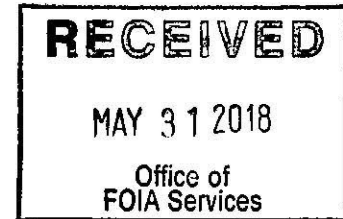


From: Request@ip-10-170-24-15.ec2.internal
Sent: Wednesday, May 30, 2018 3:16 PM
To: foiapa
Subject: Request for Document from Wells, Hayley



Hayley Wells
3000 K Street NW
Suite 600
Washington, District of Columbia 20007
United States

202-672-5495
hwells@foley.com

Request:

COMP_NAME: SagePoint Financial, Inc.

DOC_DATE: 2012 - 2014

TYPE: ADV (Investment Adviser Applications and Amendments)

COMMENTS: (1) we are requesting the Forms ADV Part 2 filed by the entity during the date range indicated in the request, and (2) we are requesting delivery in electronic format, where readily available, and paper only if electronic data is not readily available.

FEE_AUTHORIZED: Willing to Pay \$61

FEE_WAIVER_REQUESTED: No

EXPEDITED_SERVICE_REQUESTED: No



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
STATION PLACE
100 F STREET, NE
WASHINGTON, DC 20549-2465

Office of FOIA Services

June 04, 2018

Ms. Hayley Wells
Foley & Lardner
3000 K Street NW Suite 600
Washington, DC 20007

RE: Freedom of Information Act (FOIA), 5 U.S.C. § 552
Request No. 18-02095-FOIA

Dear Ms. Wells:

This letter is in response to your request, dated May 30, 2018 and received in this office on May 31, 2018, for the Forms ADV Part 2 filed by SagePoint Financial, Inc., for the years 2012 to 2014.

The search for responsive records has resulted in the retrieval of 34 pages of records that may be responsive to your request. They are being provided to you with this letter.

If you have any questions, please contact me at luetkenhausj@sec.gov or (202) 551-8352. You may also contact me at foiapa@sec.gov or (202) 551-7900. You also have the right to seek assistance from Aaron Taylor as a FOIA Public Liaison or contact the Office of Government Information Services (OGIS) for dispute resolution services. OGIS can be reached at 1-877-684-6448 or Archives.gov or via e-mail at ogis@nara.gov.

Sincerely,

A handwritten signature in black ink that reads "Jason Luetkenhaus".

Jason Luetkenhaus
FOIA Lead Research Specialist

Enclosures

VISION2020 Advisor Program

Part 2A – Appendix 1

Program Brochure

For

SagePoint Financial, Inc.

2800 N. Central Avenue, Suite 2100

Phoenix, AZ 85004

(800) 552-3319

www.sagepointfinancial.com

March, 2012

This wrap fee program brochure provides information about the qualifications and business practices of SagePoint Financial, Inc. If you have any questions about the contents of this brochure, please contact us at 800-552-3319. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SagePoint Financial, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

The last annual amendment of the VISION2020 Advisor Program Part 2A – Appendix 1 (“Appendix 1”) was March, 2011. Since that amendment, SagePoint Financial, Inc. has made disclosure changes to the Appendix 1. Please see below for the material changes:

- 1) Updated the transaction charge schedule in “Item 4 – Services, Fees and Compensation.”
- 2) Updated the revenue share disclosure in “Item 9 – Additional Information” to modify the compensation amount SagePoint Financial, Inc. may receive from partners based on assets under management held on partner platforms.
- 3) Updated the list of Related Persons in “Item 9 – Additional Information”.
- 4) Added another example of a potential conflict of interest in “Item 9 – Additional Information” regarding the use of a Related Person for cash sweep purposes.

ITEM 3 – TABLE OF CONTENTS

ITEM 1: COVER PAGE	1
ITEM 2: MATERIAL CHANGES	2
ITEM 3: TABLE OF CONTENTS	3
ITEM 4: SERVICES, FEES AND COMPENSATION	4
Advisory Services	4
Program Costs	4
Methods of Calculating Account Fees	5
Negotiation of Account Fees	5
Fee Schedules	6
Other Transaction Charges	8
Advisory Services to Variable Annuity Sub-Accounts	8
Variable Annuity Fee Schedule	9
General Information Concerning Fees and Other Client Charges	9
ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS	10
Types of Clients	10
Minimum Account Size	11
ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION	11
ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS	11
Privacy Notice	11
ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS	12
Client Advisor Relationship	12
ITEM 9: Additional Information	13
Other Financial Industry Activities and Affiliations	13
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Review of Accounts	14
Client Referrals and Other Compensation	15
Revenue Sharing Disclosure	15
Financial Information	16
ITEM 10: REQUIREMENTS FOR STATE REGISTERED ADVISERS	16

ITEM 4 - SERVICES, FEES AND COMPENSATION

SagePoint Financial, Inc. sponsors the VISION2020 Advisor Program ("V2A" or "Program"). SagePoint Financial, Inc. is registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities through its Registered Representatives ("Representatives"). The Firm is also registered with the Securities and Exchange Commission ("SEC") as an investment adviser ("Corporate Registered Investment Adviser" or "Corporate RIA") to offer certain investment advisory products and services. Registration does not imply a certain level of skill or training.

Some of the Firm's Representatives provide investment advice for a fee and have registered as Investment Advisory Representatives ("Advisory Representatives") of its Corporate RIA. Some of the Firm's Representatives provide investment advice for a fee and are Advisory Representatives of unaffiliated registered investment advisers ("Independent RIAs").

Henceforth, SagePoint Financial, Inc., in its role as Program Sponsor, will be referred to as "we", "us" or "our". SagePoint Financial, Inc., in its role as securities broker-dealer, will be referred to as "SagePoint".

The Program is presented to the client ("you") by Advisory Representatives of the Corporate RIA or by Advisory Representatives of Independent RIAs. The Corporate RIA and Independent RIAs will collectively be referred to as "Advisor". "Advisory Representatives" will refer to Advisory Representatives of both the Corporate and Independent RIAs.

To join the Program, you will enter into an investment advisory client agreement ("Client Agreement") with your Advisor and establish a brokerage account ("Program Account") with SagePoint on a fully disclosed basis.

Advisory Services

The Program begins with your Advisory Representative working with you to identify your investment goals and objectives as well as risk tolerance. Your Advisory Representative will then create an initial portfolio allocation designed to complement your financial situation and personal circumstances. The portfolio allocation may consist of stocks, bonds, options, exchange-traded funds, mutual funds and other securities ("Program Investments") which, upon your agreement, will be managed in your Program Account.

The investment strategies utilized in the Program depend upon your investment objectives and goals as provided to your Advisory Representative. Model portfolios, option trading and/or margin may be employed as a part of the chosen strategy. Portfolios are constructed along basic investment objective categories, however you and each client have the opportunity to place reasonable restrictions on the type of investments to be held in your Program Account.

Your Advisor may manage your account on a discretionary or non-discretionary basis. We define discretionary management as the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds. Non-discretionary management means that your Advisor does not have the ability to perform the aforementioned without your consent. However, your Advisor may periodically rebalance your account to maintain the initially agreed upon asset allocation without your consent. You will evidence your consent for discretionary or non-discretionary management by providing your initials to the designated areas of the Client Agreement.

Program Costs

The Program is offered alternatively as an account with separate advisory fees and transaction charges ("Non-Wrap Fee") or as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Fee"). In both Wrap Fee and Non-Wrap Fee accounts, you pay a

quarterly fee ("Account Fee"), in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter.

In computing the market value of assets, mutual fund shares will be calculated at their respective net asset values as of the valuation date in accordance with each mutual fund prospectus. With respect to accounts that utilize margin, the "net worth" or "net equity" value of the account, not the long or short market value, will be used to determine the your Account Fee. With respect to accounts that purchase or sell option contracts, the positive or negative value of the option will be included in the net equity value of the account for purposes of determining the Account Fee. Please be aware that option contracts are a "wasting" asset, in that they have value only through the date on which they expire. If call option contracts are sold in conjunction with securities held in a Program Account, (often referred to as covered call options) the cash received on the sale of the option may have the effect of temporarily increasing the net equity value of the Program Account, and thus increasing the amount of the Account Fee. In the event that substantial additions to, or withdrawals from, the account are made during any given quarter, the Account Fee will be adjusted on a pro-rata basis to the account from which the charge was debited, based on the market value of the assets at such time to reflect the addition or withdrawal.

