their Clients or trade in such a way to obtain a better price for themselves than for their Clients. IFP is required to maintain a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. IFP and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

In accordance with Section 204A of the Investment Advisers Act of 1940, IFP also maintains and enforces written policies and procedures reasonably designed to prevent the misuse of non-public information by IFP or any person associated with IFP. Further, the Code of Ethics contains prohibitions against such transactions. No IFP FP or related person is permitted to recommend securities to advisory accounts or buy or sell securities for advisory accounts at or about the same time that the FP or related person buys or sells the same securities for the FP's own or related person's account, except in narrowly tailored cases as noted below for block transactions handled by the clearing platform, provided the customer receives the best price.[9] IFP requires that all registered employees' brokerage accounts be held at IFP. If an employee cannot obtain needed services at IFP, it requires copies of all brokerage statements be provided to it directly from the third-party broker.

[9] IFP's current general policy prohibits trading in the same day as the client in securities (*unless mutual funds and certain other securities exempted within the industry standards applicable to Codes of Ethics regulations governing investment advisers*), unless, in the case of block transactions, the FP ensures that he/she places the client's execution price as "preferenced" over the execution price of the FP. In that way, the FP may receive an equal price as clients if all clients whose orders were handled by IFP's advisory clearing platform providers (Fidelity, Schwab/TD, SEI and Pershing/Pershing Advisory Services/PAS), provided all such orders for entire day get filled as the average daily price, or the FP price is worse than all IFP clients for the entire day. IFP understands each of its advisory clearing platform providers aggregate and allocate orders with each block at average daily price, so there should generally not be a possibility to receive a better price than a client with the same block trade. However, there is a challenge if there are multiple block orders that occur during the same day. This means that if multiple block orders occur within 1 day, the FP is obligated to consider the execution price of all such client block orders, and the client receives no better price than all clients who received an order execution on a particular day. Considering the difficulties in ensuring such price preference to all clients with multiple block orders, and all such orders received may has disparate prices from one block to another, IFP's policy prohibits FPs from placing their orders same day as a client, unless the foregoing price assurance/leveling can occur. Such exceptions to the general policy of disallowing FP to input their own orders in the same block with clients would require advance approval/clearance by a registered principal of IFP (Transaction Supervision Team), and if cleared, then IFP and the FP must ensure after the executions for the entire day, the FP receives no better price than all client on the respective day. The other condition for placing orders in this way is that the FP does have any non-public information.

REVIEW OF ACCOUNTS

FPs are responsible for providing investment advice and conducting ongoing reviews for your respective accounts. Therefore, you will need to contact your FP for the most current information and status of your account(s).

Managed account reviews are provided on an ongoing basis, typically based on a schedule agreed upon by you and your FP. IFP does not impose a specific review schedule that FPs must follow. FP are expected to review their accounts annually, and as frequently as quarterly. Beyond the timing of such periodic reviews, FPs are expected to review accounts that has experienced significant declines in order to reevaluate whether or not the account and investment strategy is still current and appropriate in light of recent market and issuer/securities or issuer-specific events. However, more frequent reviews can be provided to an account depending on, among other issues, changes to your financial situation and/or personal situation or changes in market conditions. For this reason, it is important that you understand your responsibility to inform your FP promptly of any changes to your information or circumstances, including changes to your financial condition or investment objectives.

In situations where FP recommended TPAMs to you, and serve as a co-advisor rather than a solicitor, they are responsible for monitoring their firm and account activity. You may also request your FP monitoring such accounts on an ongoing basis according to certain schedules and according to certain criteria or concerns that you have.

Financial planning reviews are performed upon a request from you. For financial planning and consultancy services that are ongoing in nature, and not merely related to preparing and delivering a single financial plan, IFP recommends that you have any ongoing your financial planning services reviewed annually or upon changes that affect your goals, objectives, or financial situation. Additional fees can be charged for this review.

If you contract for ongoing consultation services, we suggest you request a review annually to determine if your objectives are being met. Your FP can perform reviews more frequently at your request, or if you notify your FP about a change that would trigger a review, such as a marriage, new job, etc.

In addition to the FP review, IFP has a Transaction Supervision Team consisting of Registered Principals who review customer transactions on a daily basis according to a risk-based approach. Various products are also reviewed prior to submission to the respective advisory platforms (e.g., via Schwab/TD, Pershing, Fidelity and SEI). Such products subject to pre-clearance include variable annuities and private placements.

You will receive statements directly from account custodians monthly if there is activity in the account and quarterly if there is no activity in the account. Some platforms include quarterly performance reporting that is delivered by the custodian. If requested, FPs will prepare performance reports for you. IFP urges you to review the contents of the custodial statements and compare them against the reports provided directly from FP. Accounts managed by other money managers send you reports (refer to their ADVII/Brochure for a description of their services).

FINANCIAL INFORMATION

IFP is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to Clients. Also, IFP has never filed or been the subject of a bankruptcy petition.