

DISCLOSURE BROCHURE

Form ADV – Part 2A and Appendix 1A for Premier

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ITEM 1 – COVER PAGE

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This Brochure provides information about the qualifications and business practices of Cetera Investment Advisers LLC, which has its principal place of business at 200 N. Martingale Rd, Schaumburg, IL 60173. If you have any questions about the contents of this disclosure brochure, please contact Advisor Services at 888.528.2987, option 2, then option 3 or at www.ceterafinancialspecialists.com. The U.S. Securities and Exchange Commission (SEC) and state securities authorities have not approved or verified the information in this disclosure brochure.

Cetera Investment Advisers LLC is an SEC-registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Cetera Investment Advisers LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Cetera Investment Advisers LLC

ITEM 2 – MATERIAL CHANGES

Cetera Investment Advisers LLC prepared this brochure in response to the 2010 amendments to SEC Form ADV.

When appropriate, Item 2 will provide a summary of material changes the Firm has made to this brochure since the last annual update or the last material change.

On April 2, 2012, Cetera Financial Group, Inc. purchased Genworth Financial Investment Services, Inc., the parent of Genworth Financial Advisors Corp. (GFAC), from Genworth Financial Inc. (the Transaction). In connection with the Transaction, GFAC became a part of the Cetera Financial Group family of companies.

On or about October 31, 2012, Genworth Financial Advisors Corporation merged into Cetera Investment Advisers LLC, a Delaware limited liability company, and will continue under the name of Cetera Investment Advisers LLC. The reorganization does not result in a change of actual control or management of the investment adviser.

The firm's Chief Compliance Officer, Bryan K. Jacobsen assumed his role on April 2, 2012, after James Shay assumed the role as head of Risk Management for Cetera Financial Group.

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ITEM 4 – ADVISORY BUSINESS

FIRM DESCRIPTION

Since 1983, Cetera Investment Advisers LLC (the “Firm”) has provided investment advisory services designed to help clients fulfill their financial goals. The Firm conducts business throughout the United States through investment adviser representatives (“Financial Advisors”) who are independent contractors registered with the Firm. As of 3/31/2012, the Firm managed approximately \$2.273 billion in assets on a discretionary basis and approximately \$713 million in assets on a non-discretionary basis. Please refer to Item 16 for the definitions of discretionary and non-discretionary investment authorities.

We are wholly owned by Cetera Financial Group, Inc. Please refer to Item 10 for more information on our corporate structure.

OFFERED INVESTMENT SERVICES

The Firm offers comprehensive financial planning and portfolio management, and its Financial Advisors help clients open accounts with other registered investment advisers. These services are offered via various programs: Portfolio Advisory Services, Retirement Plan Services, Third-Party Asset Management Services, and Wrap Fee Programs. We begin to describe each program in this Section. Further information on these programs can be found in Sections 5 (Fees and Compensation), 8 (Methods of Analysis, Investment Strategies and Risk of Loss) and 12 (Brokerage Practices). This brochure also briefly describes Wrap Fee Programs, which they are more fully described in Part 2A Appendix 1 brochures for those programs.

Portfolio Advisory Services

Portfolio Advisory Services (the “PAS Program”) offers passively managed asset allocations (“PAS Portfolios”) based on clients’ assessed risk tolerance using primarily institutional mutual funds from Dimensional Fund Advisors (“DFA”). The PAS Program is for long-term investors. The investment minimum is \$50,000, and clients can open multiple accounts and combine their assets to meet the investment minimum. (At its sole discretion, the Firm may waive the minimum account size.)

Financial Advisors will recommend a diversified PAS Portfolio to PAS Program clients based on the clients’ assessed risk tolerances; however, clients may ultimately select a different PAS Portfolio. The Firm has designed several PAS Portfolios to meet a range of investment objectives, although there is no guarantee that any investments will achieve their objectives. The PAS Portfolios involve investment risk, with Portfolios containing higher percentages of stocks generally considered riskier than Portfolios that hold mainly bonds.

- **Capital Preservation:** The Capital Preservation Portfolio invests 100% in bonds. This Portfolio looks to minimize potential losses and provide a return on mutual funds that invest in bonds rated BBB or higher with an average maturity of two years or less. The Portfolio is appropriate for clients who would like more protection from loss on their assets than they might get from stock-invested accounts. This Portfolio is not a money market account and is not government guaranteed. Although it contains no stock investments, it is subject to inflation and interest rate risk, and the bonds in the Portfolio can increase or decrease in value, which can cause an overall increase or decrease in the value of the Portfolio.
- **Income:** This Portfolio invests 15-25% in stocks and 75-85% in bonds. It typically includes mutual funds with bonds as its primary investments. This Portfolio seeks to provide current income, but also contains some stock funds to provide additional opportunities for growth. This Portfolio is suitable for clients whose primary concern is reducing the risk of their assets — such as those approaching

retirement, or those who simply desire decreased risk of loss, but may desire some exposure to stocks in order to provide growth potential for their assets.

- **Income and Growth:** This Portfolio invests 30-40% in stocks and 60-70% in bonds. It seeks current income, with a secondary objective of growth of the amount invested. This Portfolio is suitable for clients who want the potential for some growth of assets, but also are interested in potentially generating some income. Although the majority of the assets are in bond funds, some stock funds are included. Historically, this has resulted in a higher potential return, but does involve more risk.
- **Growth and Income:** This Portfolio invests 45-55% in stocks, and 45-55% in bonds. This Portfolio seeks growth of the amount invested and current income as near-equal objectives. This Portfolio is suitable for clients who want the potential for the higher returns possible from stocks over time without extreme variations in short-term market performance.
- **Growth:** This Portfolio invests 60-70% in stocks and 30-40% in bonds. It seeks growth of the amount invested by using stock funds, but tries to balance the risk by also placing a significant portion of the balance in bond funds. This Portfolio is suitable for clients who are willing to accept some risk in exchange for the potential for higher returns provided by stocks over time. Generally, because of the higher risk involved, clients should not invest in this Portfolio unless they have an investment time horizon of more than five years.
- **Aggressive Growth:** This Portfolio invests 75-90% in stock and 10-25% in bonds. Its goal is to produce growth of the amount invested by putting most of the Portfolio into stock funds, while seeking to protect from wide swings in value by placing a small investment in bond funds. This Portfolio is best suited for clients who are willing to accept significant risk in exchange for the potential for higher returns provided by stock funds over time. This Portfolio is suitable for clients who can afford to risk short-term loss of a significant portion of the amount invested for the potential for higher long-term returns. Clients should typically have an investment time horizon of more than five years.

The Firm manages each account separately. Clients may impose reasonable trade restrictions, subject to approval by the Firm. However, the Firm cannot accept trade restriction on the individual securities that mutual funds purchase. Additionally, clients cannot borrow on margin against the investments held in their PAS Portfolio.

Clients may open more than one account in the PAS Program and generally can direct that the Firm manage these accounts together as one “household.” All household accounts, when taken together, will match the client’s selected PAS Portfolio; however, if the accounts are significantly different in size, an individual account within the household may contain only a few mutual funds, or even a single fund. The Firm determines which securities traders buy in each account, and it has discretionary authority to rebalance accounts back to targeted allocations. A few days are normally needed to invest new money contributions and to execute asset allocation changes. This may cause a price difference between when a client authorizes an asset allocation change and when traders actually execute the trade.

The Firm requires that clients open brokerage accounts with Charles Schwab & Co. (Schwab), a registered broker-dealer and member of FINRA and SIPC, to custody and trade managed assets. The Firm selected Schwab after considering its reputation, size, longevity, fees, computer access, and level of service. Further information can be found in Section 12. Clients receive a quarterly report from the Firm regarding the performance of their accounts, along with a newsletter. Schwab provides the information used in the reports and sends regular brokerage account statements for the clients’ assets. Clients should use only the cost basis information provided on Schwab’s account statements for tax reporting purposes.

This must remain with the client

If a current client has an account with a balance of less than \$50,000 and does not wish to invest it as part of a household, the Firm offers the opportunity to open an advisory account that invests in one of three different DFA Global Funds.

- *DFA 25/75 Portfolio:* The investment objective of this Portfolio is current income and preservation of capital, with some capital appreciation. Under normal market circumstances, it allocates the majority of its assets to bond funds, but also invests a small portion of its assets in stock underlying funds. Generally, the Portfolio invests its assets in stock and bond funds to achieve an allocation of approximately 5% to 45% (with a target allocation of approximately 25%) of its assets in stock funds and approximately 55% to 95% (with a target allocation of approximately 75%) of its assets in bond funds. The Portfolio may invest its assets in both domestic and international funds.
- *DFA Global 60/40 Portfolio:* The investment objective of this Portfolio is capital appreciation and current income. Under normal market circumstances, it invests to achieve an allocation of approximately 40% to 80% (with a target allocation of approximately 60%) of its assets in stock funds and 20% to 60% (with a target allocation of approximately 40%) in bond funds. The Portfolio may invest its assets in both domestic and international funds.
- *DFA Global Equity Portfolio:* The investment objective of this Portfolio is to achieve long-term capital appreciation. It generally invests in a combination of underlying domestic and international stock funds.