Methods of Calculating Account Fees

Your Account Fee may be billed using the "Tiered" or "Linear" method. To illustrate, please refer to the sample billing schedule below:

Total Account Value:	Account Fee:
\$0 - \$249,999	X%
\$250,000 - \$499,999	Y%

- Under the Tiered billing method, a Total Account Value of \$400,000 would be billed as follows: the first \$249,999 would be billed at X% with the remaining \$150,001 to be billed at Y%.
- Under the Linear billing method, a Total Account Value of \$400,000 would be billed at Y%.

Please discuss fee calculation methods and the effect on your Program Account with your Advisory Representative.

Negotiation of Account Fees

Subject to the maximum Account Fee limitations imposed by the fee schedules that follow, each Advisory Representative: (i) negotiates with clients their own Account Fee schedule, and (ii) determines on a client by client basis the accounts that will be included in the same "household" for purposes of calculating the Account Fee. The actual Account Fee schedule will be set forth in the Client Agreement.

Account Fees and terms are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, the requirements of your particular Advisory Representative, your relationship with your Advisory Representative, the size of the Program Account, the potential for other business or clients, the amount of work anticipated and the attention needed to manage the Program Account, among other factors.

[This space intentionally left blank. Fee schedules to follow.]

Fee Schedules

Wrap Fee Option: If you select the Wrap Fee option, you will pay a single, all-inclusive Account Fee*. Please consider that depending upon the level of the Account Fee charged, the amount of portfolio activity in your account, the value of services that are provided under the Program, and other factors, the Account Fee may or may not exceed the aggregate cost of such services if they were to be provided separately. You pay a single fee because either your Advisory Representative pays the transaction charges for you or because we pay the transaction charges for you. Please see below for the associated fee schedules:

Wrap Fee Schedule

	Advisory Representative Pays Transaction Charges		We Pay Transaction Charges		
Total Account Value	Administrative Fee ^{1 2}	Maximum Advisory Fee ³	Administrative Fee ^{1 2}	Maximum Advisory Fee ³	Maximum Total Account Fee Paid by Client
\$50,000 to \$99,999	0.250%	2.250%	n/a	n/a	2.50%
\$100,000 to \$249,999	0.200%	2.300%	0.400%	2.100%	2.50%
\$250,000 to \$499,999	0.175%	2.075%	0.375%	1.875%	2.25%
\$500,000 to \$749,999	0.150%	1.850%	0.350%	1.650%	2.00%
\$750,000 to \$1,249,999	0.125%	1.625%	0.325%	1.425%	1.75%
\$1,250,000 to \$1,999,999	0.100%	1.400%	0.300%	1.200%	1.50%
\$2,000,000 to \$4,999,999	0.075%	1.175%	0.275%	0.975%	1.25%
\$5,000,000 to \$24,999,999	0.050%	1.200%	0.250%	1.000%	1.25%
Over \$25,000,000	0.025%	0.975%	0.225%	0.775%	1.00%

*A \$51.50 per-transaction fee may apply for certain short-term redemptions of mutual funds as described in the section entitled, "Other Transaction Charges" that follows.

Non-Wrap Fee Option: Clients who select the Non-Wrap Fee option will pay separate Transaction Charges in addition to the Account Fee. Please see below for the Account Fee schedule followed by the Transaction Charge schedule.

¹ **Administrative Fee:** A portion of the Total Account Fee is allocated to the Administrative Fee, which covers administrative, and supervisory services provided by SagePoint as well as transaction, execution, clearing and custodial services as provided by the clearing broker-dealer. The Administrative Fee is set on a sliding scale depending on the size of the assets in the account.

² **VISION2020Advisor Administrative Fee Discount:** Advisory Representatives may qualify for a discounted Administrative Fee Schedule. The discount will be based upon the aggregated total client assets under management, which your Advisory Representative maintains in the Program. The discount ranges from a 10% to 55% reduction of the Administrative Fee. If your Advisory Representative receives a discounted Administrative Fee, your Advisory Representative's compensation will increase by the amount of the discount received, but your Total Account Fee and cost will remain unchanged.

³ **Advisory Fee:** The Advisory Fee is paid to Advisory Representatives for the provision of their personal advisory services rendered in qualifying you for investment in the Program, as well as for ongoing supervision and/or portfolio monitoring of Program Investments. The amount of Advisory Fees charged to clients is determined by each Advisory Representative up to an amount not to exceed the fee breakpoint set for each level of investment as described above.

Non-Wrap Fee Schedule

Total Account Value	Administrative Fee ¹	Maximum Advisory Fee ¹	Maximum Total Account Fee Paid by Client
\$50,000 to \$99,999	0.250%	2.050%	2.30%
\$100,000 to \$249,999	0.200%	2.100%	2.30%
\$250,000 to \$499,999	0.175%	1.875%	2.05%
\$500,000 to \$749,999	0.150%	1.650%	1.80%
\$750,000 to \$1,249,999	0.125%	1.425%	1.55%
\$1,250,000 to 1,999,999	0.100%	1.200%	1.30%
\$2,000,000 to \$4,999,999	0.075%	0.975%	1.05%
\$5,000,000 to \$24,999,999	0.050%	1.000%	1.05%
Over \$25,000,000	0.025%	0.775%	0.80%

Transaction Charges

Stock & Bond Transactions:	
Listed Equities including ETFs	\$22.50
OTC Equities	\$22.50
Options Equity & Index	\$12.00 + \$1.00 per contract
Listed Bonds	\$30.00
Bonds (Corp., Treas., Muni., Money Mkt) & CDs	\$30.00
UITs	\$30.00
Load Mutual Funds @ NAV:	
Purchase/Redemption	\$15.00
Dollar Cost Avg.	\$1.50
Systematic Redemption	\$1.50
Internal Exchanges	\$5.00
No Load Mutual Funds:	
Purchase/Redemption	\$25.00

¹ Please see disclosures on previous page for definitions and further information.

No Transaction Fee (NTF) No-Load Mutual Funds

Qualified Accounts

Purchases (initial) of \$500 or more	\$0.00
Purchases (initial) Less Than \$500	\$25.00
Purchases (subsequent) of \$500 or more	\$0.00
Purchases (subsequent) Less Than \$500	\$25.00
Redemptions held 3 months or longer	\$0.00
Redemptions held Less Than 3 months	\$51.50
Systematic Redemptions of \$100 or more	\$0.00
Systematic Redemptions Less Than \$100	\$25.00

Non-Qualified Accounts

Purchases (initial) of \$2,500 or more	\$0.00
Purchases (initial) Less Than \$2,500	\$25.00
Purchases (subsequent) of \$500 or more	\$0.00
Purchases (subsequent) Less Than \$500	\$25.00
Redemptions held 3 months or longer	\$0.00
Redemptions held Less Than 3 months	\$51.50
Systematic Redemptions of \$100 or more	\$0.00
Systematic Redemptions Less Than \$100	\$25.00

Other Transaction Charges

Advisor also participates in the FundVest Focus and FundVest Institutional programs, whereby Advisory Representatives can offer you no-load or load at NAV mutual funds without incurring transaction costs subject to a minimum purchase amount. If a fund is sold prior to a 3 month hold/redemption period, a \$51.50 charge will be passed on to you, under both wrap and non-wrap fee contracts. This charge may be in addition to other fees, charges, and restrictions imposed by the mutual fund company for short-term trading and redemptions.

Advisory Services to Variable Annuity Sub-Accounts

Your Advisory Representative may utilize the Program tools to manage Variable Annuity products ("Program VAs") that are maintained outside of a standard Program Account. Although the Variable Annuities and their respective Sub-Accounts will be represented on various Program reports (i.e. Performance Reporting) the Variable Annuities are held directly at the Variable Annuity Sponsor.

Program VAs may only be managed as part of an existing client group, consisting of one or more Program Accounts. Your Advisory Representative may use the various Program tools to manage the Program VA's Sub-Accounts in accordance with your risk tolerance. However, the Advisory Representative will not direct reallocations of the Sub-Accounts through the Program. In such cases when a reallocation is required, the Advisory Representative will direct and execute such reallocation transactions directly through the Variable Annuity Sponsor.

