

Disclosure Brochure

Financial Insights

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This brochure, presented in lieu of Form ADV Part II and Schedule F, gives information about Financial Insights and its business for the use of clients. The information has not been approved or verified by any governmental authority.

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Item #1 ADVISORY SERVICES AND FEES

Financial Insights (the “Adviser”) is a SEC Registered Investment Adviser.

The Adviser offers financial planning and/or investment advisory services to its Clients. Such services are offered through its Investment Adviser Representatives (IARs).

Separate and apart from their registration as IARs of the Adviser, the IARs are also Financial Advisors (FAs) of SagePoint Financial, Inc., (SPF), a SEC registered broker dealer and investment adviser. SPF is also a member of the Financial Industry Regulatory Authority (FINRA) and various other regulatory bodies. SPF does not provide any investment advisory services in conjunction with or as part of the financial planning and/or investment advisory services provided by the Adviser.

Item #1A Provision Of Continuous Management And Supervisory Services

The Adviser will provide investment supervisory services, defined as giving continuous advice to an advisory client (Client), based upon a prior-established Client profile or investment policy. Such profile or investment policy will be created through personal discussions in which goals and objectives based on a Client’s particular circumstances are established. Each portfolio will be designed to meet a particular investment goal, which the IARs on behalf of their Adviser have determined to be suitable to the Client’s circumstances. Once the appropriate portfolio has been determined, the portfolio will be continuously managed based on the portfolio’s investment objectives, rather than on the Client’s individual needs. However, each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. The Adviser will provide such continuous advisory services on a discretionary and non-discretionary basis. Account supervision will be guided by the stated objectives of the Clients (i.e. maximum capital appreciation, growth, income, or growth and income). Also, standing Agreements between Adviser and the Client to maintain prior agreed upon static reallocation will not be considered use of discretion by Adviser’s IAEs.

The Advisory Representatives on behalf of their Adviser will create a portfolio, consisting of individual stocks or bonds; no-load funds, (funds with no front-end or deferred sales charges and whose total charges against net assets for sales related expenses and or services do not exceed .25%); load-waived funds (front-end commissions will not be charged); and, front-end load fee exclusion (advisory fees will not be charged for a period of two years from the date the sales charge was earned) for mutual funds bought prior to engaging the Adviser’s services. Such portfolio may also consist of variable life and/or variable annuity sub-accounts, which the Advisory Representatives may have already sold to their Clients on a full commission basis, in their capacity as Registered Representatives of SagePoint Financial Advisors, Inc.

Mutual funds may be selected on the basis of any or all of the following criteria: performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives, management style and philosophy; and, the fund's management fee structure. Each Client's individual needs and circumstances will determine initial portfolio weighting between funds and market sectors. Clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on the Client's behalf. Clients will retain individual ownership of all securities.

When appropriate to the needs of the Clients, the Advisory Representatives on behalf of the Adviser may involve the sale of options and/or the use of other option strategies. The Advisory Representatives may also involve the use of borrowed money, or the use of "margin" within the Client account. Because these investment strategies bear a certain degree of risk, they will only be recommended when consistent with the Client's stated risk tolerance and investment objectives. Approximately 85% of total advisory billings come from these services.

Item #1B Portfolio Monitoring and Performance Appraisal

The Adviser will emphasize personal Clients contact and interaction rather than continuous and regular account supervision. The Advisory Representatives on behalf of their Adviser will work with Clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their Clients' educational, home ownership and retirement funding goals and objectives etc. The Advisory Representatives on behalf of their Adviser will create a portfolio, consisting of individual stocks or bonds; no-load funds, (funds with no front-end or deferred sales charges and whose total charges against net assets for sales related expenses and or services do not exceed .25%); load-waived funds (front-end commissions will not be charged); and, front-end load fee exclusion (advisory fees will not be charged for a period of two years from the date the sales charge was earned) for mutual funds bought prior to engaging the Adviser's services. Such portfolios may also consist of variable life and/or variable annuity sub-accounts, which the Advisory Representatives may have already sold to their Clients on a full commission basis, in their capacity as Registered Representatives of SagePoint Financial, Inc.

Investment strategy will focus primarily on a long-term buy and hold approach as opposed to short-term trading. Each portfolio will be initially designed to meet a particular investment goal, which the Advisory Representatives on behalf of their Adviser has determined to be suitable to the Client's circumstances. Once the appropriate portfolio has been determined, the Advisory Representatives on behalf of their Adviser will review the portfolio quarterly, semi-annually or annually, and if necessary, rebalance such portfolio, based upon the Client's individual needs, stated goals and objectives. However, each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. The Adviser's strategy, generally, will be to seek to meet Client investment objectives while providing Clients with access to the

personal advisory services of its Advisory Representatives on at least an annual basis, or more often, depending upon prior agreement between each Advisory Representative and Clients. The Advisory Representatives will not attempt to manage short-term market fluctuations with active trading (market-timing/ allocation etc.) However, the Advisory Representatives on behalf of their Adviser may reallocate the portfolio as necessitated by large-scale macro-economic changes in the securities markets. Approximately 1% of total advisory billings come from these services.

Item #1C Financial Planning Services

The Adviser, through its Advisory Representatives, will typically provide a variety of financial planning services, principally advisory in nature, to individuals or families regarding the management of their financial resources, based upon an analysis of Client's needs. Generally, such financial planning services will involve preparing a financial program for a Client based on the Client's financial circumstances and objectives. This information normally would cover present and anticipated assets and liabilities, including insurance, savings, investments, and anticipated retirement or other employee benefits.

The program developed for the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or invest funds in securities. The Advisory Representatives on behalf of the Adviser may develop tax or estate plans for Client or refer Client to an accountant or attorney.

The Advisory Representatives on behalf of their Adviser may also create a cash flow analysis or work with and advise the Client as to the rearrangement of cash flow in order to fund certain long-term objectives such as buying a house, planning for college, retirement, etc. Approximately 12% of total advisory billings come from these services.

Item #1D Asset Allocation Services For External Pension, Profit Sharing, 401k and 403b Plan Assets

As part of a financial planning analysis and engagement, the Adviser and its Advisory Representatives will assist Client in determining their investment goals and objectives; risk tolerance and retirement plan time horizons. The Adviser will then recommend an initial asset allocation. However, because such assets are custodied outside of the control of SagePoint Financial, Inc. and the Adviser, the Client will be responsible for accepting and implementing the Adviser's recommendations. Further, the Adviser will neither provide *Continuous* Management and Supervision or *Portfolio Monitoring* services for such accounts or receive ongoing, asset-based compensation. However, Client will be able to engage the Adviser's Advisory Representatives to conduct a review of such accounts on a periodic or annual basis for an hourly or fixed-fee. Approximately 1% of total advisory billings come from these services.

Item #1E Self Directed 401k Plan Educational Services Program

The Adviser will provide investment education and administrative assistance to self directed 401k plan participants and/or beneficiaries. These services will consist of advice, and may include any one or all of the following:

1. Information or materials that inform a participant or beneficiary about the benefits of plan participation, the impact of pre-retirement withdrawals on retirement income, the terms of the plan and information on investment alternatives offered under the plan, including risk and return characteristics and historical return information.
2. Information or material that inform a participant about general financial and investment concepts (such as risk and return, diversification, dollar-cost averaging, compounded return, tax-deferred investments); historical differences in rates of return between different asset classes (such as the differences in historical rates of returns between equities, bonds and cash) based on standard indexes; the effect of inflation; estimated future retirement income needs; determining investment time horizons; and assessing risk tolerance.
3. Information or materials (such as pie charts, graphs, case studies) that provide a participant with models of asset allocation portfolios of hypothetical individuals with different time horizons and risk profiles so long as (1) the models are based on generally accepted investment theories that take into account historic returns of different asset classes over defined periods of time; (2) all material facts and assumptions on which the model is based accompany the model; (3) if matched to specific investment alternatives under the plan, it must be done uniformly for all plan investment alternatives; and (4) disclaimer must be given to the effect that the participant should consider his own individual situation (such as his other assets, income and investments) in applying the model.
4. Questionnaires, worksheets, software and similar materials that provide the means to estimate future retirement income needs and assess the impact of different asset allocations on retirement income, so long as there is an objective correlation between the asset allocations generated by the materials and the data supplied by the participant, and the materials satisfy the conditions referenced in paragraph (c) above with regard to asset allocation models.

The investment educational services do not include individualized investment advice based on the particular situation of the participant. These may be contracted for separately.

Although allowable under certain circumstances, the Adviser, or its advisory representatives, under this program will not render advice to utilize any affiliated mutual funds in the program and will not act as broker of record or directly receive any commissions or mutual fund 12b-1 fees from investments of the 401k plan assets in this program.

Item #1F Retirement Plan Consulting Services

The Adviser through its investment adviser representatives, provides retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (hereafter the “Company”) in meeting their management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any one or all of the following:

- 1. Strategic Planning and Investment Policy Development/Review.** Meet with the Company and/or the Named Fiduciary or their fiduciary delegate to assist them in developing an investment policy statement (hereafter the “IPS”). Alternatively, if the Plan has an existing investment policy statement, we will review the existing IPS and assist the Company, Named Fiduciary and/or their fiduciary delegate to determine whether the Plan is performing consistent with the IPS and/or whether the IPS needs to be revised, based on an analysis of the Plan’s liquidity requirements, performance goals and risk tolerance levels of the Plan using information provided by the Company.
- 2. Plan Review.** Conduct a review of the Plan design and advise the Named Fiduciary whether the Plan is operating in accordance with Plan documents and applicable provisions of ERISA; and review Named Fiduciary's compliance with fiduciary responsibilities, including compliance with requirements for self-directed plans (if applicable) under ERISA Section 404(c);
- 3. Plan Fee and Cost Review.** Conduct an annual review fees and costs charged to Plan by other service providers to assist Named Fiduciary to determine reasonableness of fees and costs paid by Plan;
- 4. Third Party Service Provider Liaison.** Act as liaison for the Plan and the Named Fiduciary when dealing with the trustee, custodian, plan actuary and other third party service providers to Plan;
- 5. Assessment of Investments.** Conduct a periodic review of fund expenses, investment performance, and style drift for mutual funds offered by the Plan to participants, comparing them with other funds in the same asset category using Morningstar data from Principia and MPI Stylus; provide suggestions to the Named Fiduciary from time to time as deemed warranted by the investment adviser representative for alternative mutual fund options for the Plan to make

available to its participants (which decision shall remain the sole and exclusive decision of the Named Fiduciary and/or their fiduciary delegate);

- 6. Participant Education and Communication.** Coordinate and/or conduct investment education and enrollment meetings for plan participants as determined by the Company.