Retirement Plan Services

Retirement Plan Services ("RPS") is a fee-based investment program for tax-qualified retirement plans, particularly larger 401(k), and other defined contribution plans with assets of at least \$1,000,000. (The Firm may consider managing retirement plans with balances between \$500,000 and \$1,000,000 on a case-by-case basis, depending on average account balances and the amounts of ongoing deposits.)

The Firm launched RPS because clients of PAS wanted to offer services similar to those offered with PAS to retirement plan participants. RPS offers asset allocations ("RPS Portfolios") for retirement plans that are similar, but not identical, to those offered through the Portfolio Advisory Services accounts. RPS Portfolios available to plan participants include Capital Preservation, Income, Income & Growth, Growth & Income, Growth, and Aggressive Growth.

At the request of plan sponsors, Financial Advisors can assist in educating plan participants about available plan investment choices including the RPS Portfolios. They can also educate plan participants on how to gauge their risk tolerance and investment objectives and how to enroll in the plan. Financial Advisors do not provide individualized investment advice to any plan participant and do not act as a plan fiduciary.

The Firm will require that retirement plans establish relationships with recordkeepers and custodians because the Firm does not provide recordkeeping and custodial services. The Firm recommends certain recordkeepers and custodians that are not affiliated with the Firm. The Firm may base its recommendations of these recordkeepers and custodians in part on certain services or benefits available to retirement plans and to the Firm. These services may include, but are not limited to, collecting plan establishment documents, providing regular reports to the Firm and providing plan participants with a website to access information about their RPS Portfolios. The availability of services to the Firm may create a conflict of interest since the Firm is not basing its recommendations exclusively on the quality of services these companies provide to retirement plans. The Firm addresses this conflict through disclosure here in the Form ADV Part 2A. The services provided by

recordkeepers and custodians are not contingent on plan sponsors conducting a specific amount of business with them.

Third-party Asset Management Programs ("TAMPs")

In addition to the preceding two programs, the Firm has selling agreements with other investment advisers that provide asset management programs. This allows clients to transfer existing accounts at other investment advisers to the Firm. The Firm generally does not offer these TAMPs to new clients, and only allows them for servicing of accounts transferred to the Firm. The Firm has varying responsibilities in the TAMPs, as detailed by their account opening documents.

VisionMap

VisionMap is a comprehensive financial planning service. When a client retains a Financial Adviser to provide financial planning, the Financial Adviser will gather data and analyze the client's current financial situation. The goal of financial planning is to identify the client's long-term economic objectives and prepare a customized, comprehensive written financial plan.

The Financial Adviser may recommend a general course of action, or specific actions. For example, he or she may recommend that the client obtain or revise his/her insurance coverage, establish an individual retirement account, increase or decrease monies held in savings accounts, or invest in securities. In addition, Financial Advisors may advise clients to pursue further tax and/or estate planning. A financial plan will address a minimum of three planning topics, including retirement planning, disability, survivor/life insurance needs, education/college planning, estate planning, long term care, accumulation goals, and investment asset allocation.

To offer financial planning, a Financial Adviser affiliated with our Firm must have a minimum of three years of financial experience or be a Certified Public Accountant, Certified Financial Planner™, or a Chartered Financial Analyst. A Financial Adviser acting as a financial planner must also be a registered representative with Cetera Financial Specialists LLC, the firm's affiliated broker-dealer, and must complete certain required training.

Premier Portfolio Management

In Premier Portfolio Management (Premier), financial adviser will create and manage a mix of investments that are appropriate for a client's investment goals on either a discretionary or non-discretionary basis. Premier offers the benefits of individualized management, annual account reviews, and quarterly performance reports.

Accounts may be funded in cash or securities. Generally, the firm requires a minimum deposit of \$25,000 to open a Premier account. We reserve the right to terminate a Premier account if it falls below \$25,000. Transaction costs are the costs associated with purchasing or selling securities. In the Premier program, the Firm or the financial adviser pay for any associated transaction costs.

Premier offers a wide range of mutual funds, including mutual funds in the FundVest mutual fund program. This program is maintained by our clearing/custodial firm, Pershing LLC (Pershing). Pershing, at their sole discretion, may add or remove mutual funds from the FundVest program without prior notice. In the FundVest program, Pershing waives transaction costs paid by the Firm on purchases that would normally carry a transaction charge. This potential conflict is mitigated because the financial adviser, not the Firm, manages a client's Premier account and the financial adviser's compensation and costs are not affected by FundVest investments.

For Premier accounts, a financial adviser will purchase securities on a client's behalf based on pre-established goals and objectives. Premier

offers access to the low cost share class mutual funds approved by Cetera Financial Specialists (the program's broker/dealer) and other investments such as exchange traded funds (ETFs), fixed income, variable annuities, real estate investment trusts (REITs) and equities.

With Premier, clients may use a margin account to borrow money to purchase additional securities and to pay for fees associated with their account or to withdraw funds. The securities owned in the account serve as collateral for the money borrowed. Clients will pay an interest rate on the money borrowed.

Important considerations for clients interested in opening a margin account: First, if you do not have available cash in your account and use margin, you are borrowing money to purchase securities, pay for fees associated with your account or withdraw funds. Second, your financial adviser has a conflict of interest when recommending that the purchase or sale of securities using borrowed money. This is because your advisory fee is based on the total market value of the securities in your account. If you have a margin debit balance (in other words you have borrowed and owe money to the Firm), your margin debit balance does not reduce the total market value. In fact, since you have borrowed money to purchase additional shares, the total market value of your account will be higher, which results in a higher advisory fee. We monitor this conflict by requiring all margin accounts to be pre-approved by the home office. We also review accounts to determine whether or not the use of margin is appropriate and in line with recorded goals and objectives. Please also carefully review the broker/dealer's Margin Disclosure document for additional risks involved in opening a margin account.

Managed Wealth ADVANTAGE and Other Wrap Fee Programs

The Firm offers two additional wrap fee programs, Managed Wealth ADVANTAGE (MWA) and the Genworth Financial Wealth Management Platform, in addition to the programs described above. Wrap fee accounts are different from other advisory accounts. For example, with wrap fee accounts, the program fee paid by the client covers trade execution costs associated with the accounts. For more information about wrap fee programs offered, please refer to the Part 2A Appendix 1 brochures for those programs.

The investment minimum for MWA is \$50,000. The minimum investment required in the GFWM Platform depends upon the Investment Solution chosen; it is \$25,000-\$50,000 for Mutual Fund and Variable Annuity accounts, \$100,000 for ETF Accounts, \$250,000 for Distribution Strategies and from \$50,000 to \$500,000 for Privately Managed and Unified Managed Accounts. GFWM may accept accounts with balances below the stated minimums.

SERVICES NOT OFFERED

The Firm does not offer legal or tax advice. Financial Advisors may offer such services as an outside business activity. The Firm's Financial Advisors may also present educational seminars. However, the Firm does not offer individualized advice to attendees of these seminars.

ITEM 5 – FEES AND COMPENSATION

Clients should review and understand all fees charged in their accounts. Clients could pay lower overall fees by investing in mutual funds or exchange traded funds directly, but they would not receive the Firm's services.

PORTFOLIO ADVISORY SERVICES

The Firm charges clients in the PAS Program an annual Client Fee. The Client Fee includes two parts: an Advisory Fee, which clients negotiate with their Financial Adviser to pay for his/her services, and a Program Fee to cover administrative costs. (The Program Fee does not cover Schwab's trade execution costs, which is one reason why the PAS Program is not a wrap fee program.)

One-fourth of the Client Fee is collected at the end of every calendar quarter based on the value of managed assets on the last business day of the just-ended quarter. The Client Fee charged is a "blended-rate" fee because it decreases as assets managed for the client increase. Clients pay a lower fee on assets added at higher tiers, but the reduced fee does not apply to assets in lower tiers. For example, the Firm charges a maximum Client Fee of 1.80% on the first \$249,999 of assets managed, and a maximum fee of 1.75% on assets from \$250,000 to \$499,999.

PORTFOLIO VALUE		CLIENT FEE FOR GLOBAL AND STANDARD CORE PORTFOLIOS	
		ANNUAL PROGRAM FEE (%)	STANDARD ANNUAL ADVISORY FEE (%)
TIER MIN	TIER MAX		
\$50,000	\$249,999	.45	1.35
\$250,000	\$499,999	.40	1.35
\$500,000	\$999,999	.35	1.35
\$1,000,000	\$1,999,999	.30	1.20
\$2,000,000	\$4,999,999	.20	1.00
\$5,000,000	over \$5,000,000	.20	.75

CLIENT FEE FOR OTHER PORTFOLIOS		
	ANNUAL PROGRAM FEE (%)	STANDARD ANNUAL ADVISORY FEE (%)
75%-85% Fixed Income Allocation Portfolios (\$50,000 and up)	.20	.65
Capital Preservation Portfolio (\$50,000 and up)	.15	.45

The Firm charges clients who open a DFA Global advisory account a PAS Program Client Fee. Clients must indicate at account opening if they wish to group their DFA Global advisory account with any existing PAS Program accounts for fee calculation purposes.

Clients who had accounts before January 1, 2011, may have a different fee schedule for such accounts, and should refer to their Financial Advisory Agreement for the fees applicable to their accounts. The Firm may change the Client Fee Schedule with 60 days' notice to clients. Clients are mailed quarterly fee statements before Client Fees are deducted. Statements from the custodian also note deductions of Client Fees.

