

Item 1 Cover Page

Lockwood Advisors, Inc.

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Firm Brochure

LIS, LAAP and AFP

Form ADV Part 2A

(as of March 30, 2012)

This Firm Brochure provides information about the qualifications and business practices of Lockwood Advisors, Inc. (“Lockwood”). If you have any questions about the contents of this brochure, please contact Lockwood at (800) 200-3033, Option 3. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any other state securities authority.

Additional information about Lockwood Advisors, Inc. is available at the SEC’s website www.adviserinfo.sec.gov. (Click on the link, select “investment adviser firm” and type in “Lockwood Advisors”). Results will provide you with both Part 1 and 2 of Lockwood’s Form ADV.

Lockwood is a registered investment adviser with the SEC. SEC registration neither implies nor asserts that the SEC nor any state securities authority has approved or endorsed Lockwood or the contents of this disclosure. In addition, SEC registration does not carry any official imprimatur or indication Lockwood has attained a particular level of skill or training.

Item 2 Material Changes

Lockwood made the following material changes to this Firm Brochure (the “Brochure”) since the last Brochure dated March 31, 2011, as amended for certain changes November 4, 2011. A summary of these material changes is shown below:

Item 5: We added information regarding (1) mutual fund surcharges, (2) fees not included in Lockwood’s fee and (3) post-inception billing.

Item 8: We updated the information about our process for reviewing investment vehicles.

Item 10: We added information about any of the top ten institutional shareholders of The Bank of New York Mellon Corporation (“BNY Mellon”) that have certain business relationships with Lockwood related to the products described in this Brochure and information about mutual fund screening services.

Item 12: We added information about withdrawal requests, short settlement and global rebalancing.

Exhibit A: We added information about the risks associated with health sciences.

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Item 4 Advisory Business

A. About Lockwood

Lockwood was organized in 1995 and opened for business in the summer of 1996. It is registered with the SEC as an investment adviser. In 2002, The Bank of New York Company, Inc. acquired Lockwood. Lockwood is now an indirect, wholly-owned subsidiary of BNY Mellon, a publicly-owned company. Lockwood does not have any offices located outside of the United States.

1. Programs Sponsored by Lockwood

Lockwood, in general, offers its portfolio management services in various wrap programs. Lockwood serves as the sole wrap fee program sponsor (“Sponsor”) in its Managed Account Link (“MAL”), Managed Account Advisor (“MAA”) and Lockwood Sponsored Program (“LSP”) offerings, each of which is described in a separate Form ADV, Part 2A, Appendix 1 Wrap Fee Brochure (“Wrap Fee Brochure”). For most of the accounts in these programs, the custodian is an affiliate of Lockwood, Pershing LLC (“Pershing”), which is a SEC registered broker-dealer and a member of the Financial Industry Regulatory Authority (“FINRA”), the Securities Investor Protection Corporation and the New York Stock Exchange. In addition, Lockwood works with certain third-party investment advisory firms that serve as a co-sponsor with Lockwood in a wrap fee program (the “Co-Sponsored Programs”), as described in a separate Lockwood Wrap Fee Brochure.

In each of these wrap fee programs (the “Lockwood Wrap Programs”), Lockwood provides services to financial planners, certified public accountants, broker-dealers, registered investment advisers, and other financial advisors (“Firms” or “Firm” in the singular) which, in turn, provide investment advice and consulting services to their high net worth clients and institutional clients (“Clients”). Information about Lockwood’s fees and services, including its portfolio management services that are available in the wrap fee programs is described in each applicable Wrap Fee Brochure.

2. Programs Sponsored by Third-Parties and Dual Contract Programs

Lockwood offers its portfolio management services on platforms where a third-party broker-dealer or investment adviser serves as the Sponsor of the wrap program. First, Lockwood offers portfolio management services through Lockwood’s Managed Account Command platform (“Command”). In Command, Lockwood provides administrative services to the Sponsors and certain Sponsors have selected Lockwood to provide portfolio management services to certain of their Clients. In Command, Pershing serves as the custodian. Client level advice is generally performed by an employee, agent, affiliate or other delegated persons of the Sponsor (collectively, “Consultants”). (Lockwood is not the Sponsor in Command.) Each third-party Sponsor’s wrap fee program is described in their Wrap Fee Brochure.

In addition, Lockwood provides portfolio management services on the Merrill Lynch Managed Account Service (“MAS”) dual contract program, where Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”) is the broker-dealer and custodian. Client level advice in the MAS program is provided by a Merrill Lynch Consultant.

3. The Portfolio Management Services

This brochure (the “Brochure”) describes Lockwood’s discretionary portfolio management services (collectively, the “Products”) it provides to the clients of third-party Firms, where Lockwood does not also serve as a wrap sponsor. More information about the portfolio management services is in Item 8 of the Brochure. A brief description of each of the Products follows:

AdvisorFlex Portfolios (“AFP”) is a flexible mutual fund and exchange-traded fund (“ETF”) wrap account product available in Command.