Variable Annuity Fee Schedule

Total Account Value ¹	Administrative Fee ¹	Maximum Advisory Fee ¹	Maximum Total Account Fee Paid by Client
\$50,000 to \$99,999	0.25%	2.25%	2.50%
\$100,000 to \$249,999	0.20%	2.10%	2.30%
\$250,000 to \$499,999	0.175%	1.875%	2.05%
\$500,000 to \$749,999	0.150%	1.650%	1.80%
\$750,000 to \$1,249,999	0.125%	1.425%	1.55%
\$1,250,000 to 1,999,999	0.100%	1.20%	1.30%
\$2,000,000 to \$4,999,999	0.075%	0.975%	1.05%
\$5,000,000 to \$24,999,999	0.050%	1.00%	1.05%
Over \$25,000,000	0.025%	0.775%	0.80%

Program VAs are not assessed transaction charges since all reallocations are placed directly with the Variable Annuity sponsor.

General Information Concerning Fees and Other Client Charges

Regarding Non-Wrap Fee Accounts, in addition to the per-trade transaction charges referenced above, you will also be subject to per-trade confirmation fees as disclosed on your trade confirmation (typically \$4.00 per trade).

An additional fee of \$1.50 will apply for both Wrap and Non-Wrap Fee Accounts for each trade confirmation that you do not elect to receive electronically ("Paper Confirmation Fee"). You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with Advisory Representatives but are transaction charges paid to SagePoint and our custodian.

You may avoid the Paper Confirmation Fee in two ways: request to receive trade confirmations electronically or if your Program Account is managed on a discretionary basis and is offered using the Wrap Account format, then upon your request, SagePoint will suppress trade-by-trade confirmations and present the periodic account statement, not less often than monthly, containing the information that would have been required to be disclosed to you in trade-by-trade confirmations generated pursuant to Rule 10b-10.

Mutual Funds

Please be aware that Account Fees are charged on all mutual fund shares that are designated as Program Investments, including shares on which you may have previously paid a sales charge. Also, to the extent that cash used for investments in an account comes from redemptions of your other non-managed mutual fund investments, you should consider the cost, if any, of the sales charge(s) previously paid and redemption fees that would be incurred. Such redemption fees would be in addition to the Account Fee on those assets. Please be aware that such redemptions and exchanges between mutual funds that participate in the Program might have tax consequences, which should be discussed with your independent tax adviser.

¹ Please see disclosures on page 6 for definitions and further information.

Notwithstanding the foregoing paragraph, no Account Fees will be charged on any mutual funds or unit investment trusts transferred to accounts which were purchased within the past two years if a commission was paid to your Advisory Representative.

You will bear a proportionate share of the fees and expenses of any mutual funds selected and for money market funds used as "sweep vehicles" for uninvested cash balances. These fees and expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in mutual funds and are in addition to the Account Fee. Please read the prospectuses of the mutual funds selected for a more complete explanation of these fees and expenses.

You may be able to purchase shares of mutual funds outside of the Program directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of the Program or paying the Account Fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable account fee.

Variable Annuities

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment. For example, variable annuity companies generally impose mortality charges of approximately 1.25% annually. These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

Retirement Accounts

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Accordingly, you should review the Account Fee and the other fees outlined above to fully understand the total amount of fees you pay.

Depending upon the level of the Account Fee, your Advisor may receive more compensation:

- 1) as a result of your participation in the Program then if you participate in other programs that your Advisor offers.
- 2) if your Advisor charges you the Wrap Account Fee which wraps management, administrative and transaction costs into one fee rather than having you pay for these services separately.

As such, your Advisor may have a financial incentive to recommend the Program to you over other programs or services.

ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Types of Clients

The Program is available to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, banks as well as other business entities.

Minimum Account Size

The minimum account size is \$50,000 for Wrap Accounts where Advisory Representative pays Transaction Charges; \$100,000 for Wrap Accounts where we pay the Transaction Charges; \$50,000 for Non-Wrap Accounts.

ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

Your Advisory Representative is the sole portfolio manager available with respect to the Program. Advisors select their Advisory Representatives based on various criteria including experience. You should refer to the relevant Form ADV of the Firm with which your Advisory Representative is associated.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Your personal identification, account and holdings data are disclosed to your Advisor to enable your Advisor to help determine the Program Investments that may be suitable for you.

Your Advisor provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you imposed on management of assets); (ii) your investment guidelines (if applicable); and (iii) reports relating to the performance of your account.

We share your personal account data in accordance with our privacy policy detailed below.

Privacy Notice

We have adopted the following privacy policy:

"Maintaining your trust and confidence is a high priority. That is why we want you to understand how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of SagePoint Financial, Inc.

Information We Collect:

In connection with providing investment products, financial advice, or other services, we obtain non-public personal information about you, which may include:

- Information we receive from you on account applications, such as your address, date of birth, Social Security Number, occupation, financial goals, assets and income;
- Information about your transactions with us, our affiliates, or others; and
- Information received from credit or service bureaus or other third parties, such as your credit history or employment status.

Categories of Parties to Whom We Disclose:

We will not disclose information regarding you or your account with us, except that we may disclose under the following circumstances:

- To your authorized Financial Adviser and his or her manager;
- To our parent companies or affiliates, to the extent permitted by law;
- To entities that perform services for us or function on our behalf, including financial service providers, such as a clearing broker-dealer, investment company, or insurance company;
- To consumer reporting agencies;
- To third parties who perform services on our behalf;
- To your attorney, trustee or anyone who represents you in a fiduciary capacity;
- To our attorneys, accountants or auditors; and

- To government entities or other third parties in response to subpoenas or other legal process as required by law or to comply with regulatory inquiries.
- We do not sell customer lists or customer information to third parties.
- We may disclose non-public personal information about you in connection with the transfer of your account to another financial institution at your request or the request of your Advisory Representative. We permit Advisory Representatives that terminate their affiliation with us to make copies of their client files.* If you do not want SagePoint Financial, Inc. to disclose your non-public personal information with your Advisory Representative's new financial institution, please contact **SagePoint Financial, Inc., Attn: Legal Department, 2800 North Central, Suite 2100, Phoenix, AZ 85004.***

How We Use Information:

Information may be used among the affiliate companies that perform support services for us, such as data processors, technical systems consultants and programmers, or companies that help us market products and services to you for a number of purposes, such as:

- **To protect your accounts** from unauthorized access or identity theft;
- **To process your requests** such as securities purchases and sales;
- **To establish or maintain an account with an unaffiliated third party**, such as a clearing broker-dealer providing services to you and/or SagePoint Financial, Inc.;
- **To service your accounts**, such as by issuing checks and account statements;
- **To comply** with Federal, State, and Self-Regulatory Organization requirements; and
- **To keep you informed** about financial services of interest to you.

Our Security Policy:

We restrict access to nonpublic personal information about you to those individuals who need to know that information to provide products or services to you and perform their respective duties. We maintain physical, electronic, and procedural security measures to safeguard confidential client information.

Closed or Inactive Accounts:

If you decide to close your account(s) or become an inactive customer, our Privacy Policy will continue to apply to you.

Complaint Notification:

Please direct complaints, questions, or issues regarding the Privacy Policy to: Chief Privacy Officer, One World Financial Center, 15th Floor, New York, NY 10281.

Changes to This Privacy Policy:

If we make any substantial changes in the way we use or disseminate confidential information, we will notify you.

*If you reside part-time or full-time in a state that requires your affirmative consent before we provide your non-public personal information to certain third-parties – such as in connection with the transfer of your Advisory Representative to another financial institution – we will obtain such consent as required.”

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

Client-Advisor Relationship

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Investments.

You should direct any questions that you have regarding the Program to your Advisor.

ITEM 9 - ADDITIONAL INFORMATION

Other Financial Industry Activities and Affiliations

All Advisory Representatives that offer V2A to you are also SagePoint Representatives. Advisory Representatives may recommend that you purchase securities offered by SagePoint. If you purchase these products through them, they will receive normal commissions which may be in addition to your customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your interests.

While SagePoint reviews security sales for suitability by an appointed supervisor, you should be aware of the incentives that Advisory Representatives may have to sell certain securities products and are encouraged to ask them about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by your Advisor, Advisory Representative or any SagePoint Representative in connection with providing you with any advisory program that they offer.