Clients may request that the Firm aggregate their accounts to reach fee breakpoints, subject to Firm approval. Clients pay Client Fees only after trading begins. Trading begins after a PAS Portfolio's current fair market value of managed assets reaches \$50,000. The Firm may assess Client Fees up to 30 days after it receives notice of termination. The Firm will prorate Client Fees on a daily basis when it does not manage a client's assets for the entire quarter. Some Financial Advisors are CPAs and perform audit services for a client's business. In these situations, at client request, the Firm allows quotes of PAS Program fees on a fixed-fee basis.

Two or more Financial Advisors may share Advisory Fees. The Firm may share Advisory Fees with a bank or other financial institution because of networking agreements with those financial institutions. The Firm's arrangements with these financial institutions may create conflicts of interest. These institutions may be influenced to refer clients because of the compensation they could receive. The Firm addresses this risk by

reviewing all new accounts to make sure they are suitable for clients. The Firm also addresses these conflicts by providing disclosure here in the Form ADV Part 2A.

The Firm may reduce the Advisory Fee portion of the Client Fee (but not the Program Fee) for clients who invested in securities with Cetera Financial Specialists LLC and paid a commission. The Firm will reduce Client Fees based upon commissions paid within the 12 months prior to signing a Financial Advisory Agreement. The Firm will apply the offset on a pro rata basis, with one month's Advisory Fee waived for each month remaining in the 12-month period between the date of the commission charge and the date the fees were first applied to the account, according to the Financial Advisory Agreement. Clients will not receive a refund if the commissions paid exceed the Advisory Fee in the first year or if they close their PAS Program account in the first year.

RETIREMENT PLAN SERVICES

The Fee Schedule for Retirement Plan Services is below. One-fourth of the Plan Fee is collected at the end of every calendar quarter, based on the value of total plan assets in the RPS program on the last business day of the just-ended quarter.

"Total plan assets" means the aggregate fair market value of the all funds, securities and other assets of the Plan in the RPS, minus any liabilities. Retirement Plans with agreements with the Firm before January 1, 2011, may have a different fee schedule.

PLAN ASSETS		PLAN FEE	
TIER MIN	TIER MAX	PROGRAM FEE (%)	STANDARD ANNUAL ADVISORY FEE (%)
\$50,000	\$249,999	.35	1.00
\$250,000	\$499,999	.25	1.00
\$500,000	\$999,999	.20	1.00
\$1,000,000	\$1,999,999	.15	1.00
\$2,000,000	\$4,999,999	.10	1.00
\$5,000,000	\$99,999,999	.10	.75

PREMIER FEE SCHEDULE	
ACCOUNT SIZE	MAXIMUM ANNUAL FEE
First 0\$ - \$250,000	2.75%
Next \$250,001 - \$500,000	2.50%
Next \$500,001 - \$1,000,000	2.00%
Next \$1,000,001 - \$2,500,000	1.75%
Next \$2,500,001 - \$5,000,000	1.50%
Over \$5,000,001	1.25%

Premier Portfolio Management

Clients with Premier accounts pay the Firm and financial advisers an advisory fee for the assistance we give in selecting the right mix of investments and other provided advisory services. We provide Premier's maximum, annual advisory fee schedule above.

The firm assesses advisory fees on a quarterly basis in advance based on the assets under management (AUM) or the market value of the assets

held within an advisory account. Clients are charged for the following calendar quarter's advice and not for past advice. Fees are generally automatically deducted from an advisory account, and any advisory fee deducted from an account for a quarter will be disclosed in the quarterly performance report.

For accounts opened during a quarter, the Firm will charge a pro-rated advisory fee for services for the remainder of the quarter. Contributions and withdrawals in excess of \$10,000 on any day within a quarter will result in an increased advisory fee for contributions and decreased advisory fee for withdrawals for the remainder of the quarter.

Premier's fee schedule is a tiered fee structure. This means that a Premier account can be charged multiple percentages depending on the amount of assets held within the account. For example, if a client has a Prime account with \$750,000, and assuming the account is charged the maximum fee schedule, the annual fee would be calculated as follows:

- First \$250,000 would be charged at 2.75%
- From \$250,001 – \$500,000 would be charged at 2.50%
- From \$500,001 – \$750,000 would be charged at 2.00%

This must remain with the client

We reserve the right to change the standard fee schedule at any time after providing clients with 30 days advance notice. Fees are negotiable so individual clients may pay different fees for receiving the same or similar advisory services. If you terminate your account prior to the end of a quarter, we will refund any advisory fees owed to you on a prorated basis. The prorated fee is based on the number of days remaining in the quarter. In addition to the advisory fees charged, a client will pay a separate administration fee of \$200 if he/she closes a Prime account within the first year.

Premier non-ERISA accounts may invest in our Strategic Partners that provide Cetera Financial Specialists LLC (the program's broker-dealer) with additional revenue. Regardless of this additional compensation, these products do not cost you more by purchasing them from the broker-dealer versus another firm. Cetera Financial Specialists' Strategic Partner program is described in more detail below. Premier non-retirement accounts may pay invest in load and no-load mutual funds that may pay Cetera Financial Specialists annual distribution charges, sometimes referred to as 12(b)-1 fees. Cetera Financial Specialists will credit retirement accounts (i.e., ERISA and IRA accounts) for any annual distribution charges received because of mutual fund investments by these accounts. To help mitigate this potential conflict of interest, annual distribution charges are not shared with financial advisers and are used to offset the administration costs of Premier.

OTHER THIRD-PARTY ASSET MANAGEMENT PROGRAMS ("TAMPS") AND WRAP FEE PROGRAMS

TAMP and wrap fee program providers determine the maximum fee schedules generally. The advisory agreements executed during the account opening describe the applicable fees. For fee information about particular wrap fee programs, refer to the Part 2A Appendix 1 brochures for those programs.

VISIONMAP

For VisionMap, clients negotiate the financial planning fee with the Financial Adviser. The financial planning fee depends on the complexity of the financial plan required. The maximum financial planning fee charged is \$5,000 per written financial plan. A Financial Adviser collects the financial planning fee check, which clients write to the Firm, after the Financial Adviser delivers the written financial plan.

OTHER FEES OR EXPENSES

Custodian, Transaction and Brokerage Costs, and Other Costs

PAS Program and MWA clients must open accounts with Schwab, which serves as the broker-dealer and custodian for these programs. Schwab's fees are described in Section 12. Retirement Plan Services clients also retain and pay for the services of a recordkeeper and third-party plan administrator and broker-dealer custodian. TAMPS program clients may also pay custodian, transaction, and/or brokerage costs, which are further disclosed in documents provided during the account opening process.

Internal Expenses of Mutual Funds and Exchange Traded Funds

Financial Advisors may recommend that clients purchase shares in mutual funds and/or exchange traded funds (collectively, "Funds"). These investments have internal expenses. The Funds describe these expenses in their prospectuses, summary prospectuses, or product descriptions. These fees generally include a fund management fee, other fund expenses, and a possible distribution fee. In addition, some Funds charge a redemption fee on shares bought and sold within a short period.

Strategic Partners

Cetera Financial Specialists (our affiliate broker-dealer) may concentrate our marketing and training efforts on investments offered by a number of companies (Strategic Partners). Strategic Partners are selected, in part, based on whether they offer competitive products, their technology, their customer service and their training capabilities. Strategic Partners may attend or sponsor education and training meetings for financial advisers. Strategic Partners have more opportunities than other companies to market and educate the broker-dealers' representatives on investments and the products they offer. Strategic Partners are categorized into two tiers: Elite and Participating. Elite Strategic Partners have more opportunities than Participating Strategic Partners to market and to educate representatives about their products. A list of Strategic Partners is provided below. The broker-dealer may, from time to time, update the list of Strategic Partners. For a current list of the Strategic Partners, broken down by Elite and Participating, please go to the broker-dealer's public website at www.ceterafinancialspecialists.com.

Although Strategic Partners pay extra compensation to our affiliated firms, they do not pay any compensation to Cetera Investment Advisers and clients do not pay more to purchase Strategic Partner products through the Cetera Financial Specialists than clients would pay to purchase those products through another firm and financial advisers do not receive additional compensation for selling a Strategic Partner product. Nevertheless, this additional compensation does create potential incentive for Cetera Financial Specialists to promote Strategic Partner products over other products.

The additional amounts Strategic Partners pay the broker-dealer will vary from one Strategic Partner to another. In general, Strategic Partners compensate in the following ways:

1. As a fixed dollar amount;
2. As a percentage of product sales (up to a maximum of one-quarter of one percent – which would be \$25 on a \$10,000 investment);
3. As a percentage of customer assets invested in the products (up to a maximum of one-tenth of one percent – which would be \$10 on a \$10,000 investment); or
4. As some combination of these.

When a client purchases mutual funds of Strategic Partners in a Pershing brokerage account, the mutual fund families that participate in the Strategic Partner program subsidize some of the ticket charges due to Pershing for such purchases. Every mutual fund offered by us may be purchased without a ticket charge by processing the transaction with a check and application sent directly to the mutual fund company. We believe that these ticket charge waivers do not compromise the advice your financial adviser provides to you.

Strategic Partner payments are also used to support costs relating to product review, marketing or training.