Lockwood Investment Strategies (“LIS”) is a fixed unified managed account (“UMA”) product available in Command and MAS.

Lockwood Asset Allocation Portfolios (“LAAP”) is a fixed mutual fund and ETF wrap account product available in Command.

LIS, AFP and LAAP are also available in certain Lockwood Wrap Programs.

B. Lockwood Managed Client Account Customization

Your account is tailored to your specific investment goals and objectives. After your Consultant collects financial and personal information from you, you and your Consultant decide on an asset allocation strategy. Certain Consultants may use software and research provided by Lockwood to assist you in identifying your goals.

C. Requirements for Investment Restrictions

You may put reasonable restrictions on the types of securities to be bought and sold in your account. However, Lockwood may determine that it cannot accept your requested restriction, in its sole discretion.

D. Differences in Wrap and Non-Wrap Services

The Products are generally only offered under wrap fee programs and dual contract programs. In a wrap program, Lockwood's advisory fees are disclosed and Lockwood receives its proportion of the total fee. In a dual contract program, such as MAS, Lockwood enters into a contract with each client and Lockwood’s fee is described in the contract.

E. Client Assets Under Management

As of December 31, 2011, Lockwood managed \$8,055,738,696 in client assets on a discretionary basis and \$0 in assets on a non-discretionary basis as disclosed in Lockwood’s ADV Part 1.

In certain instances, Lockwood reported that it had \$13.5 billion in assets under management (“AUM”), as of December 31, 2011, which includes assets where Lockwood acts as investment adviser to another investment adviser in programs where Lockwood does not have direct portfolio management responsibilities or discretionary authority and certain assets that converted to a non-advisory program on December 31, 2012.

Item 5 Fees and Compensation

Your total fee will vary depending on the services you select. Typically, your total fee will include the Sponsor fee (if applicable), Lockwood advisory fee, Sub-Adviser fee (if applicable), the administrative fee, clearing and custody fee and Consultant fee, as described below. Fees are calculated as an annual percentage of assets based on the value of the account.

The Consultants set and charge fees independently and the fees charged by Consultants may vary accordingly.

In addition to the aforementioned, there may be other costs assessed which are not included in Lockwood's fee, such as fees, expenses and charges levied by mutual funds, ETFs and money market funds. In addition, there may be fees charged by the custodian that are not included in Lockwood's fee, such as costs associated with the purchase and sale of certain mutual funds and other similar securities held in your account, dealer mark-ups, odd-lot differentials, exchange or auction fees, transfer taxes, costs for transactions executed other than at the custodian, any fees imposed by the SEC, electronic fund and wire transfers, costs associated with temporary investment of your funds in a cash management account, trust services charges, annual IRA custodial fees, IRA termination fees, custodial fees for prototype pension and profit sharing plans and Keoghs, custodial fees associated with special circumstances or events, such as transfer on death, returned check fees and other charges mandated by law. Further, interest will normally be charged on a negative balance in your account. If Pershing has custody of the assets, it will credit interest and dividends to the account.

The fees described above do not include transaction charges for execution other than at your custodian. Please refer to Item 12 for more information about Lockwood's brokerage practices.

A. AdvisorFlex

The AFP Program Fee is debited from your account quarterly in advance, subject to the following schedule:

<u>Account Level</u>	<u>AFP Program Fee</u>
First \$500,000	0.37%
Next \$500,000	0.33%
Over \$1,000,000	0.24%

A Sponsor may add an additional fee to the AFP Program Fee, subject to the applicable written agreement between the Sponsor or its Consultant and you.

The AFP Program Fee includes the Lockwood advisory fee, the administrative fee and a clearing and custody fee paid to Lockwood's affiliate, Pershing. Additional expenses associated with the specific underlying, pooled investment vehicles (such as, mutual funds and ETFs), which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking and recordkeeping fees. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if

you invested directly in the securities held by the pooled investment vehicle. Mutual funds used in AFP accounts may charge a redemption fee if shares are redeemed within a specified period of time. Clients may incur redemption fees in the event that an investment model is updated. Redemption fees vary by mutual fund and are described in each fund's prospectus. Pershing may be paid certain fees relating to these mutual funds, such as networking or 12b-1 fees.

The AFP Program Fee may be negotiated, in Lockwood's sole discretion.

B. LIS

The fees for LIS described below do not include fees or expenses which may be associated with the underlying, pooled investment vehicles (such as, mutual funds and ETFs), which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking and recordkeeping fees. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle. Mutual funds used in LIS accounts may charge a redemption fee if shares are redeemed within a specified period of time. Clients may incur redemption fees in the event that an investment model is updated. Redemption fees vary by mutual fund and are described in each fund's prospectus. Pershing and Merrill Lynch may be paid certain fees relating to these mutual funds, such as networking or 12b-1 fees. The LIS Command Program Fee and MAS Advisory Fee may be negotiated, in Lockwood's sole discretion.