The Company may also engage Adviser to provide the following additional services, for separate compensation:

- 1. Executive Benefits.** Review, design and implementation for nonqualified plans/deferred compensation.
- 2. Plan Conversion.** Assist with conversion to alternate vendors, including preparation of Request for Proposal (RFP) from prospective new vendors, and review and comparison of responses to RFP.
- 3. Merger and Acquisition Assistance.** Perform merger and acquisition due diligence review of pension plan documents and investments for possible merger or termination of duplicate plans.
- 4. Compliance Correction.** Assist with corrective actions as necessary to comply with applicable laws and regulations.
- 5. Coordination with Other Advisers.** Interact with outside advisors, or tax, legal and accounting counsel as necessary.

Adviser and the Company will determine in advance the scope of services to be performed and the fees for all requested services. Prior to engaging Adviser to provide pension consulting services, the Company will be required to enter into a written agreement with Adviser setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. In performing the contracted services, Adviser shall not be required to verify the accuracy or consistency of any information received from the Company.

All client accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). Adviser will provide pension consulting services to the Company as described above. In providing pension consulting services, Adviser and the Company agree that Adviser will serve in a fiduciary capacity with respect to certain of the services provided, and as referenced in the executed agreement for services. However, the Company is free to seek independent advice about the appropriateness of any recommendations made by Adviser, or its Advisory Representatives.

Although allowable under certain circumstances, Adviser, or its Adviser Representatives, will not render advice to utilize any affiliated mutual funds and will not act as broker of

record or directly receive any commissions or mutual fund 12b-1 fees from investments of the plan assets.

Adviser does not provide legal, tax, or actuarial advice and Adviser will not be responsible for ensuring that the IPS and asset allocation choices comply with any legal, actuarial or other requirements that apply to the Plan.

Adviser or the Company may terminate the agreement within five days of the date of acceptance without penalty to the Company. After the five-day period, either party may terminate the agreement on 60 days' written notice to the other party. Adviser will deliver a final billing statement to the Company, and shall be entitled to payment of all fees and reimbursement of expenses incurred through the effective date of termination.

Item #1G Selection, Recommendation, Due Diligence, Performance Reporting Of Third Party Advisory Services

In order to assist the Client in the selection of a Third Party Advisory Service, Advisory Representatives will typically gather information from the Clients about the Client's financial situation, investment objectives, and reasonable restrictions the Clients wants imposed on the management of the account. The Adviser will not offer advice on any specific securities or other investments in connection with this service.

The Advisory Representatives on behalf of their Adviser will periodically review reports provided to the Clients. The Advisory Representatives on behalf of their Adviser will contact the Client periodically, as agreed to with the Clients, in order to review the Client's financial situation and objectives; communicate information to the Third Party Advisory Service managing the account as warranted; and, assist the Clients in understanding and evaluating the services provided by the Third Party Advisory Service. Clients will be expected to notify their Advisory Representative of any changes in their financial situation, investment objectives, or account restrictions. Clients may also contact directly the Third Party Adviser managing the account or sponsoring the program.

The Adviser receives compensation pursuant to its agreements with these Third Party Advisory Programs for introducing Clients to these Third Party Advisory Programs and for certain ongoing services provided to Clients. This compensation, which is disclosed to the Client in a separate disclosure document provided by the Third Party Advisory Program, is typically equal to a percentage of the investment advisory fee charged by that Third Party Advisory Program or a fixed fee.

Due to the fact that the Adviser receives compensation from the Third Party Advisory Services for referring Clients and because such compensation may differ depending upon the individual agreement with each Third Party Advisory Service, the Adviser may have an incentive to recommend one of these Third Party Advisory Services over others with which it has less favorable compensation arrangements or other advisory programs

offered by Third Party Advisory Services with which it has no compensation arrangements.

A complete description of the programs and services available through the Third Party Advisory Services will be provided to the Client upon receipt and review of the applicable Third Party Advisory Service's *Form ADV Part II*, Disclosure Brochures and/or equivalent brochures; investment advisory contracts; and account opening documents. Clients will sign an advisory agreement with the Adviser and will also sign an advisory agreement directly with the Third Party Advisory Service selected. Approximately 1% of total advisory billings come from these services.

Item #1H Fee Schedules

Financial Planning Services Fee Schedule

Fixed Fee

As a fixed fee, typically ranging from \$300 – \$5,000, depending on the nature and complexity of each Client's circumstances.

Hourly Rate

On an hourly basis, ranging from \$50 - \$300 per-hour, depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined at the start of the advisory relationship.

Total Fee

The fee is due and payable at the time the Client's agreement is executed. In such a circumstance, the financial plan will be presented to the Clients within 90 days of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the Clients.

Retainer Fee

50% of the estimated fee will be due upon signing the advisory agreement, with the balance (based on actual hours) due upon presentation of the plan to the Clients. Typically the financial plan will be presented to the Clients within 90 days of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the Clients.

Self Directed 401k Plan Educational Services Program Fee Schedule

The fee for the services may be charged either at a pre-determined hourly rate or on a fixed fee basis. The exact fee will be negotiated in advance of services rendered and shall be clearly set forth in the executed agreement for services between the Adviser and the client. All such fees are payable in arrears as invoiced. In special circumstances other fee paying arrangement may be negotiated.

Fixed Fee

Based on scope of services agreed upon in engagement, reasonable in light of Geographical Location, complexity of engagement, size of Plan, and other relevant factors. RANGE: \$5,000-\$100,000

Hourly Fee

Based on estimate of hours needed as provided in engagement (client must approve in writing hours above original engagement); reasonable in light of Geographical Location, complexity of engagement, size of Plan, and other relevant factors.

RANGE: \$50-\$300 per hour

Retirement Plan Consulting Services Fee Schedule

The fee for the services may be charged either at a pre-determined hourly rate, a fixed fee or based upon a percentage of the Plan assets. The exact fee will be negotiated in advance of services rendered and shall be clearly set forth in the executed agreement for services between Adviser and the Company. Fees will be billed quarterly in arrears within 30 days of the quarter end. In special circumstances other fee paying arrangements may be negotiated.

Fixed Fee

Based on scope of services agreed upon in engagement, reasonable in light of Geographical Location, complexity of engagement, size of Plan, and other relevant factors. RANGE: \$5,000-\$100,000

Hourly Fee

Based on estimate of hours needed as provided in engagement (client must approve in writing hours above original engagement); reasonable in light of Geographical Location, complexity of engagement, size of Plan, and other relevant factors.

RANGE: \$50-\$300 per hour

Percentage of Assets

Basis Points: Based on specific asset levels in Plan at dates provided in the engagement.

RANGE:	\$0 to \$20,000,000	10-100 bps of AUM
	\$20,000,001 to \$40,000,000	5-50 bps of AUM
	\$40,000,001 and above	3-25 bps of AUM

At the inception of the relationship, the Company is required to pay Adviser an initial fixed retainer prior to services rendered. Thereafter, all such fees are payable quarterly in arrears as invoiced. In special circumstances other fee paying arrangements may be negotiated. Moreover, at the Company's consent, Adviser may bill out-of-pocket expenses (such as overnight mailings, messenger, translation fees, etc.) at cost to the Company.

Item #II Selection Of Brokerage Platform For Trade / Clearance / Custody Of Investment
Advisory Transactions

Pershing

In their separate capacity as Registered Representatives of SPF, the Adviser's Advisory Representatives and SPF are subject to certain FINRA supervisory obligations (see Item #7) which have caused SPF to select the Pershing LLC ("Pershing") as an approved third-party clearing broker dealer, which will execute trades, settle securities transactions and custody Client assets on behalf of the Adviser and its Advisory Representatives.

Factors considered in selecting Pershing include its existing broker dealer clearing relationship with SPF, its extensive financial strength, reputation, reporting, execution pricing and research. SPF and Pershing charge transaction fees, which are generally considered, discounted from customary retail transaction fees. General securities transactions are not assessed a sales commission, but are subject to minimum transaction charges by SPF and Pershing. However, the transaction fees charged by SPF and Pershing may be higher or lower than those charged by other broker dealer/custodians. Further, the transaction fees charged by SPF and Pershing, or any other designated broker dealer/custodian, are exclusive of, and in addition to, the Adviser's investment management fees. In addition, the Clients shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

Participation or Interest in Client Transactions

SPF utilizes money market funds as temporary investment vehicles for Program Clients as permitted by law and subject to applicable restrictions. The use of money market funds either in "sweep" arrangements, for temporary investment purposes or otherwise, may result in SPF earning advisory, distribution or other fees described herein. When permitted by law, the money market funds utilized in connection with the Program, may be affiliated with SPF.

Certain mutual funds and money market funds pay a periodic fee (i.e. "Rule 12b-1 fee") to the broker-dealer of record on the account. SPF, as well as Advisory Representatives, may receive a portion of any Rule 12b-1 fees paid to the broker-dealer from mutual funds or money market funds recommended to advisory Clients. The fees earned by SPF may vary depending on the funds utilized and may be waived or credited to the Client against advisory fees payable to the Adviser in connection with certain programs offered by SPF.

Pershing's role is strictly limited to the provision of brokerage and custodial services in connection with the Program. SPF compensates Pershing for the services it provides in connection with the Program.