List of Cetera Financial Specialists' Strategic Partners

Mutual Funds: Mutual fund Strategic Partners are categorized into two tiers:

- **Mutual Fund Elite:** Ticket charges are waived for purchases of \$2,500 or more
- **Mutual Fund Participating:** Ticket charges are waived for purchases of \$15,000 or more

Elite Strategic Partners generally pay the broker-dealer a higher level of compensation, based on the criteria above, than Participating Partners.

The following table lists Strategic Partners in both tiers.

MUTUAL FUND ELITE	MUTUAL FUND PARTICIPATING
AllianceBernstein Investments, Inc.	American Funds Distributors, Inc.*
DWS Investments Distributors, Inc.	BlackRock Investments, LLC
Eaton Vance Distributors, Inc.	Goldman Sachs Asset Management L.P.
Fidelity Investments	Invesco
Franklin Templeton Distributors, Inc.	Lord, Abbet & Co. LLC
Pacific Life affiliated entities offering life insurance, annuities and funds, including: <ul style="list-style-type: none"> • Pacific Life & Annuity Company • Pacific Life Insurance Company • Pacific Select Distributors, Inc. 	Hartford affiliated entities offering life insurance and funds, including: <ul style="list-style-type: none"> • Hartford Investment Financial Services Company, LLC • Hartford Life Insurance Company
ING Investment Management	Russell Financial Services, Inc.
John Hancock affiliated entities, including: <ul style="list-style-type: none"> • John Hancock Life Insurance Company (USA) • John Hancock Life Insurance Company (NY) • John Hancock Distributors, LLC • John Hancock Funds, LLC 	JP Morgan Investment Management, Inc. & Security Capital Research and Management, Inc.
OppenheimerFunds Distributor, Inc.	Natixis Global Asset Management
Pioneer Fund Distributors, Inc.	Pimco
Prudential Financial Companies: <ul style="list-style-type: none"> • Prudential Annuities Distributors, Inc. • Prudential Mutual Fund Services, LLC 	
Putnam Investments	

*For American Funds, ticket charges are waived for purchases of \$5,000 or more.

Variable Annuities: Variable annuity Strategic Partners are categorized into two tiers:

VARIABLE ANNUITY ELITE	VARIABLE ANNUITY PARTICIPATING
Jackson National Life Distributors, LLC	Allianz Global Investors Distributors, LLC <ul style="list-style-type: none"> • Allianz Life Financial Services
Pacific Life affiliated entities offering life insurance, annuities and funds, including: <ul style="list-style-type: none"> • Pacific Life & Annuity Company • Pacific Life Insurance Company • Pacific Select Distributors, Inc. 	AXA Distributors, LLC
Prudential Financial Companies <ul style="list-style-type: none"> • Prudential Annuities Distributors, Inc. • Prudential Mutual Fund Services, LLC 	Lincoln Financial Distributors
SunAmerica Retirement Markets, Inc. <ul style="list-style-type: none"> • SunAmerica Annuity and Life Assurance Company • First SunAmerica Life Insurance Company (NY Entity) 	MetLife, Inc.
Nationwide Financial	
Transamerica Capital, Inc.	

Note that only a certain number of variable annuities are available for purchase through an advisory account. For a list of variable annuities available for purchase through an advisory account, consult your Advisor.

6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Firm does not charge performance-based fees. Performance-based fees are investment advisory fees based on a share of capital gains on, or capital appreciation of, client assets. The Firm charges fees based upon a percentage of assets that the Firm manages; these fees are not performance-based fees.

7 – TYPES OF CLIENTS

The Firm provides portfolio management services to individuals, tax-qualified retirement plans, and other U.S. institutions.

The Firm's managed money programs are suitable for clients seeking a long-term investment program that allows them to work with an investment adviser and pay the adviser an ongoing advisory fee. Its programs are not suitable for short-term investors, those who need trade execution only, or those who require only incidental investment advice.

8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Investing in securities involves risk of loss that clients should be prepared to bear.

METHODS OF ANALYSIS

To form recommendations, the Firm may use both publicly available and licensed information, and gather due diligence information. The Firm may use information from Morningstar Principia, Factset, Lipper, or other investment software. The Firm may use information learned from participation in Fund manager conference calls and on-site due diligence meetings.

INVESTMENT STRATEGIES

Portfolio Advisory Services

The Firm invests Portfolio Advisory Services clients' balances in institutional mutual funds, U.S. government securities, and municipal bonds. Institutional mutual funds generally are available only to very large investors and have lower expenses than mutual funds available to retail mutual fund purchasers. If a client instructs transfers of individual stocks or bonds into a PAS account, traders will liquidate the securities or request that the client open an unmanaged brokerage account at Schwab to hold these investments.

The Firm analyzes mutual funds by reviewing their historical performance and standard deviation, their performance relative to other mutual funds, their investment objectives as explained by their prospectuses, and as other factors. The Firm uses an internally developed process to design Portfolios with broad exposure to the domestic and international markets. Clients may select a Standard Core portfolio or a Global Core portfolio for their investment objectives. Global Core portfolios offer increased exposure to international markets.

The Firm's Investment Committee regularly reviews the asset classes and mutual funds it includes in its model Portfolios. From time to time, the Committee may add or delete mutual funds. If this occurs, the Committee may decide to apply the changes to current client accounts, where applicable. Addition or deletion of a mutual fund will not typically materially change the target asset allocation and the stock/bond ratio of affected Portfolios.

This must remain with the client

Dollar cost averaging is available to clients with account balances of \$250,000 or more under management, except for the Capital Preservation PAS Portfolio. With dollar cost averaging, traders invest approximately equal portions of a client's accounts over a period of months to the client's asset allocation. Traders seek to have clients' accounts fully invested after three months.

Traders review PAS Portfolios monthly and rebalance them when the actual allocation to an asset class drifts from its target allocation by more than a certain specific percentage. The Investment Committee determines the percentage of "drift" that will trigger rebalancing.

Retirement Plan Services

The Firm uses the same investment strategies for RPS Portfolios as it uses for PAS Program Portfolios.

TAMPS

Clients should review Form ADV 2A of the investment advisers who provide TAMP programs for information on the investment strategies used.

VisionMap

VisionMap is a comprehensive financial planning program. The idea behind VisionMap is that, with a financial plan, Clients are better able to meet their financial goals.

Wrap Fee Programs

Clients should refer to Form ADV Part 2A, Appendix 1, for MWA for details on these investment strategies.

For GFWM clients, Financial Advisors may use model portfolios of mutual funds, exchange traded funds (ETFs), and/or variable annuity sub-accounts provided by institutional investment strategists. With the GFWM Platform, Financial Advisors may recommend an investment manager who provides discretionary management of individual portfolios.

Financial Advisors assist GFWM clients in selecting their risk/return objective and Portfolio Strategists who best suit their objectives. Clients choose their asset allocation and direct traders automatically to adjust the account to reflect any changes in asset allocation by the selected Portfolio Strategist. This results in the purchase and sale of certain mutual funds or ETFs (or transfers between variable annuity sub-accounts) without the need for further authorization from clients or any other party.

GFWM Platform clients receive confirmation of all transactions on the account(s) and are free to terminate participation in the GFWM Platform and retain or dispose of any assets at any time. The Firm has no authority to cause any purchase or sale of securities in any GFWM Platform account, to change the selected model asset allocation or to direct the account to be invested in any manner other than as previously authorized by the client.

Premier Portfolio Management

Premier offers financial advisers and their clients the flexibility of choosing the investment strategy that should be used to manage accounts. During initial and subsequent meetings with a financial adviser, a financial adviser will discuss available investment analytical methods. These methods include technical analysis, fundamental analysis, asset allocation, timing service, and concentrated investment strategies.

Technical analysis uses statistics to determine trends in security prices. Technical analysis tends to focus on factors such as trading volume, demand, and security price fluctuations. This type of analysis is also commonly referred to as chart analysis due to the fact that this analysis tends to review various historical charts and graphs.

Fundamental analysis concentrates on earnings, a company's financial statements, and the quality of a company's management. These quantitative factors are then used to attempt to determine the financial strength of a company.

Asset allocation investment strategies attempt to optimize the risk and reward of a client's portfolio by investing among several asset classes.

Timing service is not a standard analysis method used by our financial advisors. However, some Advisors may offer advisory services that attempt to time mutual funds and variable annuities. This essentially means they try to purchase or sell immediately preceding an increase or decrease in the securities price. This type of investing can substantially increase the amount of brokerage transaction costs due to the frequency that transactions are occurring. Also, many mutual funds or variable annuities specifically prohibit excessive buying and selling within their fund in a short period of time. The firm monitors client accounts for excessive trading activity to ensure that clients are aware of and comfortable with the level of trading as well as to ensure that the investments are appropriate.

Concentrated Investment Strategies concentrate in a specific sector or industry. If a client invests in a portfolio or strategy that is made up of a concentrated position, sector or industry, a portfolio will be more likely to sharply increase or decrease in value with changes in the markets. Concentrated strategies are more volatile because the risk associated with each company represents a large percentage of your overall portfolio value.

RISKS

Investing always entails some risk. Listed below are some risks associated with the categories or asset classes of mutual funds and ETFs the Firm may recommend. Although these investments have a stated objective they try to achieve by investing in certain types of securities, there is no guarantee they will achieve their objective.