Program Accounts and general securities accounts for SagePoint brokerage customers are maintained and custodied on a fully disclosed basis by Pershing, LLC ("Pershing") which is both a registered broker-dealer and an investment adviser.

In addition to our role as Broker-Dealer and Investment Adviser, we have Related Persons (as defined below) that are:

1. other broker-dealers
2. investment companies
3. investment advisers
4. lawyers or law firms
5. banking institutions
6. accounting firms
7. insurance companies
8. real estate broker/dealers
9. pension consultants
10. commodity pool operator or commodity trading advisor

Related Persons are defined as entities that we control or control us or are under common control with us.

Your Advisor may have different financial industry affiliations and activities than those listed above. Please see the ADV Part 2A of your Advisor that will be provided to you for further industry affiliation and activity details and for any associated conflicts of interest.

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

We have adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and your financial circumstances is confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

In limited circumstances, and in compliance with the Investment Adviser's Act of 1940, Section 206(3) and the Rules thereunder (collectively, the "Act"), we may perform principal or agency cross transactions as such activities are described in the Act.

Related Person(s) to us may have an interest or position in securities which may also be recommended to you.

Advisory Representatives, from time to time, may recommend investment products to you, including mutual funds, variable and fixed annuities, and other insurance products, sponsored, distributed, or managed by our Related Persons.

Examples of the above referenced follow:

1. Advisory Representatives may recommend SunAmerica Funds which are available for use within the Program and are managed by SunAmerica Asset Management Company (SAAMCo), a Related Person. A conflict of interest may exist to the extent the Related Person makes payments to us or Advisory Representatives as a result of recommending shares and securities offered by Related Persons.

2. AIG Federal Savings Bank, doing business as SunAmerica Trust Company (STC), is a Related Person who may act as trustee or administrator for certain employee benefit accounts, individual retirement accounts and other retirement or pension plan accounts. STC charges transactional and other fees for its services that are separate from any fees or services provided by us. STC may also act as custodian in certain Third-Party Advisory Services' programs or for certain managed accounts. While you are not required to use STC over other approved custodians or trust banks, you should be aware that a potential conflict of interest exists in our approving or recommending STC to the extent that STC earns fees in connection with services provided to you.

3. When permitted by law, Advisory Representatives may place your account in a SAAMCo cash sweep vehicle. A conflict of interest may exist to the extent that SAAMCo, a Related Person, makes payments to us or other Related Persons of ours.

While SagePoint reviews security sales for suitability by an appointed supervisor, you should be aware of the incentives that Advisory Representatives may have to sell certain securities products and are encouraged to ask them about any conflict presented.

Review of Accounts

Your Advisor periodically reviews your account. For further account review details, please see the ADV Part 2A of your Advisor.

Client Referrals and Other Compensation

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above. In addition, SagePoint is also compensated through revenue sharing arrangements it maintains with certain third parties. Please see below for SagePoint's revenue sharing disclosure.

For further details on compensation and other economic benefits that your Advisor may receive, please see their ADV Part 2A.

Revenue Sharing Disclosure

SagePoint Financial, Inc. (SagePoint) maintains revenue sharing arrangements with certain mutual funds, annuities, life insurance, direct participation programs (DPPs), real estate investment trusts (REITs), 529 plan providers, and third party money managers. These sponsors have greater access to our advisors to provide training and other educational presentations and product information so that they can serve investors better. Please visit the "Client Information and Disclosures" section of our Web site www.sagepointfinancial.com to see a list of sponsors who participate in these revenue sharing arrangements.

In addition to the customary sales charges, the sponsors make payments to SagePoint to participate in the program. All sponsors who participate in meetings may pay meeting fees of up to \$150,000 per year, per sponsor. For mutual funds, including mutual funds available in retirement plans, SagePoint receives a payment of up to 0.25 percent (25 basis points) on all sales of mutual fund shares (the "Gross Sales Payment"). SagePoint may also receive an additional payment, paid quarterly, of up to 0.45 percent (45 basis points) per year of the assets under management held at SagePoint. SagePoint may also receive a payment of \$10 for mutual fund purchases or exchanges which may assist in offsetting a fee normally paid by advisors. For variable annuities, SagePoint receives a Gross Sales Payment of up to 0.25 percent (25 basis points). SagePoint may also receive an additional payment, paid quarterly, of up to 0.15 percent (15 basis points) per year of the assets under management. In addition, certain variable annuity sponsors may pay so-called Persistency payments of between 5 basis points and 25 basis points based on a formula determined by contracts with a minimum persistency of 95%, assets in excess of \$15 million, and contracts in effect more than six years. Persistency payments are fees paid by variable annuity companies, through SagePoint, based upon the amount of assets in a variable annuity contract managed by your financial advisor, and the length of time the assets have been held in the variable annuity. For fixed annuities, SagePoint receives a Gross Sales Payment of up to .10% (10 basis points). For variable universal life insurance, SagePoint receives a 6% marketing allowance on all paid first year commission target premium from all sources on permanent plans of life insurance (to include variable universal life, universal life, indexed universal life and whole life products). Any levelized first year commission or spread first year commission products will earn the 6% marketing allowance for the term of the spread commission (i.e.: 3 years, 5 years, etc.). For DPPs and REITs, SagePoint receives a Gross Sales Payment of up to 2 percent. For 529 plans, SagePoint receives a Gross Sales Payment of up to 0.125 percent (12.5 basis points). In addition, SagePoint may also receive an additional payment, paid quarterly, of up to 0.15 percent (15 basis points) per year of the assets under management. For third party money managers, SagePoint may receive up to 0.20 percent (20 basis points) per year of the assets under management or up to 20 percent of management fees earned on behalf of financial advisors of SagePoint. For specific information about payments from the sponsors, please see our website at www.sagepointfinancial.com and click on "Client Information and Disclosures".

Financial advisors of SagePoint do not receive additional compensation from SagePoint in connection with sales of certain sponsors' products as opposed to other sponsors, including some mutual fund families, insurance companies, DPP sponsors, REIT sponsors or third party money managers. In connection with sales of the sponsors' mutual funds, however, SagePoint often absorbs all or part of the nominal "ticket charge," which is normally borne by your advisor (up to \$15 per transaction).

Because of these revenue sharing arrangements, though they do not impact advisor compensation, advisors may prefer recommending products offered by a sponsor who is participating in the revenue sharing program over other mutual funds, variable products, DPPs, REITs or third party money managers available through SagePoint. You should feel free to ask your advisor how he or she will be compensated for any transaction involving a sponsor's products.

This information was updated on August 12, 2011. SagePoint will update information regarding sponsors who participate in revenue sharing arrangements with SagePoint on its website on a regular basis. You can access this updated information, and our Disclosure Document For Mutual Fund, Insurance Products, Real Estate Investment Trust, Direct Participation Program, Third Party Money Manager Investors and Expense Reimbursements at www.sagepointfinancial.com and click on "Client Information and Disclosures".

Financial Information

Our qualified Custodian, Pershing, maintains custody of your assets, the Program does not require prepayment of fees six months or more in advance and we do not exercise investment discretion in your Program Account. As such, we have not included a balance sheet or other associated financial information.

ITEM 10 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not Applicable. We are an SEC registered investment adviser. We are not registered with any State Securities Authority.

Managed Assets Program

Part 2A – Appendix 1

Program Brochure

For

SagePoint Financial, Inc.

2800 N. Central Avenue, Suite 2100

Phoenix, AZ 85004

(800) 552-3319

www.sagepointfinancial.com

March, 2013

This wrap fee program brochure provides information about the qualifications and business practices of SagePoint Financial, Inc. If you have any questions about the contents of this brochure, please contact us at 800-552-3319. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SagePoint Financial, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

The last annual amendment of the Managed Assets Program Part 2A – Appendix 1 (“Appendix 1”) was March, 2011. Since that amendment, SagePoint Financial, Inc. has not made any material changes to the Appendix 1.