Direct Asset Allocation Services Through The Premier Advisory Service Program

Adviser offers the Premier Advisory Program to suitable Clients who seek to maintain an advisory account of load waived and no-load mutual funds and other equity and debt securities. The Premier Advisory Program is offered as either a discretionary account, where the Adviser is authorized to manage all trading in the Account without seeking the

Client's consent for each transaction, or a non-discretionary account, where the Adviser trades only as the Client approves each transaction.

When opening a Premier Advisory Program Account, Advisory Representative, as an agent of Adviser and through its affiliation with Adviser, will obtain financial data from the Client and assist in the selection of suitable investment objectives and will base investment strategy on the specific goals and situation of the Client. The Advisory Representative will review the Client's Accounts at least quarterly to review the Client's financial situation and goals. The Advisory Representative must remain apprised as to each investment advisory Client's ongoing financial status, suitability requirements and investment objectives by reviewing each Client's account at least quarterly. The Advisory Representative must contact each Client at least annually to review his/her account. The Advisory Representative's recommendations for mutual fund investments will be based on research reports and analysis of mutual fund performance and managers, and certain computerized and other models for asset allocation and investment timing. The Advisory Representative's recommendations for other securities will be based on publicly available research and reports.

The Premier Advisory Program Investment Advisory Client Services Agreement provides for the Client's Pershing LLC ("Pershing") account through SagePoint Financial, Inc., ("SPF") to be billed automatically for Management Fees, in accordance with the fee schedule. Under the terms of an agreement between Adviser and SPF, SPF is re-allowed a Service Fee ranging from 10% to 25% of the total Management Fee charged by the Adviser to the Client in exchange for services rendered by SPF to Client and Adviser.

Pershing provides all custodial and clearing services for the Premier Advisory Program Accounts. In no event will Adviser accept or maintain custody of the Client funds or securities for a Premier Advisory Program Account.

Clients are under no obligation to accept recommendations by Adviser or authorize transactions through Adviser, related persons of Adviser, or SPF. Clients may be able to purchase recommended no-load mutual funds outside of the Adviser's program at little or no transaction cost and without the Adviser's advisory fees.

The Premier Account is a non-commission and advisory fee account with two distinct options. Under Option A certain transaction costs are paid by the Adviser whereas the Client pays all transaction costs under Option B. The Adviser provides investment advisory services with securities execution, custodial and other administrative services provided by SPF and its clearing broker dealer, Pershing.

The annual management fee for the Adviser's investment advisory services is negotiable. Such investment advisory services will be described in detail in the Investment Advisory Agreement provided to each Client. The annualized investment management fee is a percentage of assets in the account and will be charged according to the following schedule:

Schedule Of Premier Fees – Option A

<u>Portfolio Value Breakpoints</u>	<u>Maximum Advisory Fee Schedule</u>	<u>Quarterly Reporting and Auto-Fee Debiting Annual Fee*</u>	<u>Auto-Fee Debiting only Annual Fee</u>
From \$ 0 - \$ 249,999	2.00%	.20%	.06%
Next \$ 250,000- \$499,999	1.90%	.14%	.06%
Next \$ 500,00 - \$999,999	1.75%	.07%	.04%
Next \$ 1,000,000 - 1,999,999	1.50%	.05%	.03%
Next \$ 2,000,000 +	1.25%	.05%	.03%

* election selected by Client for the quarterly reports mentioned below could result in the Adviser charging a higher advisory fee.

Schedule Of Premier Fees – Option B

<u>Portfolio Value Breakpoints</u>	<u>Maximum Advisory Fee Schedule</u>	<u>Auto-Fee Debiting only Annual Fee</u>
From \$ 0 - \$ 249,999	2.00%	25 bps
Next \$ 250,000- \$499,999	1.90%	20 bps
Next \$ 500,00 - \$999,999	1.75%	15 bps
Next \$ 1,000,000 - 1,999,999	1.50%	10 bps
Next \$ 2,000,000 +	1.25%	10 bps

* election selected by Client for the quarterly reports mentioned below could result in an additional charge to the client's account in the amount of \$37.50 per quarter (\$150 annually).

The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

In addition to the investment advisory fee, the Client will be charged transaction fees pursuant to a fixed schedule for trade execution based upon the option chosen (i.e. no-load funds, load funds, stocks including ETFs, bonds, and options). These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to SPF for its supervisory services. These transaction charges represent the only payment to SPF and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each Client. If the account is opened with securities previously purchased through SPF or the Adviser, SPF and the Adviser may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through SPF or the Adviser, SPF and/or the Adviser may already have received commissions on the sale.

*At the Client's option, a quarterly report will be generated by Pershing, which is in addition to monthly account statements. This report provides a market perspective on the most recently completed quarterly activity, and a portfolio performance summary using Standard & Poor 500 and Lehman Brothers Bond indices as benchmark comparisons. The report also reflects holdings by asset type, contributions, withdrawals, and a description of each position held with value, gain and loss, and yield information.

Option A (\$50,000 Minimum)

Rule 12(b)-1 or service fees paid by "load" waived mutual funds will be retained by SPF. SPF will assess a transaction charge to the Adviser for each "load" waived mutual fund transaction in excess of 10 during the referenced twelve month period. In addition, a transaction fee will be assessed to the Adviser for each no-load mutual fund transaction. The fact that the Adviser pays this transaction fee may affect the frequency of transactions recommended by Adviser to Client.

The transactions fees will be assessed to the Client for all stock, options and fixed income transactions executed in the account.

The annual charge for the quarterly reporting service begins at .2% and is reduced based on the size of the account. The charge is deducted from management fees charged to the Client's account. In the event the Client elects not to receive a quarterly report, an annual charge for the automated billing service will be deducted from management fees charged to the Client's account. The annual charge for this service begins at .06% and is reduced based on the size of the account. The annual charge for automated billing is included in the charge for optional quarterly reporting if elected.

Quarterly reporting is not available for accounts that hold options.

Option B (\$25,000 Minimum, Not available for ERISA and IRA accounts)

There is an annual administrative charge beginning at .25% and is reduced by the size of the account. This charge is deducted from management fees charged to the Client's account.

A portion of any Rule 12(b)-1 or service fees paid by "load" waived funds to SPF may be re-allowed to the SPF registered representative on the account. The Client in this account pays all transaction fees.

The annual charge for this the quarterly reporting service is \$150. The fee is charged \$37.50 per quarter to the Client's account.

Quarterly reporting is not available for accounts that hold options.

Direct Asset Allocation Services Through The Vision2020 Advisor Program

SagePoint Financial, Inc., (SPF) sponsors the VISION2020 Advisor Program (V2A), which provides comprehensive investment management of advisory client (Client) assets through the application of asset allocation planning software, as well as the provision of execution, clearing and custodial services. Through Financial Insights (the “Adviser”) investment adviser representatives (IARs), Clients receive the benefits of risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, the IAR constructs portfolios consisting of mutual funds, equities, options, debt securities, variable life and/or variable annuity sub-accounts (certain restrictions may apply). The use of margin may also be employed as a part of the investment strategy. Each portfolio is designed to meet the Client’s individual needs, stated goals and objectives. Additionally, each Client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

SPF allows independently Registered Investment Advisers such as Financial Insights to offer V2A to its advisory clients on a non-discretionary basis or discretionary basis. In a non-discretionary account, IARs only purchase or sell securities which have been approved by the Clients in advance. However, Clients may maintain an account on a discretionary basis if, (1) the IAR of the account has been authorized by SPF to manage accounts on a discretionary basis, and (2) the Client has granted written discretionary authority to the IAR. The IARs will have discretionary limited buying and selling authority in the account as needed. The purchase and sale of securities in such accounts do not require advance Client approval. The Adviser typically manages Client accounts on a non-discretionary basis as contractually agreed upon with the Client.

V2A offers both a wrap and an unbundled pricing structure as described below under **General Fee Information**. *Clients considering investment in the V2A Program are provided with SPF’s VISION2020 Advisor Schedule H Wrap Brochure. Please refer to this Brochure for a detailed explanation of the V2A Program, including fee schedules for both wrap and unwrapped accounts.*

Vision2020 Modelfolios Program

In addition to the aforementioned V2A Program, SPF sponsors the VISION2020 Advisor ModelFolios Program (the “ModelFolios”), which is a mutual fund asset allocation program. Based upon the risk tolerance of each Client determined with the assistance of the Client’s IAR, ModelFolios utilizes third party money managers that select a specific allocation of mutual funds within a Client’s portfolio. The managers execute the strategy through investment in the specific funds identified and the IAR provides continuous monitoring and review of the accounts. It is likely that the asset allocation proposed to the Client will be very similar to that proposed to other Clients with similar investment objectives, risk tolerances and investment time horizons. The mutual funds available for use within ModelFolios consist primarily of either AIG SunAmerica Funds or certain selected Russell Investment Company Funds.

The AIG SunAmerica Funds are managed by AIG SunAmerica Asset Management Company (SAAMCo). AIG SunAmerica is an affiliate of SPF. If AIG SunAmerica Funds are selected, the assets within the Client account are invested by SAAMCo on a discretionary basis in a recommended model portfolio of AIG SunAmerica Funds allocated in a manner suitable to the risk tolerance and investment objectives of the Client. The portfolio of AIG SunAmerica Funds within the Client account will be periodically rebalanced by SAAMCo, in accordance with the recommended model portfolio for the Client account.

The Russell Investment Company Funds ("Russell Funds") are managed by Russell Investment Management Company and other managers (together, the "Managers") as disclosed by the respective prospectus for each of the Russell Funds. Based on the risk tolerance and investment objectives of the Client, the Russell Investment Management Company shall provide recommendations for a model portfolio of selected Russell Funds suitable for the investment of Client assets. The Managers are responsible for the discretionary purchasing of the recommended funds selected for the model portfolio. The portfolios are periodically rebalanced in accordance with the model portfolio recommendations provided by Russell Investment Management Company.