- Growth mutual funds and ETFs invest in stocks of companies that portfolio managers believe have potential for significant long-term growth, which may mean these mutual funds and ETFs have a higher risk of price volatility and therefore require longer holding periods.
- Value mutual funds and ETFs invest in companies that managers believe are currently undervalued and may increase in value in the future.
- Mid-Cap mutual funds and ETFs may entail greater price volatility and less liquidity than investing in stocks of larger companies. Medium-sized companies may have limited product lines, markets and financial resources, and greater market volatility than securities of larger, more established companies.
- Small-Cap mutual funds and ETFs invest in stocks of companies in up-and coming industries or firms in the early growth stages. Because these businesses are fast growing and sometimes richly valued, their stocks tend to move up or down in value more than stocks of larger, more established companies.
- International mutual funds and ETFs focus on investing in stocks outside the United States, generally in more economically developed markets. These investments present special risks, including currency fluctuation, the potential for diplomatic and political instability, regulatory and liquidity risks, foreign taxation, and differences in auditing and other financial standards. This may result in greater share price movement, and these mutual funds and ETFs often have higher internal expenses than domestic stock investments.
- Global mutual funds and ETFs invest in both U.S. and international securities.
- Emerging Markets mutual funds and ETFs focus on investing in stocks of companies in lesser-developed foreign markets. These

investments can be riskier than investments in more established foreign countries. These mutual funds and ETFs may also include higher expenses. These investments generally invest in growth and small-cap investments that may experience wide price swings. They also have the same risks as other foreign investments (such as currency fluctuations and the effect of political uncertainties).

- Real Estate mutual funds and ETFs are susceptible to the financial, market and economic events affecting the real estate industry and the companies in that industry, so they may entail more risk than less concentrated investments. Risks of real estate investments are similar to those associated with direct ownership of real estate, including changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer.
- Mutual funds and ETFs that invest in U.S. Treasury and agency securities are subject to market and inflation risk, since the investments seldom hold any of the bonds until maturity. Before maturity, almost all bonds fluctuate in value based on changes in interest rates. If the mutual funds and ETFs do not generate enough after-tax income to keep up with inflation, the value of the income generated declines relative to living costs each year. The U.S. government issues U.S. Treasury securities, which investors generally consider safe investments. U.S. Treasuries pay relatively lower interest rates than other bond securities. Federal government agencies issue government agency bonds. Major issuers of agency bonds are Government National Mortgage Association (GNMA) and Tennessee Valley Authority (TVA). The U.S. government backs GNMA securities by its full faith and credit, subject to market risk. The U.S. government does not guarantee TVA bonds, but the power revenue generated by TVA secures the bonds.
- Mutual funds and ETFs that invest in inflation-protected securities react differently from other bond securities to changes in interest rates. Because interest rates on inflation-protected securities adjust for inflation, inflation forecasts do not materially affect their value. The value of inflation-protected securities will more likely respond to changes in “real” interest rates, which represent nominal (stated) interest rates reduced by the expected impact of inflation. Generally, the value of inflation-protected securities will fall when real interest rates rise and will rise when real interest rates fall.
- Municipal bond income, from mutual funds and ETFs invested in these securities, is generally free from federal and state taxes for residents of the issuing state. While the income is tax free, capital gains, if any, will be subject to taxes. Income for some investors may be subject to the federal Alternative Minimum Tax (AMT).
- Ultra-Short Bond mutual funds and ETFs invest only in bonds with very short-term maturities, usually one year or less. Short-term bond mutual funds and ETFs typically invest in bonds whose average time until maturity is between 1 and 3.5 years. Investing in these bond mutual funds and ETFs may offer higher yields than money market instruments, with less price variation than a longer-term bond fund. Since these investments have very low durations, changes in interest rates will affect their value less than they will a medium- or long-term bond fund. These investments are vulnerable to inflation risk.
- Intermediate-Term Bond mutual funds and ETFs have average durations that are greater than 3.5 years and less than six years. Most of these mutual funds and ETFs rotate among a variety of sectors in the bond market, based upon which appear to offer better values. There is exposure to financial, market, credit, prepayment, and interest rate risks.
- Long-Term Bond mutual funds and ETFs have average durations that exceed six years. Most of them hold some portion of assets in corporate bonds — either investment-grade or high-yield issues, or both. Overall, these investments outperform other bond categories in falling interest rate environments, but they tend to incur greater losses when interest rates rise. Bonds with longer maturities tend to be more sensitive to changes in interest rates than debt securities with shorter durations.

- High-Yield Bond mutual funds and ETFs have a high-income potential, with broad diversification across bond sectors to help lower volatility. Bonds have credit and interest rate risks because, when rates rise, prices of bond investments generally fall. Lower-rated bonds (commonly referred to as “junk bonds”) are more at risk of default.
- Convertible-Bond mutual funds and ETFs invest in convertible securities. They convert into a predetermined amount of the company's stock at certain times during the life of the bond. They tend to offer a lower rate of return in exchange for the value of the option to trade the bond into stock.
- Bank Loan mutual funds and ETFs invest primarily in floating-rate bank loans instead of bonds. In exchange for their credit risk, these loans offer interest payments that typically float above a common short-term benchmark, such as the London Interbank Offered Rate, or LIBOR. A slowdown in the economy could increase these mutual funds and ETFs' credit risk. Bank Loan mutual funds and ETFs may invest in below-investment-grade senior loans. Investment in Bank Loan investments involve the risk that borrowers may default on obligations or that lenders may have difficulty liquidating the collateral securing the loans or enforcing their rights under the terms of the senior loans.

Precious Metals mutual funds and ETFs focus on mining stocks, although some do own small amounts of gold bullion. Most of these mutual funds and ETFs concentrate on gold mining stocks, but some have significant exposure to silver, platinum, and base metal mining stocks, as well. There can be increased volatility and exposure to issues affecting this sector. These investments are extremely risky and may include foreign securities investments.

ETFs incur capital gains tax only when they are sold, whereas mutual funds shares incur capital gains taxes during the life of the investment. This is an advantage for taxable accounts. ETFs have risks that that mutual funds may not have.

- Unlike mutual funds, shares of ETFs are not individually redeemable directly with the issuing investment company. The investment company sponsoring the ETF is not required to repurchase it at net asset value.
- ETFs that are widely traded index funds are typically easily sold. However, market conditions may occur that create wide bid-ask spreads. The “bid” is the price a buyer is willing to pay to obtain an ETF. The “ask” is the price at which a seller is willing to sell an ETF, and the “spread” is the range between the highest bid (price at which a person is willing to buy a security) and lowest ask (price at which a person is willing to sell a security). The bid-ask spread may widen at market open and market close, or at other times when there are fewer trades occurring, and when there are earnings reports and general economic releases. With MWA, the Firm purchases ETFs as market orders and not as limit orders that trigger on certain prices, and seeks to execute trades within the next trade cycle after traders receive instructions from Financial Advisors so that traders do not seek (and cannot take requests) to schedule ETF trades for a price advantage.
- If an ETF declares a distribution, it trades lower by the amount of the distribution on the ex-dividend date, which is the day on which all shares bought and sold no longer come attached with the right to the most recently declared dividend. You must own a stock before the ex-dividend date in order to receive the next scheduled dividend.
- ETFs may be more volatile intraday, which may offer opportunities for day traders or traders with short-term time horizons.
- ETFs that track an index seek to minimize tracking error, which means they seek to replicate the index's security holdings as closely as possible. As a result, when the index changes its holdings, the index ETFs may purchase a security for its basket of securities at less opportune times.

Rebalancing can involve investment risk. Rebalancing typically involves the sale of stronger performing securities and the purchase of weaker performing securities to maintain clients' targeted asset allocation mix; during sustained down market periods, rebalancing may have a short-term negative effect on returns.

For clients considering a TAMP or wrap fee program account, additional risk information is provided by the investment advisers who provide these investment services and are provided in the Firm's Form ADV Part 2A, Appendix 1, Wrap Fee Program Brochure for MWA.

9 – DISCIPLINARY INFORMATION

Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to clients' evaluation of them or the integrity of their management. The Firm has no legal or disciplinary events to report.

10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

OUTSIDE BUSINESS ACTIVITIES OF FINANCIAL ADVISORS

Financial Advisors may be principals or owners of their own tax or accounting firms, or law firms, or may be pension consultants or have other businesses. Financial Advisors may establish a registered investment advisory firm to offer financial planning or other advisory services. The operation of these business entities may create a conflict of interest for Financial Advisors who must assume multiple roles. The Firm addresses this conflict of interest through disclosure in these Financial Advisors' Form ADV Part 2B. Clients of the Firm are not obligated to use the services of these other business entities.

Additionally, the Firm has no ownership interest in these business entities. Financial Advisors offer the services of these companies separately from the services offered by the Firm. The Firm does not share any fees paid for services offered by these business entities.

RELATED COMPANIES

Cetera Investment Advisers LLC is an indirectly wholly owned subsidiary of Cetera Financial Group, Inc. Cetera Financial Group is wholly owned by Cetera Financial Holdings, Inc. Cetera Financial Holdings, Inc. is principally owned by Lightyear Fund II, L.P., a private equity investment fund advised by Lightyear Capital LLC. Lightyear Capital is a New York based private equity firm, formed in 2000, that specializes in investing in financial service companies. For a more detailed description of Lightyear Capital, please visit www.lycap.com.