ITEM 3 – TABLE OF CONTENTS

ITEM 1: COVER PAGE	1
ITEM 2: MATERIAL CHANGES	2
ITEM 3: TABLE OF CONTENTS	3
ITEM 4: SERVICES, FEES AND COMPENSATION	4
Advisory Services	4
Account Restrictions	7
Transaction Aggregation	7
Manager and Fund Termination	7
Program Costs	8
Negotiation of Account Fees	8
Schedule of Account Fees	9
General Information Concerning Fees and Other Client Charges	11
ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS	12
Types of Clients	12
Minimum Account Size	12
ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION	12
ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS	13
Privacy Notice	13
ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS	14
Client Advisor Relationship	14
ITEM 9: Additional Information	15
Disciplinary Information	15
Other Financial Industry Activities and Affiliations	15
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Review of Accounts	17
Client Referrals and Other Compensation	17
Revenue Sharing Disclosure	17
Financial Information	18
ITEM 10: REQUIREMENTS FOR STATE REGISTERED ADVISERS	18

ITEM 4 - SERVICES, FEES AND COMPENSATION

SagePoint Financial, Inc. sponsors the Managed Assets Program ("MAP" or "Program"). SagePoint Financial, Inc. is registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities through its Registered Representatives ("Representatives"). The Firm is also registered with the Securities and Exchange Commission ("SEC") as an investment adviser ("Corporate Registered Investment Adviser" or "Corporate RIA") to offer certain investment advisory products and services. Registration does not imply a certain level of skill or training.

Some of the Firm's Representatives provide investment advice for a fee and have registered as Investment Advisory Representatives ("Advisory Representatives") of its Corporate RIA. Some of the Firm's Representatives provide investment advice for a fee and are Advisory Representatives of unaffiliated registered investment advisers ("Independent RIAs").

Henceforth, SagePoint Financial, Inc., in its role as Program Sponsor, will be referred to as "we", "us" or "our". SagePoint Financial, Inc., in its role as securities broker-dealer, will be referred to as "SagePoint".

The Program is presented to the client ("you") by Advisory Representatives of the Corporate RIA or by Advisory Representatives of Independent RIAs. The Corporate RIA and Independent RIAs will collectively be referred to as "Advisor". "Advisory Representatives" will refer to Advisory Representatives of both the Corporate and Independent RIAs.

To join the Program, you will enter into an investment advisory client agreement ("Client Agreement") with your Advisor and establish a brokerage account ("Program Account") with SagePoint on a fully disclosed basis.

Advisory Services

MAP is an investment management program that provides you with access to multiple third party investment managers who provide investment advice to your portfolios consisting of individual stocks, bonds, exchange traded and mutual funds.

You can choose a variety of investment managers across asset classes and investment styles for a complete asset allocation strategy, or seek an investment manager for a single asset class. Each investment manager ("Manager") will manage your assets in a Separately Managed Account ("SMA"). The SMA may be complemented by mutual funds ("Funds") or Exchange Traded Funds ("ETFs") as described below.

We have a master agreement with service provider, Prudential Investments, LLC ("Prudential"), which in turn has a separate agreement with each Manager in the Program. We do not exercise investment discretion over assets allocated to Managers; rather, each Manager has investment discretion to effect transactions according to its investment style and strategy through our clearing firm, Pershing, LLC ("Pershing"), as broker-dealer, for Program assets assigned to it for management. Your Advisory Representative may execute non-discretionary transactions for assets allocated to Funds.

Prudential provides Program services that include; (i) client profiling and proposal capability tools; (ii) access to tools for viewing and managing client data and producing desktop performance reports; (iii) research, timely information and recommendations regarding the qualification, investment philosophies, policies and performance of the Managers; (iv) model portfolios for accounts receiving management services; (v) information and professional evaluations regarding the qualifications and performance of investment companies made available through Prudential's managed account platform; (vi) field sales and education resources; (vii) preparation and distribution of periodic performance measurement reporting with respect to your assets invested through the Program; (viii) Information Systems (ix) calculation services for selected fund allocations for investment rebalancing; (x) shareholder reconciliation; (xi) operational and administrative services in connection with Program account set-up and maintenance; (xii) calculation services for calculation of fees; and (xiii) the recommendation of multiple Manager, or Manager and Fund, combinations for the purpose of assisting your Advisor in providing consulting services to you.

The Program offers you the following investment options:

Single Asset Category Proposal

This proposal allows you to select investments either by asset class (e.g. US Large Cap Equity) or by investment style (e.g. US Large Cap Growth Equity). You can select one or more Managers within a single selected asset class or investment style.

A proposal is generated through your responses to the Investor Profile Questionnaire ("Questionnaire") and a discussion with you regarding among other things, your investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. You will consult with your Advisory Representative and select one or more Managers within an asset class or investment style.

Asset Allocation Proposal

This proposal allows you to allocate Program investments across multiple asset classes and investment styles to create a portfolio that best matches your goals and objectives. You may elect to invest in a) Managers that employ equity strategies b) those that employ fixed income strategies or a combination thereof. Asset Allocation Proposals may also include Funds to complement the above referenced manager strategies.

A proposal is generated through discussions with you and your responses to the Questionnaire. You will inform your Advisor of, among other things, your investment objectives, risk tolerance, investment time horizon, account restrictions, and overall financial situation. The proposal includes a presentation of individual management strategies and includes a proposed long-term strategy for allocation of Program assets among a combination of major asset classes in the capital markets as well as select Funds, if applicable. Following the proposal presentation, you will consult with your Advisor and select one or more Managers and/or Funds. There may be more management strategies and Funds participating in the Managed Assets Program that would be considered suitable for you, based on your Questionnaire responses. You are always free to alter the presentation's asset allocation, manager strategy or Fund recommendations.

Your asset allocation proposal is based upon, and generally correlated to, Questionnaire responses provided by you and is provided to assist you in making informed asset allocation decisions. In determining whether to adopt, modify or reject a proposed asset allocation, you should consider all of your assets, income and investments. You may impose a maximum on the percentage of assets your Advisory Representative should propose to be allocated to certain asset classes. Any maximum you impose on an allocation to a particular asset class may result in an asset allocation proposal which deviates from the allocation your Advisor would otherwise propose. Unless you impose such a maximum, it is likely that the asset allocation proposed to you will be very similar to that proposed to other clients with similar investment objectives, risk tolerances and investment time horizons.

For reporting purposes, performance is reported as a composite of all the asset classes in which you are invested.

Associated Multi-Strategy Portfolio ("AMSP") Proposal

This proposal allows you to choose a Manager that employs a model portfolio that is diversified among investment styles and/or asset classes ("AMSP Model"). Manager may manage the AMSP personally or use affiliated personnel or managers ("Affiliates") to manage different portions of your account. Depending on the financial relationships between the Affiliates and the Manager, the Manager and its personnel may have a conflict of interest in the allocation of your assets. In managing Program assets, Manager may cause the relative positions in your account to be inconsistent with the parameters of the selected AMSP Model by changing an Affiliate or the AMSP Model's asset allocation at any time upon written notice to you. Any such changes to an AMSP Model may cause your account to incur a different aggregate fee than the selected AMSP Model.

A proposal is generated through responses to your Questionnaire and discussion with you regarding among other things, your investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation.

Diversified Multi-Strategy Portfolio ("DMSP") Proposal

This proposal allows you to use an asset allocation model that assigns specified percentages of Program Assets to be managed in accordance with a designated strategy.

Standard DMSP Proposal

Under the Standard DMSP Proposal, you will receive an initial DMSP Asset Allocation Model ("DMSP Model") created by Prudential which is objectively correlated to information provided through discussions with you and responses provided by you in the Questionnaire.

Each DMSP Model may contain Equity Managers, Fixed Income Managers, ETFs or any combination thereof.

Customized DMSP Proposal:

Under the Customized DMSP Proposal, you will receive an initial DMSP Model created by Prudential which is objectively correlated to information provided through discussions with you and responses provided by you in the Questionnaire.

Each DMSP Model may contain Equity Managers, Fixed Income Managers, ETFs or any combination thereof.

You may then customize the model and (i) select the particular asset categories and percentage allocations for your Assets; (ii) select the ETFs and/or Managers used to provide investment advice from a list of Managers on an ongoing basis.

For both Standardized and Customized DMSP Proposals, Placemark Investments ("Overlay Manager") will coordinate Manager trading activity including whether and how to implement trading instructions received from the Managers. Overlay Manager's objective is to facilitate diversification, and upon your request, Program Account rebalancing and management of tax implications of Manager activities.