ModelFolios provides reporting on portfolio performance, holdings, realized gains and losses as well as comparisons to appropriate investment benchmarks. Pershing, LLC (Pershing), as custodian, will provide statements of account to each Client including consolidated monthly statements, quarterly statements and year-end tax reports. SPF or the Adviser shall provide quarterly performance reports which display the time-weighted rates of return earned in Client accounts.

ModelFolios Clients are given the option to receive, in lieu of trade-by-trade confirmations, a periodic statement, not less often than monthly, containing the information that would have been required to be disclosed in trade-by-trade confirmations generated pursuant to Rule 10b-10. SPF does not require or request that Clients elect not to receive trade-by-trade confirmations, nor does SPF suggest which choice is best. Clients electing not to receive trade-by-trade confirmations may later change their minds and request, for no additional cost, trade-by-trade confirmations for any transaction since the date of the last periodic statement, as well as for all subsequent transactions. Clients may also request, for no additional fee, trade-by-trade confirmations for previous transactions effected for up to a one-year period preceding the last periodic statement. SPF continues to generate and send trade-by-trade confirmations to those Clients who do not elect to receive periodic statements in lieu of trade-by-trade confirmations.

Vision2020 Modelfolios Fee Schedules

ModelFolios is a fee-based advisory program that permits Clients to pay an annual fee based upon a percentage of the value of the assets held in the account. All mutual funds comprising the portfolio of funds will be purchased at Net Asset Value without the imposition of any sales charges. There are no transaction charges attributable to the ModelFolios Program. The mutual funds involved are load-waived or no-load mutual

funds. The cost of purchasing and holding mutual fund shares through the ModelFolios Program may be more or less than investing in mutual fund shares in a traditional brokerage account, depending upon the amount of the advisory fees and the specific mutual funds selected for investment within the program.

The VISION2020 Advisor ModelFolios Program services with AIG SunAmerica Funds are offered in accordance with the following fee schedule:

ModelFolios Fee Schedule (AIG SunAmerica Funds)

Total Account Value	Maximum Gross Account Fees ¹	Maximum Net Account Fee ²
\$0 to \$249,000	3.00%	1.50%
\$250,000 to \$749,999	2.75%	1.25%
\$750,000 to \$1,999,999	2.50%	1.00%
\$2,000,000 to \$4,999,999	2.25%	0.75%
\$5,000,000 and over	2.00%	0.50%

There are two methods of calculating ModelFolios (AIG SunAmerica Funds) fees: Under the Non-tiered method, fees are calculated based on the total account value. For example, an account of \$900,000 would pay a maximum **gross** annual fee of \$22,500 (\$900,000 X 2.50%).

The Non-tiered method of calculation results in lower overall annual fees.

Under the Tiered method, fees are calculated based on ranges of account values. For example, an account of \$900,000 would pay a maximum **gross** annual fee of \$25,000:

\$249,999 X 3.00%	= \$7,500
\$499,999 X 2.75%	= \$13,750
\$150,002 X 2.50%	= \$3,750
TOTAL	
\$900,000	\$25,000

The Tiered method of fee calculation results in higher overall annual fees.

The VISION2020 Advisor ModelFolios Program services with Russell Investment Company mutual funds are offered in accordance with the following fee schedule:

¹ Represents the maximum fees payable to SPF or the Adviser, the IARs and affiliates of the Adviser, including SAAMCo administrative fees and 12b-1 fees paid by the mutual funds to the Adviser and its IARs.

² Represents the fees payable to SPF and IARs directly from the Client account for advisory services. The fees payable to SPF, the Adviser and their IARs are calculated by deducting from the Maximum Gross Account Fees an amount equal to all management fees paid to SAAMCo attributable to the mutual fund shares held within the portfolio of funds for the Client account plus all 12b-1 fees actually paid and not credited back to the funds with respect to shares within the portfolio of funds purchased for the Client account and any affiliated money market accounts used as cash management sweep vehicles. In no event shall the amount paid to the Adviser and their IARs exceed the maximum net account fee.

ModelFolios Fee Schedule (Russell Funds)

Total	Assets	Maximum Annual Account Fee	Minimum Account Fee
\$0	\$99,999	2.50%	0.25%
\$100,000	\$249,999	2.30%	0.25%
\$250,000	\$499,999	2.05%	0.20%
\$500,000	\$749,999	1.80%	0.15%
\$750,000	\$1,249,999	1.55%	0.10%
\$1,250,000	\$1,999,999	1.30%	0.10%
\$2,000,000	\$4,999,999	1.05%	0.10%
\$5,000,000	\$24,999,999	1.05%	0.10%
\$25,000,000	and over	0.80%	0.10%

There are two methods of calculating ModelFolios (Russell Funds) fees:

Under the Non-tiered method, fees are calculated based on the total account value. For example, an account of \$900,000 would pay a maximum annual fee of \$13,950 (\$900,000 X 1.55%).

The Non-tiered method of calculation results in lower overall annual fees.

Under the Tiered method, fees are calculated based on ranges of account values. For example, an account of \$900,000 would pay a maximum annual fee of \$17,900:

\$99,999 X 2.50% = \$2,500	
\$149,999 X 2.30% = \$3,450	
\$249,999 X 2.05% = \$5,125	
\$249,999 X 1.80% = \$4,500	
\$150,004 X 1.55% = \$2,325	
TOTAL	
\$900,000	\$17,900

The Tiered method of fee calculation results in higher overall annual fees.

With respect to ModelFolios Program, the distribution or 12b-1 fees charged by the AIG SunAmerica Funds, if any, not credited back to the funds as well as any management fees charged by SAAMCO in connection with the AIG SunAmerica Funds comprising the portfolio of funds within the Client account, will be deducted in calculating the advisory fee payable to the Adviser with respect to the Client account. No 12b-1 Fees are charged with respect to the Russell Funds available pursuant to the program.

General Fee Information

Fees are paid quarterly, in advance, based on the value of the Client's account on the last day of the previous quarter. The fees charged for advisory services are not calculated on the basis of a share of capital gains upon, or capital appreciation of, the funds or any portion of the funds of an advisory Client's assets. Fees may be negotiable depending upon the amount of assets under management, the nature and extent of account relationships between the Adviser and its affiliates with the Client, the type of services requested and other factors that the Adviser deems relevant to the advisory services relating to the program. Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the client agreement goes into effect. 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. Any such valuation shall not be deemed a guarantee of any kind with respect to the value of those assets.

In general, the Custodian of the Client's account debits the account for payment of all fees owed to the Adviser, IAR, SPF, and Pershing (SPF's clearing firm). The Client receives an invoice showing the amount of each fee, the value of the assets on which the fee is based, and the specific manner in which the fee is calculated. The Client also receives a quarterly statement indicating all amounts disbursed from the account, including the amount of the fees paid to each service provider from the account.

Each Client signing a Client agreement has a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees paid at signing. The agreement may thereafter be terminated by SPF, Adviser, IAR or the Client upon prior written notice. Upon termination of the agreement, the Client receives a prorated refund of any unearned fees for the quarter.

Wrap Pricing

A wrap pricing structure allows the Client to pay an all-inclusive fee for account management, brokerage, clearance, custody and administrative services. Clients should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in their accounts, the value of services that are provided under the investment program, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately. Generally, wrap programs are relatively less expensive for actively traded accounts. However, they may result in higher overall costs to the Client in accounts that experience little trading activity.

Unbundled Pricing

As an alternative to the wrap pricing structure, transaction charges can be unbundled from advisory and administrative fees. This pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity. Depending on the level of trading activity in the account, Clients may or may not pay higher total costs than the wrap pricing structure.

Managed Assets Program

Adviser offers the Managed Assets Program (the "**Program**") to suitable clients who seek advice regarding the development of investment strategies and the selection and monitoring of independent money managers ("**Managers**") and/or mutual funds ("**Funds**"), together with brokerage and custodial services, for a single annual asset based advisory fee. Adviser provides the Program through an agreement with SagePoint Financial, Inc. ("**SPF**"), the sponsor of the Program. A copy of Schedule H Brochure of SPF will be delivered to the client in connection with the recommendation of the Program to the client. The services available to clients who select the Program are described in detail in the Schedule H Brochure.

Clients in the Program enter into an agreement with Adviser. Adviser has a sub-adviser agreement with SPF, which sponsors the Program. SPF has a separate master agreement with each Manager in the Program. SPF also has a clearing and service agreement with Pershing, LLC ("**Pershing**"), who serves as broker-dealer for securities transactions directed by Managers and custodian for assets invested by clients in the Program. Neither Adviser nor SPF exercises investment discretion over assets allocated to Managers; rather, each Manager acts as discretionary adviser for the assets assigned to that Manager by clients in the Program. Adviser may execute non-discretionary reallocation transactions for assets allocated to Funds. Client directs SPF, as broker-dealer, to effect transactions for program assets designated by Client to be invested in Funds.

Adviser will utilize the research services provided through the Program to assist the Client in selection of one or more Managers from among those Managers who have been approved and signed agreements with SPF. The client will receive information concerning each recommended Manager and will have the opportunity to approve the selections. The client will also receive an Investment Policy Statement identifying all Managers selected to manage the client's investment portfolio and the amount of fees payable to each Manager and SPF.

Quarterly performance reports will be provided to Client identifying the securities held in the Account and analyzing the performance of the account for the quarter. In the event that Adviser determines that one or more Managers are not performing in accordance with expectations or are no longer appropriate to a Client based on the Client's circumstances and objectives, Adviser will recommend that a Manager be terminated and/or replaced with another Manager. Adviser will review the recommendation with the Client, and the client will make the final determination whether to terminate or replace the Manager.

The Managers selected by the client will typically direct all transactions in the Client's Account through SPF or Pershing. However, Managers may trade with brokers other than SPF or Pershing in order to achieve best execution, obtain a wider variety of issues

and/or to take advantage of favorable mark-ups or mark-downs. Transactions through brokers other than SPF or Pershing may result in additional commission or transaction charges to the Client.