A common holding company owns the firm and Cetera Financial Specialists LLC. Cetera Financial Specialists LLC is a registered broker-dealer and member of FINRA and Securities Investor Protection Corporation (SIPC). Cetera Financial Specialists offers securities to retail clients through a network of independent contractors.

Cetera Financial Group wholly owns three additional independent broker-dealers. Information about our other related broker-dealers appears on our Form ADV Part 1A, Schedule D, which is available on the SEC's website at www.adviserinfo.sec.gov.

INSURANCE COMPANY OR AGENCY AFFILIATES

Cetera Financial Specialists is a licensed insurance agency.

CONFLICTS DUE TO BUSINESS DEALINGS WITH AFFILIATES

The Firm does not consider its affiliations to create a material conflict of interest for the Firm or its clients. Nevertheless, the Firm has procedures that address any potential conflicts of interests that might arise from its affiliate relationships. The Firm does not conduct joint business operations with any related investment adviser. The Firm does conduct joint business operations with Cetera Financial Specialists because its Financial Advisors are also registered representatives of that company. To address the potential conflicts of interest arising from its relationship with Cetera Financial Specialists, the Firm does not use it as the broker-dealer for any client account.

11 – CODE OF ETHICS

This Section describes how the Firm addresses and monitors the conflicts of interests that might arise from managing client accounts.

CODE OF ETHICS AND PERSONAL TRADING

The Firm has adopted a Code of Ethics consistent with Rule 204A-1 of the Investment Advisers Act of 1940. All supervised persons at the Firm must acknowledge the terms of the Code of Ethics annually. The Code of Ethics requires supervised persons to act with integrity, to comply with applicable regulations, and to conduct personal securities trades that do not conflict with the fiduciary responsibilities owed to clients. A copy of the Code of Ethics is available to clients upon written request to the Advisory Compliance at Cetera Investment Advisers LLC's Schaumburg office address: 200 North Martingale Rd, Schaumburg, IL 60173.

PARTICIPATION IN CLIENT TRANSACTIONS

Financial Advisors may buy or sell securities that they own or have interest in for client accounts. Finally, Financial Advisors may buy or sell securities for client accounts at or about the same time that they may buy or sell the same securities for themselves. The Firm believes trades do not pose a significant risk to clients. The Firm invests PAS Program clients in non-affiliated mutual funds. For MWA, the Firm may invest clients in non-affiliated mutual funds and ETFs. For Premier, Financial Advisors may place trades for client accounts in individual securities similar to how, as registered representatives for our affiliated broker-dealer, they may trade clients with Pershing accounts. As part of its Code of Ethics enforcement, the Firm monitors Financial Advisors' trades in personal accounts. The Firm will correct trades to remove any benefit to a Financial Adviser who buys or sells an ETF or individual security in a personal account if it appears the Financial Adviser's transaction conflicted with a client's similar transaction in a managed account on the same day.

NO PRINCIPAL OR AGENCY CROSS-TRANSACTIONS

The Firm does not conduct any principal or agency cross securities transactions for client accounts. The Firm also does not cross-trade between client accounts.

RELATED PERSONS MAY BE CLIENTS

The Principal Executive Officers and other personnel of the Firm, its Financial Advisors and members of their households may be clients of the Firm. The Firm treats advisory accounts opened by a related person the same as it treats the advisory accounts of any other client, although the advisory fee charged and the account minimum applied may be reduced. All other regular program fees and features/restrictions apply.

12 – BROKERAGE PRACTICES

This Section describes how the Firm addresses and monitors potential conflicts of interests that might arise from its trade practices.

DIRECTED BROKERAGE

The Portfolio Advisory Services and Managed Wealth ADVANTAGE Programs Directed Brokerage to Schwab

The Firm requires that PAS Program clients and MWA clients open brokerage accounts with Schwab, a registered broker-dealer and SIPC member. Schwab will buy and sell securities when the Firm instructs it to. While we require that clients use Schwab as custodian/broker, clients can decide whether to do so and can open Schwab accounts by entering into an account agreement directly with them. The Firm does not open the account for clients, although the Firm may assist clients in doing so. If a client does not wish to place assets with Schwab, then the Firm cannot manage the account as PAS Program or MWA accounts.

Financial Advisors inform clients of Schwab's fees at account opening. Schwab charges commissions on trades it executes or that settle into client accounts, or charges a percentage of the dollar amount of assets in client accounts in lieu of commissions. Schwab does not charge separately for custody services. The Firm does not receive any portion of the fees paid to Schwab and does not offset its fees to compensate clients for fees paid to Schwab. For Information on Schwab's charges, clients should refer to their signed "Asset-Based Pricing Addendum to Account Applications and Agreements," which is a Schwab form. Alternatively, if clients opted for transaction-based pricing, clients should refer to the "Charles Schwab Pricing Guide."

The Firm believes that executions obtained on transactions for clients are competitive and the commissions are reasonable in relation to the value of brokerage services offered by Schwab. Services provided by Schwab include, but are not limited to, discounted fees for institutional trading software, Schwab employees dedicated to servicing client accounts, and support of training and conference events. Services are not contingent on any specific amount of custody or trading business. Schwab's services may influence the Firm's decision to direct clients to open accounts. The Firm addresses this potential conflict of interest by disclosing it here in the Part 2A. The Firm may also receive shareholder-servicing fees from Schwab based on assets held in MWA, which could create another conflict of interest. The Firm discloses this arrangement to clients in the Form ADV Part 2A, Appendix 1, for MWA.

No Directed Brokerage for Retirement Plan Services, TAMPs, and VisionMap

Retirement plan fiduciaries direct which broker-dealer custodian their retirement plans will use. The recordkeeper communicates the trades for retirement plans to the broker-dealer. With TAMPs, the broker-dealer custodians used are firms the TAMP has selected; the Firm has no control over these arrangements. VisionMap results in a financial plan and does not require opening a brokerage account.

BEST EXECUTION

The Firm has arranged for Schwab to trade PAS Program accounts and MWA accounts. The Firm invests PAS Program and MWA clients in non-affiliated mutual funds and/or ETFs. Mutual funds receive the NAV price at the market close on their trade date, so best execution is not an issue for mutual funds. Best execution is an issue for ETFs traded in MWA. The Firm seeks the best execution available under the circumstances for its MWA trades and periodically evaluates trading processes and the transaction execution quality clients receive for opportunities for improvement.

Having Schwab trade for the PAS Program and MWA is consistent with the duty to seek "best execution" for clients' trades. "Best execution" means the most favorable terms for a transaction based on all relevant factors. When the Firm selected Schwab, it considered a wide range of factors:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (to buy and sell securities for client accounts)
- Ability to facilitate wire transfers, check requests, bill payments, and other account services
- Breadth of available mutual funds and ETFs and other investment products
- Availability of investment research and tools to assist in making investment decisions
- Quality of services
- Competitiveness of the price of those services (for example, commission rates, margin interest rates, and other fees) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to the Firm and clients
- Availability of other products and services that benefit the Firm or clients

The Premier Portfolio Management Program Directs Brokerage to Cetera Financial Specialists and Pershing

The Firm requires that Premier clients open brokerage accounts with Cetera Financial Specialists, as the introductory broker-dealer, and Pershing LLC as the clearing firm and custodian. On Premier accounts, a financial adviser serves as a broker or registered representative (and, for variable annuities, a licensed insurance agent) with Cetera Financial Specialists, as well as an investment adviser representative of our Firm. To mitigate the potential conflict related to having a financial adviser as the registered representative on a Premier account, we routinely review our advisory accounts to ensure that the advisory services and products being recommended are consistent with your stated goals and objectives.

Cetera Financial Specialists monitors on Cetera Investment Adviser's behalf the execution received from Pershing for consistency with the broker-dealer's best execution policies.

AGGREGATED TRADES

When multiple clients require purchases or sales in the same security, the Firm may aggregate or trade their orders in blocks. Traders aggregate clients' orders only in non-affiliated mutual fund orders in Portfolio Advisory Services. The Firm also aggregates trades in MWA, where clients invest in non-affiliated mutual funds and ETFs. For Premier, a financial adviser may aggregate trade orders for client accounts. For ETFs and individual securities, traders may not completely fill the block orders, which raise a potential conflict of interest issue of how to treat clients fairly. The Firm addresses this in multiple ways. First, recommended ETFs and individual securities generally have sufficient shares to minimize instances when traders cannot completely fill orders. Second, participating clients receive a pro-rata share of the securities purchased when traders cannot completely fill orders. Third, when traders fill an aggregated block at different price levels throughout a day, participating clients in a trade block receive the average price of all executed securities in that order.

RESEARCH AND OTHER SOFT DOLLAR BENEFITS

The Firm does not receive any research or soft dollar benefits.

13 – REVIEW OF ACCOUNTS

MANAGED MONEY ACCOUNTS

Clients have direct access to their Accounts at all times, and will receive regular communications from the account custodian, including account statements and year-end tax information.