Periodic Rebalancing of DMSP Accounts

In managing your Program Account, the relative positions in your Program Account may become inconsistent with the parameters of the selected DMSP Model. As such, you may elect to have your Program Account rebalanced on either an annual or quarterly basis ("Periodic Rebalancing") in the event that the value of your Assets in a particular asset category deviates by more than 5% from the target DMSP Models. Rebalancing will be accomplished by buying and selling shares of the relevant securities in order to bring the relative position held in each of the securities back to the parameters of the appropriate DMSP Model. The Overlay Manager will have discretion to decide which securities within an asset category shall be purchased and/or sold. You acknowledge that the purchase and sale of securities ordinarily will result in taxable gain or loss. Unless you have elected to have your Program Account managed in a tax-efficient manner, as described below, Overlay Manager will not consider tax issues when rebalancing your Program Account. Please note that your Program Account must be invested for at least 90 days to be eligible for quarterly rebalancing and for at least one year to be eligible for annual rebalancing.

Tax Management of DMSP Proposals:

By requesting tax management, you request that Overlay Manager manage your Program assets in a manner that minimizes the potential tax burden that would be accrued as a result of realizing short-term gains in your Program Account ("Tax-Managed Strategy"). Please note that the Tax-Managed Strategy bears an additional asset based fee. Management in a Tax-Managed Strategy may lead Manager to take actions in your Program Account that differ from the actions taken in other clients' Program Accounts where a Tax-Managed Strategy has not been selected. If you selected the Tax-Managed Strategy and the Periodic Rebalancing option, Overlay Manager will take tax consequences into consideration in determining whether and how to rebalance your Program Account. You understand that if Overlay Manager determines that the tax consequences outweigh the potential benefits of Periodic Rebalancing, your Program Account may not be rebalanced in accordance with the rebalancing schedule that you selected.

Account Restrictions

Subject to Manager approval, you may impose reasonable restrictions on the management of your Program assets, including the inclusion or exclusion of particular securities and industry classes. Any restrictions you impose on your account may cause a Manager to deviate from investment decisions it would otherwise make in managing assets. Unless you impose restrictions on the management of assets, it is likely that your assets will be managed in a manner very similar to that of other clients with similar investment objectives and risk tolerances using the same management strategy.

Transaction Aggregation

Each Manager may aggregate transactions in the same security on behalf of more than one client to facilitate best execution and to possibly reduce the price per share and/or other costs. Each Manager effects the aggregated transactions in a manner designed to ensure that no participating client is favored over any other client. With respect to the aggregated order, each client will participate at the average share price for all of the Manager transactions in that security on that business day. When possible, securities bought or sold in an aggregated transaction are allocated pro-rata to the participating client's accounts in proportion to the size of the orders placed for each account. Under certain circumstances, the Manager may increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd-lot or small numbers of shares for particular clients. When a Manager is unable to fully execute an aggregated order, the Manager will allocate such transactions on a pro-rata basis or in a manner the Manager determines in good faith to be a fair and equitable allocation.

Manager and Fund Termination

Managers, management strategies, ETFs and Mutual Funds may be added or removed from the Program based on many factors, either internal or external to the Manager or Fund.

We or Prudential, may terminate the participation of any Manager, management strategy, ETF or Fund in the Program at any time and in any manner. While we may discuss with clients whether such action is necessary or desirable, we are under no obligation to do so. In the event of any such termination, you will be given reasonable advance notice of the termination and the opportunity to select new Managers and/or Funds within 30 days. If you fail to select a new Manager and/or Fund after receiving such notice, the assets managed by the terminated Manager may be transferred to a SagePoint brokerage account which is not managed by the terminated Manager and over which SagePoint exercises no investment discretion. Alternatively, you may elect to continue to engage the Manager who managed the terminated strategy to manage the assets outside of the Program upon our consent.

Program Costs

You pay a quarterly, Program Account Fee ("Account Fee" or "Wrap Fee"), in advance, based upon the market value of the Program assets as of the last business day of the preceding calendar quarter. The Wrap Fee covers management, administrative and transaction costs. Depending upon the level of the Wrap Fee, the amount of portfolio activity in your Program Account, the value of custodial and other services provided under the Program and other factors, the Wrap Fee may or may not exceed the aggregate cost of such services if they were to be provided to you separately. In computing the market value of Program assets, Fund shares will be calculated at their respective net asset values as of the valuation date in accordance with each Fund prospectus. In the event that substantial additions to, or withdrawals from, your account are made during any given quarter, the applicable Account Fee will be adjusted on a pro-rata basis, based on the market value of the assets at such time to reflect the addition or withdrawal.

You should be aware that the Account Fee described will be imposed on all Fund shares that you designate as Program assets, including shares on which you may have previously paid a sales charge. Also, to the extent that cash used for investments in the Program comes from redemptions of your other Fund investments, you should consider the cost, if any, of the sales charge(s) previously paid and redemption fees that would be incurred. Such redemption fees would be in addition to your Account Fee on those assets. Please be aware that such redemptions and exchanges between Funds that participate in the Program may have tax consequences which should be discussed with your independent tax advisor.

Negotiation of Account Fees

Subject to the maximum Account Fee limitations imposed by the fee schedules that follow, each Advisory Representative negotiates with clients their own Account Fee schedule. The actual Account Fee schedule will be set forth in the Client Agreement.

Account Fees and terms are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, the requirements of your particular Advisory Representative, your relationship with your Advisory Representative, the size of the Program Account, the potential for other business or clients, the amount of work anticipated and the attention needed to manage the Program Account, among other factors.

[This space intentionally left blank. Account Fee schedules to follow.]

SCHEDULE OF ACCOUNT FEES ¹

Equity Separately Managed Accounts (not held within Diversified Multi Strategy Portfolios)

Total Account Value	Program Fee ²	Maximum Advisory Fee ³	Maximum Account Fee
\$100,000 to \$500,000	1.00%	1.75%	2.75%
\$500,001 to \$1,000,000	.95%	1.75%	2.70%
\$1,000,001 to \$2,000,000	.90%	1.75%	2.65%
\$2,000,001 to \$3,000,000	.85%	1.75%	2.60%
\$3,000,001 to \$4,000,000	.80%	1.75%	2.55%
\$4,000,001 to \$5,000,000	.78%	1.75%	2.53%
Over \$5,000,000	.75%	1.75%	2.50%

Fixed Income Separately Managed Accounts (not held within Diversified Multi Strategy Portfolios)

Total Account Value	Program Fee	Maximum Advisory Fee	Maximum Account Fee
\$100,000 to \$500,000	.75%	1.25%	2.00%
\$500,001 to \$1,000,000	.70%	1.25%	1.95%
\$1,000,001 to \$2,000,000	.65%	1.25%	1.90%

¹ The Account Fee is composed of two components, a Program Fee and an Advisory Fee.

² The Program Fee covers the following: Investment management services provided by the Manager(s); Program services that Prudential provides (as described on Page 4); Execution of transactions with respect to Program assets and custodial services provided by Pershing; Program administrative services that we provide. As recorded in the Schedule of Account Fees above, the Program Fee will range from .35% to 1.10% of the value of the total account. A portion of the fee is remitted to the Managers who generally charge between .20% and .45% for investment management services and to Prudential and Pershing for services that they respectively provide. The remainder of the Program Fee is retained by us.

³ The Advisory Fee is paid to Advisory Representative for personal advisory services provided. The Advisory Fee will vary from Advisory Representative to Advisory Representative but will not exceed the maximum fees outlined above.