Schedule Of Account Fees 1

Equity Accounts (not including Diversified Multi Strategy Portfolios)

Total Account Value	Program Fee 2	Maximum Advisory Fee 3	Maximum Account Fee 1
\$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 Accounts (not including Diversified Multi Strategy Portfolios)

Total Account Value	Program Fee 2	Maximum Advisory Fee 3	Maximum Account Fee 1
\$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%
\$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%

Diversified Multi Strategy Portfolios Only – Separately Managed Accounts

Total Account Value	Program Fee 2	Maximum Advisory Fee 3	Maximum Account Fee 1
\$100,000 to \$500,000	1.10%	1.80%	2.90%
\$500,000.01 to \$1,000,000	1.05%	1.80%	2.85%

\$1,000,000			
\$1,000,000.01 to \$2,000,000	1.00%	1.80%	2.80%
\$2,000,000.01 to \$5,000,000	.95%	1.80%	2.75%
\$5,000,000.01 to \$7,500,000	.90%	1.80%	2.70%
\$7,500,000.01 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 2	Maximum Advisory Fee 3	Maximum Account Fee 1
\$100,000 to \$500,000	.55%	1.45%	2.00%
\$500,000.01 to \$1,000,000	.50%	1.45%	1.95%
\$1,000,000.01 to \$2,000,000	.45%	1.45%	1.90%
\$2,000,000.01 to \$5,000,000	.40%	1.45%	1.85%
\$5,000,000.01 to \$7,500,000	.40%	1.40%	1.80%
\$7,500,000.01 to \$10,000,000	.40%	1.35%	1.75%
Over \$10,000,000	.35%	1.35%	1.70%

1) The *Account Fee* is comprised 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); investment planning, asset allocation (if applicable), manager review (evaluation and presentation), Fund review (evaluation and presentation, if applicable), performance measurement and transactional reporting, execution of transactions with respect to Fund assets and other client-related services provided by **SPF**; and execution of transactions with respect to assets and custodial services provided by Pershing. Fees charged by the Managers typically range from .20% to .45% of Client Assets. Client's fees may vary from one Manager to another. Fees charged by each Manager will be disclosed at the time the IAR makes recommendations of Managers to Clients through the *Pershing Client Agreement* and *Manager Disclosure Document Form ADV Part II*. **SPF's** administrative fees will generally range from .65% to .75% of the value of the account assets, of which Pershing will receive a portion to cover brokerage and custodial fees. The Manager's fee, together with **SPF's** Administrative fee, is part of the *Program Fee*. Clients do not pay these fees in addition. If the Program is offered through an Independent RIA, the Advisory Fee also covers the fee payable to the Independent RIA. In that case, the fees retained by **SPF** are reduced by the amount of fees paid to the Independent RIA.

Clients should be aware that the *Program Fee* described will be imposed on all Fund shares that they designate as Program assets, [including shares on which Clients may have previously paid a sales charge].

Also, to the extent that cash used for investments in the Program comes from redemptions of Clients' other non-managed Fund investments, Clients 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 **Program Fee** on those assets. Clients should be aware that such redemptions and exchanges between Funds that participate in the Program may have tax consequences which should be discussed with their independent tax advisor.

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. For these Clients, the maximum account fee should be increased by 0.10%.

3) The **Advisory Fee** is paid to **SPF's** IAR or IARs of an independent RIA for their personal advisory services rendered in qualifying Clients for investment in the Program. In addition, the IAR on behalf of the RIA will provide periodic performance monitoring and appraisal services to Clients invested in the Program. **Advisory Fees** charged to Clients are set by each IAR, up to a maximum of 1.55% of Equity Accounts and 1.15% of Fixed Income Accounts. The **Advisory Fee** will vary from IAR to IAR depending on various factors, including the size of the Clients account and prior relationships and services.

For Tax Managed Sell Option – add 0.10% to the stated fee (includes both SMA's and ETF's). The client will pay a single fee to, Adviser typically ranging from 2% to 2.80% of the value of assets in the Account, subject to negotiation. This fee will cover fees payable to Adviser, SPF, each Manager's fees, and Pershing's brokerage and custody fees for the Account. Program fees are subject to negotiation. Fees are paid quarterly, in advance, based on the value of the client's account on the last day of the previous quarter. A specific fee will be offered to each client based on the size of the client's account and the fees charged by the Manager(s) selected by the Client. Adviser offers the Program on a wrap fee basis only. Clients of Adviser will pay no more for the Program than clients who participate in the Program directly as clients of SPF.

Brokerage fees of brokers other than SPF or Pershing, mark-ups and mark-downs (if any), Securities and Exchange Commission fees and exchange fees, transfer taxes, odd lot differentials, mutual fund short-term redemption fees, margin interest, and electronic funds or wire transfer fees, are not included in the Program wrap fee, and will be paid by the Client.

The Custodian of the Client's Account will debit the Account for payment of all fees owed to Adviser, SPF, Pershing, the selected Managers and any other brokers utilized by the Managers to conduct trading in the Account. The Client will receive a bill showing the amount of each fee, the value of the assets on which the fee is based, and the specific manner in which the fee is calculated. The Client will also receive a quarterly statement indicating all amounts disbursed from the Account, including the amount of the fees paid to each service provider from the Account.

In evaluating a wrap fee arrangement, a client should recognize that Adviser does not negotiate brokerage commissions for the execution of transactions in a client's account. Transactions are effected "net" (that is, without commission), and a portion of the wrap fee is generally considered as being in lieu of commissions. When consistent with best execution, trades are to be executed with the broker-dealer participating in the wrap fee

program. Depending upon the level of the wrap fee, the amount of portfolio activity in the Client's 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 separately.

The services provided by Managers are under certain conditions available directly to investors from those Managers. The fees charged by Managers to Clients who contract directly for their services may be more or less than the combined fees charged by Adviser and SPF for the Program. However, Clients using the services of Managers would not receive Adviser assistance in developing an investment strategy, selecting Managers, monitoring performance of the Account, and making changes as necessary in Managers.

Each client signing an Adviser' Managed Assets Program Agreement will have a period of five (5) business days from the date of signing the Agreement to unconditionally rescind the Agreement and receive a full refund of all fees paid at signing. The Agreement may thereafter be terminated by Adviser or the client upon thirty (30) days' prior written notice. Upon termination of the Agreement, the client will receive a prorated refund of any unearned fees for the quarter.

Portions of a Client's Account may be invested in Funds, which may include money market funds as "sweep" vehicles for funds that are not invested at the end of a day's trading. Mutual funds and money market funds charge fees and expenses are described in each Fund's prospectus, and will generally include a management fee, other fund expenses, and a possible distribution fee. These fees and expenses are in addition to the fees charged by Adviser and SPF. Accordingly, the Client should review both the fees charged by any funds in which the client's assets are invested and the fees charged for the Program to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided.

For further details on the Program, including costs, please refer to the Managed Assets Program Schedule H Wrap Brochure.

Selection, Recommendation, Due Diligence And Performance Appraisal Of Third Party Investment Advisory Services

Adviser has entered into agreements with various Third Party investment advisers ("Third Party Advisory Service") for the provision of certain investment advisory services.

Adviser's Advisory Representatives will provide personal advisory services to their Clients in the selection of a particular Third Party Advisory Service. Factors considered in the selection of a Third Party Advisory Service include but may not be limited to: i) each individual Advisory Representative's preference for a particular Third Party Advisory Service; ii) the Client's risk tolerance, goals and objectives, as well as investment experience; and, iii) the size of Client assets available for investment. In

addition, Adviser's Advisory Representatives receive compensation from these investment managers for referring Clients--and because such compensation may differ depending on the individual agreement with each Third Party Advisory Service--Advisory Representatives may have an incentive to recommend a particular Third Party Advisory Service over other investment managers with which Adviser may have less favorable compensation arrangements or, alternative investment advisory programs--including programs offered through their own separately registered investment advisory entities.

All securities transactions will be decided upon and executed by the Third Party Advisory Service.

In order to assist in the selection of a Third Party Advisory Service, the Advisory Representative will typically gather information from the Client about the Client's financial situation, investment objectives, and reasonable restrictions the Client wants imposed on the management of the account.

Ongoing Performance Monitoring And Appraisal Of Selected Third Party Advisory Services.

Adviser's Advisory Representatives will periodically review reports provided to the Client. An Advisory Representative will contact the Client periodically, as agreed upon with each Client, to review the Client's financial situation and objectives, communicate information to the Third Party Advisory Service managing the account as warranted, and to assist the Client in understanding and evaluating the services provided by the Third Party Advisory Service. Clients will be expected to notify their Advisory Representative of any changes in their financial situation, investment objectives, or account restrictions. Clients may also directly contact the Third Party Advisory Service managing the account or sponsoring the program.

Additional Information Concerning Third Party Advisory Services

A complete description of the programs and services available through a Third Party Advisory Service will be provided to Clients upon receipt and review of the applicable Third Party Advisory Service's Form ADV and/or Brochure; investment advisory contracts; and account opening documents.

Part II of Form ADV, the program wrap brochure (if applicable) or other applicable disclosure documents of the Third Party Advisory Service and of the portfolio manager(s) will be provided to all Clients interested in these programs and in particular portfolio managers.

Please Note: When investing in mutual funds and variable annuities, Clients are strongly encouraged to review the applicable prospectus. Mutual funds and variable annuities may impose certain restrictions on the frequency, timing and dollar amount of

transactions and may impose penalty fees based upon short-term trading patterns. Such restrictions may impact the services provided by a Third Party Advisory Service.

The list of approved unaffiliated Third Party Advisory Services is under periodic review and revision and is therefore subject to change. Clients should consult directly with their Adviser's Advisory Representative to confirm the most current list. In certain circumstances, certain Third Party Advisory Services may not be available to all Clients.