The Firm issues quarterly written performance reports to PAS Program, Premier, and MWA clients. Additionally, clients invested with a TAMP or in a wrap fee program offered by GFWM receive periodic written reports about their accounts. These written reports generally contain a list of assets, investment results, and statistical data related to the client's account. The Firm urges clients to carefully review these reports and, if there are any questions, to immediately notify their Financial Advisors. Clients should compare the statements they receive from their custodian to the reports by the Firm, a TAMP or GFWM. If the information in the reports varies from custodial statements, clients should immediately notify their Financial Advisors. Clients should generally only use cost basis information provided by the custodian for tax reporting purposes.

Fiduciaries of retirement plans advised through Retirement Plan Services have daily access to the performance of their plan participants' accounts via a website serviced by the plan's recordkeeper. As a result, they do not receive any written performance reports from the Firm.

The Firm's Investment Committees for the PAS Program and MWA meet regularly to monitor the performance of recommended investments, including the RPS Portfolios. The Investment Committees establish the investment policies used by traders of these programs and may change the policies when it is determined such action is warranted.

Finally, Financial Advisors meet, or offer to meet, at least semi-annually with clients to review their accounts and the advisory relationship. Branch office examiners document and confirm the meetings or offers to meet during periodic audits.

VISIONMAP

VisionMap's financial planning relationship is limited to delivery of the financial plan and terminates upon delivery of the financial plan. When a Financial Adviser or client wishes to update an existing financial plan, the Financial Adviser and client will execute a new financial planning engagement.

14 – CLIENT REFERRALS AND OTHER COMPENSATION

CLIENT REFERRALS

The Firm has engaged solicitors ("Referring Partners") to assist in identifying and soliciting potential clients who may be interested in the advisory services offered. For Accounts referred, the Firm compensates the Referring Partner for his/her solicitation services. The Referring Partner cannot be a fiduciary, trustee or administrator to the client's ERISA or tax-qualified retirement plan.

The Firm will pay the referral fees from the usual and customary advisory fees it receives. Clients' advisory fees do not increase because of the Referring Partner's services. The Firm will pay the Referring Partner a portion of the advisory fees that the Firm would otherwise pay to a client's Financial Adviser.

The Referring Partner has no other relationship with the Firm or any of its affiliates. The Referring Partner does not render any investment advice.

Additionally, the Firm may receive referrals from Schwab and pays Schwab a participation fee on referred accounts. The participation fee paid is a percentage of the advisory fee. Referred clients are subject to the same fee schedule applicable to other clients.

In soliciting advisory client prospects, each Referring Partner and Financial Adviser agrees to comply with the Referring Partner Program requirements. Additionally, the Firm does not permit a Referring Partner to solicit any retirement plan subject to ERISA or any tax-qualified retirement plan for which the Referring Partner is a plan fiduciary, trustee, or administrator, or where the Referring Partner is a director, owner, or more than 5% owner of the plan sponsor. In addition, the Firm does not allow Referring Partners to solicit any government entity clients and does not pay for referrals of any government entity clients.

Occasionally a bank may hire the Firm to be the investment adviser for a trust account. In such situations, The Firm may share part of the Client Fees charged.

ADDITIONAL ECONOMIC BENEFITS RECEIVED

Charles Schwab & Company

The Firm receives an economic benefit from Schwab in the form of the support products and services it makes available. These products and services, how they benefit the Firm and the related conflicts of interest are described above (see Section 12 – Brokerage Practices). Schwab provides its products and services without regard to the Firm's investment advice.

The Firm also recommends and uses Schwab mutual funds in the PAS Program and MWA. While, as a fiduciary, Cetera Investment Advisers endeavors to act in its clients' best interests, Cetera Investment Advisers receives Schwab services, which may create a potential conflict of interest. See the discussion of services provided by Schwab in Section 12. You may also see the MWA's Wrap Fee Program Brochure for a discussion of the services provided by Schwab for MWA accounts and the compensated shareholder services Cetera Investment Advisers provides to Schwab for MWA clients.

Dimensional Fund Advisors and Other Service Providers

The Firm may use Dimensional Fund Advisors mutual funds in the PAS Program and RPS. The Firm receives Dimensional Fund Advisors services that may create a potential conflict of interest. These services include software the Firm uses to monitor Portfolios, market research, consulting services from third parties and training support.

Additionally, the Firm may receive monetary support for training and conference events from our service providers. This may raise a potential conflict of interest. The Firm's selection of entities to provide services or investment products in connection with its advisory programs is not contingent on their sponsorship of training and conference events.

GFWM Platform

With respect to the GFWM Platform, the Firm may receive certain allowances, reimbursements, or services from GFWM, as described below and in the Appendix 1 of the GFWM Platform Disclosure Brochure.

Financial Advisors who qualify for GFWM's Gold/Platinum Premier Consultant Program receive a quarterly business development allowance for reimbursement for qualified marketing/practice management expenses incurred. These amounts range from \$5,000 to \$105,000 annually, depending on the amount of assets managed on the GFWM Platform.

GFWM may also bear the cost of airfare for Financial Advisors to attend GFWM's annual conference or to conduct due diligence visits to GFWM's

offices. In addition, GFWM may contribute to the costs incurred for conferences or events conducted by the Firm.

GFWM may provide the Firm fee reductions and/or allowances in amounts ranging from .02% to .07% of the amount of assets invested through the GFWM Platform. GFWM may provide the Firm or Financial Advisors with organizational consulting, education, training, and marketing support. The Firm may agree to provide GFWM with introductions to and information concerning its Financial Advisors, provide Financial Advisors information concerning GFWM's Platform and products, and permit GFWM to participate in its meetings and workshops.

15 – CUSTODY

The Firm is not a qualified custodian for any client accounts. Qualified custodians are the actual holders of client assets. For example, for PAS and MWA accounts, Schwab is the qualified custodian. For Premier accounts, Pershing is the qualified custodian. Clients will receive statements directly from the qualified custodians at least quarterly. Qualified custodians send the statements using the email or postal mailing address clients provide. The Firm strongly urges clients to review these statements promptly and carefully and to compare the custodial records to the reports the Firm provides. The information in the Firm's reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities. Clients should use the cost basis information in custodial statements for tax reporting purposes. The Firm and/or its financial advisers may have constructive custody for some client accounts. The Firm retains a public accounting firm to conduct an annual surprise custody audit for these client accounts.

16 – INVESTMENT DISCRETION

The Firm generally manages accounts on a non-discretionary basis, with the exceptions noted in the below. Non-discretionary authority means that Financial Advisors will request authorization from clients before implementing investment changes not related to rebalancing accounts back to targeted allocations.

PORTFOLIO ADVISORY SERVICES

The Firm accepts discretionary authority with Portfolio Advisory Services for the limited purpose of investing and rebalancing clients so accounts managed together reflect their selected asset allocation. Clients authorize the Firm to determine, without obtaining further consent for each trade, the type and amount of securities the Firm will buy and sell in their accounts. The Firm generally purchases institutional, asset class no-load mutual funds, U.S. government securities, and municipal bonds for accounts.

PREMIER PORTFOLIO MANAGEMENT

With Premier, non-ERISA accountholder clients may authorize a financial adviser to have investment discretion over their accounts. Discretion gives a financial adviser the authority to execute trades on a client's behalf without asking for that client's permission. Discretionary authority allows a financial adviser to invest money on behalf of a client without consulting with the client about the price, the type of security, the amount, and when to buy or sell. Discretion helps financial advisers proactively manage an account in real time, according to a client's risk tolerance profile, investment policy statement, and any applicable client-established account restrictions.

Financial advisers must receive written approval from the firm prior to offering investment discretion services. After the firm approves a

financial adviser to offer investment discretion to clients, the financial adviser must obtain written authorization from a client prior to exercising such discretionary authority over an advisory account. Clients may place reasonable restrictions on the management of their account, whether it is discretionary or non-discretionary, including restrictions on the type of securities that can be purchased in your account. Financial advisers are not allowed to withdraw funds and/or securities from a client account without prior client express permission.

17 – VOTING CLIENT SECURITIES

The Firm does not vote proxies on behalf of advisory clients and does not provide advice regarding how to vote proxies. Clients retain the responsibility for receiving and voting proxies for securities maintained in their accounts.

18 – FINANCIAL INFORMATION

Registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Section. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding. Cetera Financial Group files quarterly and annual financial statements with the SEC. These are available through the SEC and on our website at the following location: www.ceterafinancialspecialists.com.

FORM ADV SUPPLEMENT FOR INVESTMENT COMMITTEE

Cetera Investment Advisers LLC

200 N. Martingale
Schaumburg, Illinois 60173
888.528.2987

November 1, 2012

This brochure supplement provides information about the members of the Investment Committee of our Firm. This supplements the Firm's Form ADV Part 2A (disclosure brochure), which you should have already received. Please contact your financial advisor if you did not receive the disclosure brochure or if you have any questions about the contents of this supplement.

Additional information about the Investment Committee members are available on the SEC's website at www.adviserinfo.sec.gov.

Investment Committee Members

Barnaby Grist, David Fred, and Bryan Jacobsen. Their business address is 200 N. Sepulveda Blvd., Suite 1200, El Segundo, CA 90245, and telephone number is 866.489.3100.

Enrique Vasquez. His business address is 200 N. Martingale Rd, Schaumburg, IL 60173, and telephone number is 888.528.2987.