\$2,000,001 to \$3,000,000	.60%	1.25%	1.85%
\$3,000,001 to \$4,000,000	.55%	1.25%	1.80%
\$4,000,001 to \$5,000,000	.50%	1.25%	1.75%
Over \$5,000,000	.45%	1.25%	1.70%

Asset Allocation Proposal – Mutual Funds

Maximum Account Fee is 1.25% regardless of Total Account Value

Diversified Multi Strategy Portfolios Only* – Separately Managed Accounts

Total Account Value	Program Fee	Maximum Advisory Fee	Maximum Account Fee
\$100,000 to \$500,000	1.10%	1.80%	2.90%
\$500,001 to \$1,000,000	1.05%	1.80%	2.85%
\$1,000,001 to \$2,000,000	1.00%	1.80%	2.80%
\$2,000,001 to \$5,000,000	.95%	1.80%	2.75%
\$5,000,001 to \$7,500,000	.90%	1.80%	2.70%
\$7,500,001 to \$10,000,000	.85%	1.80%	2.65%
Over \$10,000,000	.80%	1.80%	2.60%

Diversified Multi Strategy Portfolios Only* – Exchange Traded Funds

Total Account Value	Program Fee	Maximum Advisory Fee	Maximum Account Fee
\$100,000 to \$500,000	.55%	1.45%	2.00%
\$500,001 to \$1,000,000	.50%	1.45%	1.95%

\$1,000,001 to \$2,000,000	.45%	1.45%	1.90%
\$2,000,001 to \$5,000,000	.40%	1.45%	1.85%
\$5,000,001 to \$7,500,000	.40%	1.40%	1.80%
\$7,500,001 to \$10,000,000	.40%	1.35%	1.75%
Over \$10,000,000	.35%	1.35%	1.70%

*An additional percentage of 0.10% is added to the Diversified Multi Strategy Portfolios Program Fee for clients who select the Tax Managed Selling option.

General Information Concerning Fees and Other Client Charges

You will be charged an additional fee of \$1.50 for each hard copy trade confirmation ("Paper Confirmation Fee"). You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less).

To avoid the Paper Confirmation Fee, upon your request, you may elect to receive trade confirmations electronically, or have SagePoint suppress trade-by-trade confirmations and present the periodic account statement, not less often than monthly, containing the information that would have been required to be disclosed to you in trade-by-trade confirmations generated pursuant to Rule 10b-10.

You will bear a proportionate share of the fees and expenses of any Funds selected and for money market funds used as "sweep vehicles" for uninvested cash balances. These fees and expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in Funds and are in addition to the Account Fee. Please read the prospectuses of the funds selected for a more complete explanation of these fees and expenses.

You may be able to purchase shares of mutual funds outside of the Program directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of the Program or paying the Account Fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the Account Fee.

Additionally, you will bear a proportionate share of any fees and expenses associated with American Depository Receipts (ADRs)¹, Global Depository Receipts (GDRs)² and Real Estate Investment trusts (REITs)³ in which your assets are invested and may also bear any fees and expenses associated with converting non-US securities into ADRs or GDRs.

¹ "ADRs" are receipts issued by a US bank or trust company that evidence ownership of non-US securities and are traded on a US exchange or in the over-the-counter market.

² "GDRs" are receipts issued generally by a non-US bank or trust company that evidence ownership of non-US securities.

³ "REITs" are corporations or business trusts whose shares are usually traded publicly, investing primarily in income producing real estate and/or real estate related loans or mortgages.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Accordingly, you should review the Account Fee and the other fees outlined above to fully understand the total amount of fees you pay.

Depending upon the level of the Account Fee, your Advisor may receive more compensation:

- 1) as a result of your participation in the Program then if you participate in other programs that your Advisor offers.
- 2) as a result of charging you the Account Fee which wraps management and transaction costs into one fee rather than having you pay for management and transaction costs separately.

As such, your Advisor may have a financial incentive to recommend the Program to you over other programs or services.

ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Types of Clients

The Program is available to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, banks as well as other business entities.

Minimum Account Size

Program	Requirements
The Single Asset Category Proposal	\$100,000 minimum investment
Asset Allocation Proposal	\$300,000 minimum investment/ \$100,000 per manager
Associated Multi-Strategy Portfolio ("AMSP") Proposal	\$100,000 minimum investment
The Diversified Multi-Strategy Portfolio ("DMSP") Proposal	\$100,000 minimum investment

ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

Managers are selected for participation in the Program by us from a list of Managers provided by Prudential. We rely on Prudential's recommendations and generally include all Managers recommended by Prudential in the Program and may, on occasion, make an additional Manager available based on research and other information regarding the qualifications, investment philosophies, policies and performance of the Manager. We receive research and other information from Prudential about the Manager. We rely on but do not independently verify or guarantee the accuracy or validity of the information received from Prudential or any other source. Your Advisory Representative has sole responsibility for assisting you in the selection of Managers suitable for your investment objectives.

On an ongoing basis, Prudential reviews the list of recommended Managers participating in the Program to determine whether they continue to meet Prudential's guidelines and evaluation criteria. If any relevant information is detected at any time (including qualification or performance concerns), we will generally follow Prudential's recommendation to: 1) put the Manager or one of its strategies on review status, wherein

concerns will be further reviewed and must be addressed, 2) restrict one or more Manager strategies from being presented to new clients, or 3) remove one or more Manager strategies from the Program. The level of the restriction will depend on the severity of the concern and the ability of the Manager to satisfactorily address such concern(s).

We make no representation regarding the future performance of any investment strategy of, or security recommended by, any Manager participating in the Program. As always, past performance is not a guarantee of future results.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

We share your personal identification, account and holdings data with Prudential and Prudential may share this information with Managers as needed. We also share this information with your Advisor.

Your Advisor provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you imposed on management of assets); (ii) your investment guidelines (if applicable); and (iii) reports relating to the performance of your account.

We share your personal account data in accordance with our privacy policy detailed below.

Privacy Notice

We have adopted the following privacy policy:

"Maintaining your trust and confidence is a high priority. That is why we want you to understand how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of SagePoint Financial, Inc.

Information We Collect:

In connection with providing investment products, financial advice, or other services, we obtain non-public personal information about you, which may include:

- Information we receive from you on account applications, such as your address, date of birth, Social Security Number, occupation, financial goals, assets and income;
- Information about your transactions with us, our affiliates, or others; and
- Information received from credit or service bureaus or other third parties, such as your credit history or employment status.

Categories of Parties to Whom We Disclose:

We will not disclose information regarding you or your account with us, except that we may disclose under the following circumstances:

- To your authorized Financial Adviser and his or her manager;
- To our parent companies or affiliates, to the extent permitted by law;
- To entities that perform services for us or function on our behalf, including financial service providers, such as a clearing broker-dealer, investment company, or insurance company;
- To consumer reporting agencies;
- To third parties who perform services on our behalf;
- To your attorney, trustee or anyone who represents you in a fiduciary capacity;
- To our attorneys, accountants or auditors; and
- To government entities or other third parties in response to subpoenas or other legal process as required by law or to comply with regulatory inquiries.

- We do not sell customer lists or customer information to third parties.
- We may disclose non-public personal information about you in connection with the transfer of your account to another financial institution at your request or the request of your Advisory Representative. We permit Advisory Representatives that terminate their affiliation with us to make copies of their client files.* If you do not want SagePoint Financial, Inc. to disclose your non-public personal information with your Advisory Representative's new financial institution, please contact **SagePoint Financial, Inc., Attn: Legal Department, 2800 North Central Avenue, Suite 2100, Phoenix, AZ 85004.***

How We Use Information:

Information may be used among the affiliate companies that perform support services for us, such as data processors, technical systems consultants and programmers, or companies that help us market products and services to you for a number of purposes, such as:

- **To protect your accounts** from unauthorized access or identity theft;
- **To process your requests** such as securities purchases and sales;
- **To establish or maintain an account with an unaffiliated third party**, such as a clearing broker-dealer providing services to you and/or SagePoint Financial, Inc.
- **To service your accounts**, such as by issuing checks and account statements;
- **To comply** with Federal, State, and Self-Regulatory Organization requirements; and
- **To keep you informed** about financial services of interest to you.

Our Security Policy:

We restrict access to nonpublic personal information about you to those individuals who need to know that information to provide products or services to you and perform their respective duties. We maintain physical, electronic, and procedural security measures to safeguard confidential client information.

Closed or Inactive Accounts:

If you decide to close your account(s) or become an inactive customer, our Privacy Policy will continue to apply to you.

Complaint Notification:

Please direct complaints, questions, or issues regarding the Privacy Policy to: Chief Privacy Officer, One World Financial Center, 15th Floor, New York, NY 10281.

Changes to This Privacy Policy:

If we make any substantial changes in the way we use or disseminate confidential information, we will notify you.