Third Party Advisory Service Compensation

Compensation generally, consists of four elements: i) management and advisory fees shared by the Third Party Advisory Services, Adviser, and its Advisory Representatives; ii) transaction costs – if applicable – which may be paid to purchase and sell such securities; iii) custody fees; and iv) an additional Administrative fee paid to SPF for its supervisory services.

Such compensation, in turn, is recaptured through one of the following pricing structures:

Wrap Pricing:

Under these programs, the inclusive “wrap” fee covers account management, brokerage, clearance, custody and administrative services. In other programs, the Client may be charged separately for such services. The wrap fees may be higher or lower than if such services were obtained separately. Generally, wrap programs are relatively less expensive for actively traded accounts. However, they may result in higher overall costs to the Client in accounts that experience little trading activity.

Please note that the same or similar services may be available elsewhere at a lower cost to the Client.

Unbundled Pricing:

Other Third Party Advisory Services may be provided on an “unbundled” fee basis. In such cases, the Third Party Advisory Service's fee may be separate from the advisory fee charged by the Advisory Representative and Adviser. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by such Third Party Advisory Services. Further, compensation to the Advisory Representatives may be in the form of commissions earned in the underlying securities portfolios, which are managed by the Third Party Advisory Service. In addition to Adviser's share of the Third Party Advisory Fee, SPF may charge an additional administrative fee for its Administrative and supervisory services.

Clients will receive an account statement from the Third Party Advisory Service at least quarterly, which includes the amount of any fees paid directly to such Third Party Advisory Service, or any other adviser selected by the Client to manage the account.

These fees are in addition to the internal advisory fees and expenses paid by the mutual funds or variable annuity companies to their separate investment advisers. In addition, variable annuity companies generally impose mortality charges on such accounts, of approximately 1.25% annually.

SPF's Administrative fees will either be bundled into the wrap fee or disclosed as a separate charge in unbundled programs.

The amount of total fees, the services provided, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the Third Party Investment Advisory Service's Form ADV Part II; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager or managers selected; or, iv) the Third Party Advisory Service's account opening documents.

Adviser will not be paid fees through a direct contract with the Client, but will receive a portion of the Client's advisory fee as a solicitor in accordance with Rule 206(4)-3 promulgated by the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940.

Please note that the same or similar services may be available elsewhere at a lower cost to the Client.

Engaging A Third Party Investment Adviser

The Client will sign an advisory agreement or contract directly with the sponsor/adviser of the Third Party Advisory Service selected. The advisory relationship may be terminated by the Client or by third parties to the contract in accordance with the provisions of the program contract. The Client will typically receive a pro rata refund of any prepaid advisory fees. Additionally, a Client may terminate an advisory contract without being assessed any fees or expenses within (5) business days of its signing.

There is no guarantee that the advisory services offered will result in the Client's goals and objectives being met. Nor is there any guarantee of profit or protection from loss. The fees and expenses paid by the Client in connection with Third Party Advisory Service may be higher than the cost of similar services offered through other financial firms or the fees associated with other financial services. No assumption can be made that any particular fee arrangement, including wrap fee arrangements; timing services or portfolio management services of any nature will provide better returns than other investment strategies. Use of "wrap fee" programs may result in the payment of fees by Clients in excess of the combined total of separate Advisory fees and brokerage commissions paid by transaction.

Solicitor's Disclosure Statement

Each advisory Client will also receive a Solicitor's Disclosure Statement, pursuant to SEC Rule 206(4)-3. The Solicitor's Disclosure Statement provides, among other things, disclosure regarding the affiliation, if any, between Adviser and the Third Party Advisory Services, the terms of the solicitation agreement between Adviser and the Third Party Advisory Services, including the amount of compensation to be paid to Adviser for the solicitation; and the additional cost to the Client if any, as a result of the solicitation agreement.

Item #1J Clearing and Custodial Arrangements

Pershing LLC ("Pershing") will execute trades, settle securities transactions and custody Client assets on behalf of Adviser's Advisory Representatives using the **VISION2020** Advisor Program, Pinnacle Advisory Program and LAMP, Liberty and Crown Advisory Programs.

Factors considered in selecting Pershing include its existing broker-dealer clearing relationship with SPF, its extensive financial strength, reputation, reporting, execution pricing and research. SPF and Pershing charge commission rates, which are generally considered, discounted from customary retail commission rates. However, the commissions and/or transaction fees charged by SPF and Pershing may be higher or lower than those charged by other broker-dealer/custodians. Further, the fees charged by SPF and Pershing, or any other designated broker-dealer/custodian, are exclusive of, and in addition to, the Adviser's investment management fees. In addition, the Clients shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

Item #1K Trade Errors

On infrequent occasions, an error may be made in a client account. For example, a security may be erroneously purchased for a client account instead of sold. In these situations, the Adviser's policy is a restoration or return the client to the position he/she/it would have been in had the trading error not occurred. Depending on the circumstances, various corrective steps may be taken, including but not limited to, canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the profit is not allocated to the client account, it remains in the error account of SPF as the executing broker/dealer. Please refer to Items 9, 12, and 13 of this Schedule F for additional disclosures on SPF.

The client acknowledges that Adviser cannot and will not be responsible for trades that are not properly executed by any clearing firm, custodian, mutual fund, or insurance company, when an order has been properly submitted by the Adviser.

Item #1L Aggregation Of Orders

The Firm may aggregate orders with respect to a security for advisory client accounts if such aggregation is consistent with achieving best execution for the various client

accounts. When orders are aggregated, each participating account receives the weighted average share price for all transactions in a particular security affected to fill such orders at the time of execution and transaction costs are shared pro rata based upon each account's participation in the transaction. However, smaller clients may bear higher charges if they fail to meet the minimum account sizes set by the broker. Allocations of orders among client accounts must be made in a fair and equitable manner.

Item #1M General Information Concerning Fees

In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. The fees charged are calculated as described above and are not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory Clients.

Changes to Advisory Fee and Transaction Charges

Client understands and agrees that the Advisory Fee and the Transaction Charges set forth herein shall continue until thirty (30) days after Adviser has notified Client in writing of any change in the amount of the Advisory Fee and/or Transaction Charges applicable to the Account. At such time, the new Advisory Fee and/or Transaction Charges will become effective unless Client notifies Adviser in writing that the Account is to be closed.

All fees paid to the Adviser for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge.

A Client could invest in a mutual fund directly, without the services of the adviser. In that case, the Client would not receive the services provided by the Adviser which are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to the Client's financial condition and objectives. Accordingly, the Clients should review both the fees charged by the funds and the fees charged by the Adviser to fully understand the total amount of fees to be paid by the Clients and to thereby evaluate the advisory services being provided.

All Advisory fees are charged, in advance, at the start of each calendar quarter, based upon the fair market value of the assets in the portfolio as of the last business day of the prior quarter. The initial fee will be payable when the account is established, prorated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures. No fee adjustments will be made for partial withdrawals and account depreciation.

Upon Clients written authorization, fees will be automatically deducted from the account. Clients will be provided with an invoice setting forth the fee calculation and a quarterly statement reflecting deduction of the advisory fee.

Item #1N Engaging The Advisor

All Clients wishing to engage the Adviser for the provision of its investment supervisory and/or portfolio appraisal and reporting services, must, in addition to completing the Adviser's internal documents and Investment Advisory Agreement, complete a SagePoint Financial, Inc. non-brokerage new account form.

Upon completion of the aforementioned documents, together with the Advisory Representative securing the relevant approvals, the Adviser will be considered engaged by the Clients. The term of engagement will either be a one time or ongoing, as set forth in the Advisory Agreement. For ongoing agreements, Clients will be responsible for ensuring that the Adviser has been timely informed of changes in investment objectives and risk tolerance.

Clients can terminate, without penalty, the Adviser's Agreement within five business days thereafter, the Client can serve written notice. Clients will then receive, where applicable, a prorated refund of any prepaid advisory fees. Such prorated refund will be based upon actual services and termination costs incurred up to and at the time of termination of the Adviser's services.

Item # 2 TYPES OF CLIENTS

The Adviser's Advisory Representatives provide the aforementioned personal advisory services to individuals, pension and profit sharing plans, trusts, estate or charitable organizations, corporations or other business entities.

Item #3 TYPES OF INVESTMENTS

In addition to providing advice and recommending equity securities, certificates of deposit, investment company and debt instruments, that is solely incidental to the conduct of Advisory Representative's securities business, Advisory Representatives may purchase or sell other types of investments, such as warrants, commercial paper, variable life insurance or annuities, option contracts on securities which may involve the sale of covered call options and/or the sale of cash-secured put options on stocks that must otherwise qualify for purchase within the portfolio and interests in partnerships, in certain Clients' accounts as set forth in the investment advisory agreement or other account opening documentation.

Advisory Representatives may also assist Clients in the selection and retention of Third Party Advisory Service(s) which may manage assets for Clients using a variety of investments. In connection with such referrals, Advisory Representatives may assist

Clients in selecting mutual funds, variable annuities or model portfolios consisting of mutual funds and/or variable annuities in certain advisory programs.

Other interests in partnerships would include such investments as equipment leasing, cable television, fast food franchising, agriculture, raw land, alternative energy, research/development, and leveraged buy-outs.

Other investments may also include Real Estate Trusts (REIT).

Advisory Representatives offering the **VISION2020** Advisor Program may provide advice and recommendations for mutual funds, variable annuities, fixed income securities and equities. The Advisory Representative will typically assist the Client in constructing their initial asset allocation and subsequent maintenance of same.

Item # 4 METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES

The Adviser's Advisory Representatives use, without limitation, any of the following methods of analysis, sources of information and investment strategies: financial newspapers and magazines; inspections of corporate activities; corporate rating services such as Morningstar; and, annual reports, prospectuses and press releases. Advisory Representatives may also utilize different investment strategies, based upon the needs of the Clients, which include long-term purchases as well as trading.