Brian Gendreau. His business address is 6605 SW 37th Way, Gainesville, FL 32608, and telephone number is 352.505.3360.



ITEM 1 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

For any described designations and securities registration examinations, the qualifications are provided in the Appendix of this supplement.

Barnaby Grist is executive vice president, Wealth Management at Cetera Financial Group (Cetera) and is a member of the executive management team. Barnaby leads Cetera's comprehensive wealth management services, which include the fee-based platforms, investment research and due diligence; field marketing support; brand development and implementation; strategic relationship management with investment companies and practice management. Prior to joining Cetera in February 2010, Barnaby was senior managing director, Strategic Business Development at Charles Schwab Advisor Services from March 2004 to February 2010. He led the creation, development and execution of Schwab's industry-shaping program to attract and support financial advisors turning independent. Responsible for Advisor Services sales, he also oversaw relationship management with its strategic clients. Prior to Schwab, Barnaby served as a principal with the Boston Consulting Group's financial services practice. His many years in the financial services field also include consulting for Oliver Wyman. He received a master's degree in business administration from Stanford University and a bachelor's degree from Oxford University in England. He is a Certified Investment Management Analyst (CIMA), and also holds the Series 7, 24, and 66 securities registrations. Barnaby was born in 1972.

Enrique Vasquez is the president and CEO of a wholly owned subsidiary of Cetera Financial Group. Enrique has held this position since late 2004 when he led the transformation of a regional independent broker-dealer to gain a national footprint with its target market of accounting and tax professionals. Prior to his current role, Enrique was vice president of Business Development for GE Financial Assurance, and led the global growth initiatives within the wealth management sector, expanding sales distribution and leading divestiture projects, including the initial public offering of Genworth Financial in 2004. Earlier in his career, Enrique held various financial leadership roles in banking, brokerage and investment management. Born in 1965 and raised in the New York City area, Enrique sold residential real estate in New Jersey during his college years at Kean College where he earned a bachelor's degree in Accounting. Enrique obtained his Master of Business Administration degree from the Fordham Graduate School of Business. He holds Series 7, 24 and 66 securities registrations.

David Fred is the vice President, head of Due Diligence for Cetera Financial Group (Cetera) since the formation of Cetera in February 2010. In this role, David oversees the review and approval of all products for the broker-dealers of Cetera. He was previously vice president and head of Due Diligence for ING Advisors Network from March 2001 to February 2010. Prior to joining ING, David held a similar position within due diligence at Financial Network Investment Corporation from November 1998 to March 2001. He also has nearly a decade of experience serving in a due diligence and analysis capacity with E.F. Hutton & Company, Inc., Lehman Brothers, Inc. and Citigroup Global Markets, Inc. David served as chairman and chair emeritus of the Investment and Advisory Products Advisory Council of the Broker-Dealer division of Financial Planning Association in 2000 and special advisor to the board of directors of the Investment Program Association from 2005 to present. He currently holds Certified Private Wealth Advisor (CPWA), Certified Investment Management Analyst (CIMA) and Certified Investment Management Consultant (CIMC) designations, and holds Series 7, 24, 39, 63 and 65 securities registrations. David earned his bachelor's degree from University of Montana. David was born in 1958.

Bryan Jacobsen is the chief compliance officer of the Wealth Management Division of Cetera Financial Group (Cetera) and Cetera's affiliated registered investment advisory firms. In this role since May 2010, Bryan orchestrates the overall investment advisory compliance functions for Cetera's four broker-dealers. His main focus is to provide the firms' financial professionals with best-in-class tools and procedures that are set up to ensure our advisors grow their business while being mindful of the regulatory environment. Prior to joining Cetera, Bryan was vice president of compliance at National Planning Corporation (NPC) from October 2004 to April 2010 where he was charged with the responsibility of supervising, directing, and monitoring NPC's compliance with their policies and procedures. Additionally, Bryan has extensive experience working in the independent broker-dealer channel and has led diverse teams of professionals to new levels of success in a variety of regulatory environments. Bryan is currently a securities arbitrator for FINRA. He earned his bachelor's degree in business administration from Bellevue University and holds Series 4, 7, 24, and 66 securities registrations. Bryan was born in 1971.

Brian Gendreau is a market strategist for Cetera Financial Group (Cetera) and a visiting professor of finance at the University of Florida's Warrington College of Business Administration. Prior to his current role at Cetera, which he started in June 2010, he was an investment strategist and a member of the asset allocation committee at ING Investment Management from October 2004 to January 2009. In January 2009, Brian began teaching at the University of Florida. He was also previously a managing director and strategist with Heckman Global Advisors. Prior to Heckman, he served in senior investment level roles at Salomon Smith Barney and J.P. Morgan, and also served as an economist with the Federal Reserve Bank of Philadelphia and the Federal Reserve Board. Brian has a Ph.D. in business economics from the Wharton School, a master's

in international relations from the Johns Hopkins School of Advanced International Studies, and a bachelor's in economics from Northwestern University. He has been a lecturer at the Wharton School and an adjunct at New York University's Stern School of Business. His commentaries have appeared on CNNMoney.com, CNBC, Bloomberg television and radio, and *The Wall Street Journal*. Brian holds the Series 7 and 63 securities registrations and was born in 1951.

ITEM 2 – DISCIPLINARY INFORMATION

There are no disciplinary events to disclose about the Investment Committee members.

ITEM 3 – OUTSIDE BUSINESS ACTIVITIES

In addition to their Investment Committee responsibilities, members are registered as registered representatives of the broker-dealers affiliated with the firm. Some of the Investment Committee members are also executive officers or directors of the firm or its affiliates. Best efforts are made to limit any potential conflicts of interests caused by these additional roles. For example, the Investment Committee limits committee discussions to investment topics related to providing fiduciary advisory services to clients and considers clients' best interests when reaching investment decisions.

None of the Investment Committee members are involved in any non-investment-related business activities, with the exception of Brian Gendreau. Brian is a visiting professor of finance at the University of Florida's Warrington College of Business Administration.

ITEM 4 – ADDITIONAL COMPENSATION

None of the Investment Committee members receive any additional economic benefit for providing advisory services.

ITEM 5 – SUPERVISION

The Investment Committee members are supervised by their respective managers who meet regularly with them and may periodically review Investment Committee minutes and/or attend Investment Committee meetings, when appropriate. These managers can be reached by dialing the phone number listed on the cover.

Member	Supervisor
Barnaby Grist	Valerie Brown, President and CEO of Cetera Financial Group
Enrique Vasquez	Valerie Brown, President and CEO of Cetera Financial Group
David Fred	Barnaby Grist, Executive Vice President, Wealth Management of Cetera Financial Group
Bryan Jacobsen	James Shay, Vice President, Risk Management of Cetera Financial Group
Brian Gendreau	Gene Goldman, Vice President and Head of Research for the Wealth Management Division of Cetera Financial Group

APPENDIX

Series 4 – The Registered Options Principal exam (Series 4) is required of an individual who will function as a registered options principal, compliance registered options principal, or senior registered options principal. The Series 4 tests the individual's knowledge of options trading, exchange rules, and regulations applicable to the trading of options contracts, as well as the rules of the Options Clearing Corporation.

Series 7 – The General Securities Representative exam (Series 7) qualifies a holder for the solicitation, purchase, and/or sale of all securities products, including corporate securities, municipal securities, municipal fund securities, options, direct participation programs, investment company products, and variable contracts.

Series 24 – The General Securities Principal exam (Series 24) qualifies individuals as general securities principals who can manage or supervise the member's (broker-dealer firm's) investment banking or securities business for corporate securities, direct participation programs, and investment company products/variable contracts.

Series 39 – The Direct Participation Programs Limited Principal exam (Series 39) qualifies an individual who will function as a principal for the solicitation, purchase, and/or sale of programs that provide for flow-through tax consequences, such as oil and gas programs, real estate programs, and S corporation offerings.

Series 63 – The Uniform Securities Agent State Law exam (Series 63) qualifies holders as securities agents. The examination covers the principles of state securities regulation reflected in the Uniform Securities Act.

Series 65 – The Uniform Investment Adviser Law exam (Series 65) qualifies holders as investment adviser representatives.

Series 66 – The Uniform Combined State Law exam (Series 66) qualifies holders as both securities agents and investment adviser representatives. The Series 7 is a co-requisite exam that needs to be successfully completed in addition to the Series 66 exam before a holder can register with a state.

Certified Investment Management Analyst (CIMA) – This designation is obtained by completing approximately five months of self-study and a one week classroom program provided by an AACSB accredited university business school, an online exam and an in class certification exam. As a prerequisite, the IAR must have three years of verifiable financial services experience and answer "no" to all disclosure questions on Form U-4 that cover criminal and regulatory violations, civil judicial actions and customer complaints, or satisfactorily justify a "yes" answer. This designation requires 40 hours of continuing education every two years.

Certified Investment Management Consultant (CIMC) – This designation is no longer issued as of 12/2003. Current CIMC professionals must continue to complete 40 hours of continuing education every two years.

Certified Private Wealth Advisor (CPWA) – This designation is attained by completing a pre-study program, a five-day in-class program, passing an exam, completing 40 hours of continuing education, and having a bachelor's degree, acceptable regulatory history, and five years of professional client-centered experience in a financial services-related industry.