*If you reside part-time or full-time in a state that requires your affirmative consent before we provide your non-public personal information to certain third-parties – such as in connection with the transfer of your Advisory Representative to another financial institution – we will obtain such consent as required.”

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

Client-Advisor Relationship

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program assets.

You should direct any questions that you have regarding the Program to your Advisor.

ITEM 9 - ADDITIONAL INFORMATION

Disciplinary Information

Not applicable. Neither we, nor any of our management people have been involved in any disciplinary events that are material to your evaluation of our Program or the integrity of our management.

Other Financial Industry Activities and Affiliations

All Advisory Representatives that offer the Program to you are also SagePoint Representatives. Advisory Representatives may recommend that you purchase securities offered by SagePoint. If you purchase these products through them, they will receive normal commissions which may be in addition to your customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your interests.

While SagePoint reviews security sales for suitability by an appointed supervisor, you should be aware of the incentives that Advisory Representatives may have to sell certain securities products and are encouraged to ask them about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by your Advisor, Advisory Representative or any SagePoint Representative in connection with providing you with any advisory program that they offer.

Program Accounts and general securities accounts for SagePoint brokerage customers are maintained and custodied on a fully disclosed basis by Pershing which is both a registered broker-dealer and an investment adviser.

In addition to our role as Broker-Dealer and Investment Adviser, we have Related Persons (as defined below) that are:

1. other broker-dealers
2. investment companies
3. investment advisers
4. lawyers or law firms
5. banking institutions
6. accounting firms
7. insurance companies
8. real estate broker/dealers
9. pension consultants
10. commodity pool operator or commodity trading advisor

Related Persons are defined as entities that we control or control us or are under common control with us.

Your Advisor may have different financial industry affiliations and activities than those listed above. Please see the ADV Part 2A of your Advisor that will be provided to you for further industry affiliation and activity details and for any associated conflicts of interest.

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

We have adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and your financial circumstances is confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

In limited circumstances, and in compliance with the Investment Adviser's Act of 1940, Section 206(3) and the Rules thereunder (collectively, the "Act"), we may perform principal or agency cross transactions as such activities are described in the Act.

Related Person(s) to us may have an interest or position in securities which may also be recommended to you.

Advisory Representatives, from time to time, may recommend investment products to you, including mutual funds, variable and fixed annuities, and other insurance products, sponsored, distributed, or managed by our Related Persons.

Examples of the above referenced follow:

1. Advisory Representatives may recommend SunAmerica Funds which are available for use within the Program and are managed by SunAmerica Asset Management Company (SAAMCo), a Related Person. A conflict of interest may exist to the extent the Related Person makes payments to us or Advisory Representatives as a result of recommending shares and securities offered by Related Persons.

2. AIG Federal Savings Bank, doing business as SunAmerica Trust Company (STC), is a Related Person who may act as trustee or administrator for certain employee benefit accounts, individual retirement accounts and other retirement or pension plan accounts. STC charges transactional and other fees for its services that are separate from any fees or services provided by us. STC may also act as custodian in certain Third-Party Advisory Services' programs or for certain managed accounts. While you are not required to use STC over other approved custodians or trust banks, you should be aware that a potential conflict of interest exists in our approving or recommending STC to the extent that STC earns fees in connection with services provided to you.

3. When permitted by law, Advisory Representatives may place your account in a SAAMCo cash sweep vehicle. A conflict of interest may exist to the extent that SAAMCo, a Related Person, makes payments to us or other Related Persons of ours.

While SagePoint reviews security sales for suitability by an appointed supervisor, you should be aware of the incentives that Advisory Representatives may have to sell certain securities products and are encouraged to ask them about any conflict presented.

Review of Accounts

Your Advisor periodically reviews your account. For further account review details, please see the ADV Part 2A of your Advisor.

Client Referrals and Other Compensation

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above. In addition, SagePoint is also compensated through revenue sharing arrangements it maintains with certain third parties. Please see below for SagePoint's revenue sharing disclosure.

For further details on compensation and other economic benefits that your Advisor may receive, please see their ADV Part 2A.

Revenue Sharing Disclosure

SagePoint Financial, Inc. (SagePoint) maintains revenue sharing arrangements with certain mutual funds, annuities, life insurance, direct participation programs (DPPs), real estate investment trusts (REITs), 529 plan providers, and third party money managers. These sponsors have greater access to our advisors to provide training and other educational presentations and product information so that they can serve investors better. Please visit the "Client Information and Disclosures" section of our Web site www.sagepointfinancial.com to see a list of sponsors who participate in these revenue sharing arrangements.

In addition to the customary sales charges, the sponsors make payments to SagePoint to participate in the program. All sponsors who participate in meetings may pay meeting fees of up to \$150,000 per year, per sponsor. For mutual funds, including mutual funds available in retirement plans, SagePoint receives a payment of up to 0.25 percent (25 basis points) on all sales of mutual fund shares (the "Gross Sales Payment"). SagePoint may also receive an additional payment, paid quarterly, of up to 0.45 percent (45 basis points) per year of the assets under management held at SagePoint. SagePoint may also receive a payment of \$10 for mutual fund purchases or exchanges which may assist in offsetting a fee normally paid by advisors. For variable annuities, SagePoint receives a Gross Sales Payment of up to 0.25 percent (25 basis points). SagePoint may also receive an additional payment, paid quarterly, of up to 0.15 percent (15 basis points) per year of the assets under management. In addition, certain variable annuity sponsors may pay so-called Persistency payments of between 5 basis points and 25 basis points based on a formula determined by contracts with a minimum persistency of 95%, assets in excess of \$15 million, and contracts in effect more than six years. Persistency payments are fees paid by variable annuity companies, through SagePoint, based upon the amount of assets in a variable annuity contract managed by your financial advisor, and the length of time the assets have been held in the variable annuity. For fixed annuities, SagePoint receives a Gross Sales Payment of up to .10% (10 basis points). For variable universal life insurance, SagePoint receives a 6% marketing allowance on all paid first year commission target premium from all sources on permanent plans of life insurance (to include variable universal life, universal life, indexed universal life and whole life products). Any levelized first year commission or spread first year commission products will earn the 6% marketing allowance for the term of the spread commission (i.e.: 3 years, 5 years, etc.). For DPPs and REITs, SagePoint receives a Gross Sales Payment of up to 2 percent. For 529 plans, SagePoint receives a Gross Sales Payment of up to 0.125 percent (12.5 basis points). In addition, SagePoint may also receive an additional payment, paid quarterly, of up to 0.15 percent (15 basis points) per year of the assets under management. For third party money managers, SagePoint may receive up to 0.20 percent (20 basis points) per year of the assets under management or up to 20 percent of management fees earned on behalf of financial advisors of SagePoint. For specific information about payments from the sponsors, please see our website at www.sagepointfinancial.com and click on "Client Information and Disclosures".

Financial advisors of SagePoint do not receive additional compensation from SagePoint in connection with sales of certain sponsors' products as opposed to other sponsors, including some mutual fund families, insurance companies, DPP sponsors, REIT sponsors or third party money managers. In connection with sales of the sponsors' mutual funds, however, SagePoint often absorbs all or part of the nominal "ticket charge," which is normally borne by your advisor (up to \$15 per transaction).

Because of these revenue sharing arrangements, though they do not impact advisor compensation, advisors may prefer recommending products offered by a sponsor who is participating in the revenue sharing program over other mutual funds, variable products, DPPs, REITs or third party money managers available through SagePoint. You should feel free to ask your advisor how he or she will be compensated for any transaction involving a sponsor's products.

This information is current as of March 15, 2013. SagePoint will update information regarding sponsors who participate in revenue sharing arrangements with SagePoint on its website on a regular basis. You can access this updated information, and our Disclosure Document For Mutual Fund, Insurance Products, Real Estate Investment Trust, Direct Participation Program, Third Party Money Manager Investors and Expense Reimbursements at www.sagepointfinancial.com and click on "Client Information and Disclosures".

Financial Information

Our qualified Custodian, Pershing, maintains custody of your assets, the Program does not require prepayment of fees six months or more in advance and we do not exercise investment discretion in your Program Account. As such, we have not included a balance sheet or other associated financial information.

ITEM 10 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not Applicable. We are an SEC registered investment adviser. We are not registered with any State Securities Authority.