For the Third-Party Advisory Referral Program, Adviser's recommendations for third-party advisers and programs will be based on research reports and analysis of performance provided by third-party advisers and publicly available research and reports regarding investment strategies and programs generally offered by a variety of third-party investment advisers. Advisory Representatives of Adviser may utilize computer software programs provided by such third-party advisers in providing this advice to Clients.

Item#5 EDUCATION AND BUSINESS STANDARDS

The Adviser does not generally maintain specific educational or business background requirements for its Advisory Representatives. However, all Advisory Representatives--in their capacity as SagePoint Financial, Inc. Registered Representatives--are required to pass appropriate securities examination(s) **or** hold one of the following professional designations; CFP, ChFC, PFS, CFA, CIC and must participate in general compliance courses and training conducted by SagePoint Financial, Inc. in its capacity as their broker dealer.

Item #6 EDUCATIONAL AND BUSINESS BACKGROUND

The following Biographical information is provided for the Adviser's principal executive officers and Advisory Representatives. Even if you have no investment committee or executive officers, you must still give the required information about yourself and/or all Advisory Representatives.

Kay F. Byrum, born in 1942 founded Financial Insights in 1995. Financial Insights is a Registered Investment Advisory Firm offering investment management and comprehensive financial planning based on clients goals and objectives. She is a Certified Financial Planner and has been in the financial services industry since 1979 and was certified in 1989. She counsels individuals and small business owners regarding all aspects of financial planning, investments, and insurance strategies (including long-term care planning).

Kay is a successful, articulate businesswoman with an impressive career in the financial arena and has been a guest speaker for corporations, organizations, and institutions of higher learning. She specializes in retirement planning and assists clients in making wise decisions with their retirement plan rollovers.

Kay has produced two tape series, "Investments On a Shoestring" and "Money Strategies That Work". She has appeared as a guest speaker on "Women on Wall Street" and other television programs featuring financial planning. Kay was named one of Orange County's "women of Excellence" and is published in the 16th edition of "Who's Who of American Women".

Kay has served on numerous non-profit boards and was president of the Orange County Chapter of Women in Business and WISEPlace, a transitional housing facility for homeless women. In addition, she is a member of the International Association of Financial Planners and is in good standing with the International Board of Standards and Practices for Certified Financial Planners.

Kay graduated from Cerritos College and is a Registered Representative with SagePoint Financial, Inc. and holds a FINRA Series 22,24,6,62,63,65 securities licenses as well as a California insurance license for life, health and disability.

Katherine Bulger Salter born in 1941 joined Financial Insights in 1995. Katherine has served in the financial services industry in for more than 25 years. She counsels both individuals and businesses regarding all aspects of financial planning, investments and insurance strategies.

Katherine is a successful, articulate businesswoman with an impressive career in the financial arena and is a frequent guest speaker for organizations, corporations and institutions of higher learning. She also presents in-depth financial seminars specifically dedicated to informing and helping individuals as well as small business owners.

Katherine is listed in the National Registry of “Who’s Who in America” and was recently nominated as a candidate for the Clara Barton Award for the Red Cross. She served on the Board of Directors for Human Options, a non-profit organization for abused women and children from 1988 to 1995 and served two terms 1994 and 1995 as board president. She is currently on the North Orange County YMCA Board of Directors. In 2003 she was invited to become a lifetime member of the Senatorial Inner circle.

Katherine attended Cerritos College and now serves as a financial planner, Registered Representative with SagePoint Financial and Branch Manager in the Fullerton office. She holds FINRA series 22,24,6,62,63,65 securities licenses as well as a California insurance license for life, health and disability.

Item #7 OTHER BUSINESS ACTIVITIES

The Adviser’s Advisory Representatives are Registered Representatives of SagePoint Financial, Inc. and provide brokerage services to Clients in that capacity. SPF’s principal business is as a full services general securities broker dealer registered with the Securities Exchange Commission, FINRA, and various other regulatory bodies.

Although SPF maintains supervisory and administrative relationships with certain of the Adviser’s Advisory Representatives, the Firm does not control the Adviser with respect to the conduct of its Investment Advisory activities. Notwithstanding, because the Advisory Representatives are dually registered agents of SPF and the Adviser, SPF has certain supervisory and administrative duties pursuant of the requirements of FINRA Conduct Rule 3040. In that regard, SPF will require and furnish certain account opening documentation to be completed by the Clients and the Advisory Representatives. Once all such materials and forms have been completed by Clients in consultation with their Advisory Representatives, the Advisory Representatives are required to submit these materials and forms to SPF for its review and approval, in its capacity as the Broker dealer of record. Such review does not include the provision of investment advisory services to the Adviser’s Client’s accounts. In certain instances, SPF will collect, as paying agent for the Adviser, the investment advisory fee due the Adviser from the account custodian. SPF will retain a portion as an administrative charge to the Adviser (not the Clients) for the functions SPF is required to carry out by the FINRA. SPF does not provide investment advisory services in connection with such programs.

Adviser’s Advisory Representatives may function in the capacity of W-2 employees of AIG Bank.

In addition, the Adviser’s Advisory Representatives may also be licensed as insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance related products. The Adviser and its Advisory Representatives currently devote 25% of their time to securities and life insurance commission business.

PRIVACY STATEMENT

The Adviser is committed to safeguarding the confidential information of its Clients. The Adviser holds all personal information provided to the Firm in the strictest confidence. These records include all personal information that the Adviser collects from its Clients or receives from other firms in connection with any of the financial services it provides. The Adviser also requires other firms with whom it deals to restrict the use of Clients information. The Adviser's Privacy Policy is available upon Client's engagement of the Adviser's services or by prior request of the Clients.

BUSINESS CONTINUITY PLAN

The Adviser's Business Continuity Plan is available upon Client's engagement of the Adviser's services or by prior request of the Client.

Item #8 OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

Principals and associated persons of Adviser are associated with SagePoint Financial, Inc. as Registered Representatives. SagePoint Financial, Inc.. is a diversified financial services company engaged in the sale of specialized investment products. Advisory Representatives may recommend securities or insurance products offered by SagePoint Financial, Inc. If their Clients purchase these products through the Advisory Representatives, The Advisory Representatives will receive the normal commissions. Thus a conflict exists between their interest and those of their advisory Clients. The Client is under no obligation to purchase products recommend by the Advisory Representatives, or to purchase products either through the Advisory Representatives or through SagePoint Financial, Inc. unless done in the conjunction with an investment management program(s).

Adviser provides advice on third party investment advisers who offer timing services, asset allocation services, and wrap fee accounts. Adviser will be compensated by participating in the advisory fee charged by the third-party adviser. Full disclosure will be provided at the time of solicitation pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940.

Representatives and principals of Adviser may be associated persons of SagePoint Financial, Inc., ("SPF") a registered full service general securities broker-dealer with the Securities and Exchange Commission ("SEC"), a registered investment adviser, a member of the National Association of Securities Dealers, Inc. ("FINRA") and various other regulatory bodies. SPF may provide brokerage services to one or more of the third-party advisers to whom Adviser refers Clients, in which capacity SPF may receive brokerage fees for transactions completed on behalf of Clients of Adviser, a portion of which may be paid to Client's representative.

For brokerage programs provided by SPF, it furnishes certain materials and forms for the programs, including account agreement forms to be used by representatives of SPF when

opening Client accounts. SPF reviews and, if applicable, approves the material solely in its capacity as broker-dealer for the account.

SPF may also act as paying agent with respect to payments made by third-party advisers to Adviser under solicitor's agreements between them. SPF does not act as an investment adviser with respect to any accounts, which, are referred directly by Adviser to third-party advisers. **THE CLIENT DOES NOT HAVE AN INVESTMENT ADVISER RELATIONSHIP WITH SPF UNLESS THE CLIENT HAS SIGNED A DIRECT ADVISORY CONTRACT WITH SPF, AND THEN ONLY IN RELATION TO THE ASSETS SUBJECT TO THAT CONTRACT.**

An affiliate of SPF, SunAmerica Asset Management Corp. ("SAMC"), is a participating manager in certain wrap fee programs, which, may be offered, by certain third-party managers to whom Adviser may refer Clients. Those Clients utilizing the services of SAMC should carefully review the conflicts of interest disclosed in that manager's Form ADV Part II or equivalent disclosure document. SAMC also provides individual management and administrative services to certain investment companies for a fee pursuant to a contract. Shares in these investment companies are sold as publicly registered mutual funds by various broker-dealers, including SPF. These shares may be purchased in advisory accounts solicited by Adviser, and may also be purchased otherwise by Clients with non-advisory account assets.

SPF is an indirect subsidiary of American International Group, Inc. ("AIG"), a public corporation listed on the New York Stock Exchange. AIG owns three life insurance companies, SunAmerica Life Insurance Company, Anchor National Life Insurance Company and First SunAmerica Life Insurance Company. The life insurance companies specialize in selling tax-deferred, long-term savings products, primarily fixed and variable annuities. The life insurance companies also charge certain fees in association with their products, such as: mortality and expense, administrative fees and management fees. These variable annuities may be purchased in advisory accounts solicited by Adviser, but only on a non-discretionary basis after the Client has received a prospectus disclosing all terms of the annuities. In addition, Clients of Adviser may purchase variable annuities with non-advisory account assets.

Item #9 PARTICIPATION OR INTEREST IN CLIENTS TRANSACTIONS

As Registered Representatives of SPF, the Adviser's Advisory Representatives on behalf of Adviser may recommend to Clients the purchase or sale of investment products in which the Advisory Representatives and SPF or a related entity, may have some financial interest, including the receipt of compensation. Certain mutual funds (and/or their related persons) in which a Client may invest make 12b-1 fee payments to broker dealers. Such payments may be distributed pursuant to a 12b-1-distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets. SPF and/or the Adviser's Advisory Representatives may receive such 12b-1 fees or other compensation to the extent permitted by applicable law.

A fund that imposes a front end sales load but which waives that front-end sales load for purchases made on behalf of the of the Client's account (a "front-end load" fund at net asset value) may bear 12b-1 distribution or services fees in excess of .25% of the Account's net assets invested in such fund (the minimum allowed for no- load funds). The 12b-1 fees deferred sales charges and other fee arrangements will be disclosed upon request of the Clients and are typically described in the applicable fund's prospectus. Because of these compensation arrangements, a conflict of interest may exist in connection with the recommendation of particular mutual fund investments for a Client's account.

Certain investment advisers may also execute transactions through SPF. SunAmerica Trust Company, an affiliate of SPF, or another affiliate of SPF may act as custodian and receive compensation in connection with certain Third Party Advisory programs.

SPF may, from time to time, recommend to Clients investment products, including mutual funds, variable and fixed annuities, and other insurance products sponsored by SPF or AIG affiliates. Such recommendations might be deemed to create a conflict of interest because they may result in an increase in compensation for SPF affiliates.

SPF utilizes money market funds as temporary investment vehicles for Program Clients as permitted by law and subject to applicable restrictions. The use of money market funds either in "sweep" arrangements, for temporary investment purposes or otherwise, may result in SPF earning advisory, distribution or other fees described herein. When permitted by law, the money market funds utilized in connection with the Program, may be affiliated with SPF.

Certain money market funds pay a periodic fee (i.e. "Rule 12b-1 fee") to the broker-dealer of record on the account. SPF, as well as Advisory Representatives, may receive a portion of any Rule 12b-1 fees paid to the broker-dealer from money market funds recommended to advisory Clients. The fees earned by SPF may vary depending on the funds utilized and may be waived or credited to the Client against advisory fees payable to the Adviser in connection with certain programs offered by SPF.

Pershing's role is strictly limited to the provision of brokerage and custodial services in connection with the Program. SPF compensates Pershing for the services it provides in connection with the Program.

Advisory Representatives of Adviser may recommend that Clients invest a portion of their assets in certificates of deposit issued by AIG Bank, an affiliate of Advisor. Advisory Representatives may also recommend, as part of a financial plan or general financial advice, that a Client obtain a home loan or refinance debt through an equity line of credit offered by AIG Bank. Advisory Representatives may receive fees for referring Clients to AIG Bank for certificates of deposit and loan products. Advisory Representatives therefore have a conflict of interest in recommending financial products

that are offered through AIG Bank or another affiliate of Advisor. Rates and other terms of certificates of deposit offered by AIG Bank may be lower than those obtainable from other banks. Rates and other terms of mortgage loans or equity lines of credit may be less favorable than the rates and terms offered by other lenders. Clients should review the rates and terms offered by other issuers of certificates of deposit or by other lenders before purchasing a certificate of deposit or accepting a loan from AIG Bank. Clients have no obligation to purchase any financial products offered by AIG Bank or any other affiliate of Advisor that may be recommended by an advisory representative."

CODE OF ETHICS

Advisor has 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 Advisor's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interest of clients 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 financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

Advisor provides a copy of the Code to any client or prospective client upon request to their C-IAR.

Item # 10 CONDITIONS FOR MANAGING ACCOUNTS

The minimum account size to initiate and maintain a Premier Advisory Program Account is \$50,000 for Option A and \$25,000 for Option B.

The minimum account size to initiate and maintain a **VISION2020** Advisor Program Account is \$50,000 for a Non-Wrap Fee account and \$100,000 for a Wrap Fee account.

The minimum account size to initiate and maintain a Managed Asset Program Account is The Single Asset Category Proposal (\$100,000 minimum investment per strategy), The Multi-Strategy Portfolio ("MSP") Proposal (\$100,000.00 minimum investment), The Manager Combination Proposal – (\$200,000 minimum investment/ \$100,000 per manager), and Asset Allocation Proposal – (\$300,000 minimum investment/ \$100,000 per manager). Exceptions may be made regarding the minimum account size depending on Client circumstances.

The minimum account size to initiate and maintain a **VISION2020** Advisor ModelFolios Program Account is \$25,000.

Exception may be made regarding the minimum account size depending on Client circumstances.

Item # 11 REVIEW OF ACCOUNTS

The Adviser on an ongoing basis will review accounts under the Adviser's continuous management and supervision. Accounts under a portfolio monitoring and performance appraisal agreement will be reviewed on at least a quarterly basis or more often, if appropriate.

For financial planning services, the Client will be offered an annual review and consultation. Such review and consultation will contain some or all of the following; specific advice concerning any changes in the Client's investments that the adviser believes the Client should make and specific advice concerning the manner in which the Client can make the changes advised by the adviser. The only reviewer is the adviser.

All financial planning services Clients will receive from the adviser periodic updates of their current financial situations. Clients will also receive from their custodians on either a monthly or quarterly basis, statements showing the current market value as well as interest and dividends for the reporting period.

Clients will be contacted at least annually by their Advisory Representatives to review each Client's financial status, goals and objectives. The Adviser's principal is responsible for ensuring that such reviews and contacts are made.

Generally, Advisory Clients will receive reports, at least quarterly, as set forth in their advisory agreements and other disclosure materials.

For the Retirement Consulting Plan Services Program the Adviser will conduct a periodic review of fund expenses, investment performance, and style drift for mutual funds offered by the Plan to participants, comparing them with other funds in the same asset category using Morningstar data from Principia; provide suggestions to the Named Fiduciary from time to time as deemed warranted by the investment adviser representative for alternative mutual fund options for the Plan to make available to its participants (which decision shall remain the sole and exclusive decision of the Named Fiduciary and/or their fiduciary delegate);

Item # 12 INVESTMENT OR BROKERAGE DISCRETION

The Adviser does not have the authority to determine, without obtaining specific Clients discretionary authority, securities to be bought or sold; the amount of securities to be

bought or sold; the broker or dealer to be used; or the commission rates paid. However, as aforementioned, the Adviser's principal and Advisory Representatives are also registered representative(s) of SagePoint Financial, Inc. In order to meet its FINRA supervisory obligations, SPF requires that all investment advisory activities be conducted through SPF's clearing relationships with Pershing. As a result, the Adviser does not have the discretion to choose the broker dealer or commission rates to be paid. However, the Adviser reasonably believes that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow the Adviser to seek best execution and competitive prices. However, Clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through the Adviser's Advisory Representatives, in their separate capacities as Registered Representatives of SPF or as independent insurance agents.

Item #13 ADDITIONAL COMPENSATION

As described in Item 1 above, Adviser is a party to written agreements with certain Third Party Advisory Services to have its Advisory Representatives provide personal advisory services to their Clients. Such personal advisory services include: qualifying their Clients for a particular Third Party Advisory Service as well as determining Client's goals and objectives (determining risk tolerance and investment styles). Adviser and its Advisory Representatives receive compensation pursuant to these agreements for introducing Clients to the Third Party Advisory Service and for providing the aforementioned personal advisory services. This compensation is typically equal to a percentage of the investment advisory fee charged by the Third Party Advisory Service and because such compensation may differ depending on the individual agreement with each Third Party Advisory Service, the Advisory Representatives may have an incentive to recommend a particular Third Party Advisory Service over other Third Party Advisory Services with which Adviser has less favorable compensation arrangements; investment managers with which Adviser has no such compensation arrangement; or alternative advisory programs including those offered through Independent Advisers.

Certain Third Party Advisory Services may re-allow a portion of their advisory fees to Adviser as additional compensation for its administrative and supervisory Service. This fee is not shared with Adviser's Advisory Representatives. Such re-allowance will not increase the total cost to the Client for the services of the Third Party Advisory Service.

Further, certain Advisory Representatives of Adviser may receive, in their capacity as Registered Representatives of SPF, 12-b-1 fees from recommending investments in various mutual funds. Please see Item 9 above for further disclosure.

SAGEPOINT FINANCIAL' REVENUE SHARING DISCLOSURE

SagePoint Financial, Inc. (SPF) maintains revenue sharing arrangements with certain mutual funds, insurance companies, direct participation programs (DPPs), real estate investment trusts (REITs), 529 plan providers, and third party money managers. These sponsors have greater access to our representatives to provide training and other

educational presentations and product information so that they can serve investors better. Please visit our Web site at www.aigfinancialadvisors.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 SPF to participate in the program. For mutual funds, SPF receives a payment of up to 0.25 percent (25 basis points) on all sales of mutual fund shares (the "Gross Sales Payment"). Alternatively, SPF may receive from certain mutual funds a flat fee that does not exceed the Gross Sales Payment. SPF may also receive an additional payment, paid quarterly, of up to 0.11 percent (eleven basis points) per year of the assets under management held at SPF. For variable annuities, SPF receives a Gross Sales Payment of up to 0.25 percent (25 basis points). In addition, SPF may also receive an additional payment, paid quarterly, of up to 0.1 percent (10 basis points) per year of the assets under management. For variable universal life insurance, SPF 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 (ie: 3 years, 5 years, etc.). For DPPs and REITs, SPF receives a Gross Sales Payment of up to 2 percent. For 529 plans, SPF receives a Gross Sales Payment of up to 0.125 percent (12.5 basis points). In addition, SPF may also receive an additional payment, paid quarterly, of up to 0.1 percent (10 basis points) per year of the assets under management. For third party money managers, SPF may receive up to 0.2 percent (20 basis points) per year of the assets under management or up to 20 percent of management fees earned on behalf of FAs of SPF. In addition, SPF may also receive a flat fee of up to \$100,000.

For specific information about payments from the sponsors, please see our website at www.sagepointfinancial.com.

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

Because of these revenue sharing arrangements, representatives may prefer recommending products offered by a sponsor over other mutual funds, variable products, DPPs, REITs or third party money managers available through SPF. You should feel free to ask your representative how he or she will be compensated for any transaction involving a sponsor's products.

This information was updated on March 10, 2008. SPF will update information regarding sponsors who participate in revenue sharing arrangements with SPF on its website on a regular basis. You can access this updated information, and our Disclosure Document For Mutual Fund and Variable Product, Real Estate Investment Trust, Direct Participation Program and Third Party Money Manager Investors at www.aigfinancialadvisors.com.