1. Command

The LIS Command Program Fee is debited from your account quarterly in advance, subject to the following schedule:

<u>Account Size</u>	<u>LIS Command Program Fee</u>
First \$500,000	0.75%
Next \$500,000	0.55%
Next \$4,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	0.30%

The LIS Command Program Fee includes the Lockwood advisory fee, the Sub-Adviser fees, the administrative fee, and the clearing and custody fee paid to Pershing. In addition to the LIS Command Program Fee, the Consultant may add an advisory fee for his/her advisory services, subject to the applicable written agreement between the Sponsor or its Consultant and you.

The Sponsor may include an administrative fee, in addition to the LIS Command Program Fee. The Sponsor's administrative fee should be disclosed in the Sponsor's Form ADV Wrap Fee Brochure. In certain instances, Lockwood may share a portion of its fee with the Sponsor to cover administrative services associated with sponsor activities, subject to the following schedule:

<u>Account Size</u>	<u>Fee to Command Sponsor</u>
First \$500,000	0.08%
Next \$500,000	0.06%
Next \$4,000,000	0.05%
Next \$5,000,000	0.04%
Over \$10,000,000	0.02%

2. MAS/Merrill Lynch Dual Contract Program

In MAS, Lockwood is paid the advisory fee shown below, which does not include the fees for brokerage commissions, consulting services or custodial charges.

<u>Account Size</u>	<u>LIS MAS Advisory Fee</u>
Under \$500,000	0.53%
\$500,000 - \$1,000,000	0.48%
\$1,000,001 - \$5,000,000	0.45%
\$5,000,001 - \$ 10,000,000	0.41%
Over \$10,000,000	0.37%

For the MAS Program, Merrill Lynch will deduct the LIS MAS Advisory Fee and remit such fees to Lockwood. Merrill Lynch will deduct the LIS MAS Advisory fee, quarterly in advance, from the account or other Merrill Lynch account, in accordance with your directions to Merrill Lynch. Lockwood's quarterly fee will be based on the asset value of the account, as determined by Merrill Lynch in the last business day of the previous calendar quarter.

3. Sub-Adviser Fees

Lockwood pays all of the Sub-Advisers, in the aggregate, the fee in the table below, which is based on the total assets in the LIS Program. Lockwood allocates a portion of this total fee to each Sub-Adviser based on the percentage of the total LIS portfolio attributable to each such Sub-Adviser.

Sub-Adviser Fee Schedule:

<u>Assets</u>	<u>Sub-Adviser Fee</u>
First \$500,000,000	0.11%
Next \$500,000,000	0.08%
Next \$1,000,000,000	0.06%
Next \$1,000,000,000	0.05%
Over \$3,000,000,000	0.04%

C. LAAP

The LAAP Program Fee is debited from your account quarterly in advance, subject to the following schedule, which applies to accounts opened on or after January 19, 2008:

<u>Account Size</u>	<u>LAAP Program Fee</u>
First \$500,000	0.40%
Next \$500,000	0.35%
Next \$4,000,000	0.30%
Next \$5,000,000	0.25%
Over \$10,000,000	0.20%

The LAAP Program Fee includes the Lockwood advisory fee, the administrative fee and the clearing and custody fee paid to Pershing. In addition to the LAAP Program Fee, the Consultant may add an advisory fee for his/her advisory services, subject to the applicable written agreement between the Sponsor and you. The LAAP Program Fee does not include fees or expenses which may be associated with the underlying, pooled investment vehicles (such as, mutual funds and ETFs), which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking and recordkeeping fees. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle. Pershing may be paid certain fees relating to these mutual funds, such as networking or 12b-1 fees.

The Sponsor may include an administrative fee in addition to the above-referenced LAAP Program Fee. The Sponsor's administrative fee should be disclosed in the Sponsor's Wrap Fee Brochure. In certain instances, Lockwood may share a portion of its fee with the Sponsor to cover administrative services associated with sponsor activities, subject to the following schedule:

<u>Account Size</u>	<u>Fee to Sponsor</u>
First \$500,000	0.03%
Next \$500,000	0.02%
Next \$4,000,000	0.01%
Next \$5,000,000	0.01%
Over \$10,000,000	0.01%

The LAAP Program Fee may be negotiated, in Lockwood's sole discretion.

D. Advisory Account Termination

If you terminate Lockwood as your portfolio manager or if Lockwood terminates its relationship with you, Lockwood will refund the unused portion of the quarterly fee to your brokerage account that was used for the Program account.

Lockwood will calculate your refund based on the fee you paid for that quarter and the number of days left in the current quarter as of the day you terminated your account.

E. Compensation for the Sale of Securities

Neither Lockwood nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

F. Investment of Cash

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, unless disclosed otherwise in the prospectus. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in money market funds.

1. Command

You may choose from a selection of money market funds or other short-term cash vehicles ("Sweep Options") that are available through your Sponsor for non-IRA or non-ERISA accounts for investment of any cash held overnight in a brokerage account at your Sponsor. The universe of Sweep Options made available to you is in the sole discretion of your Sponsor. With respect to IRA and ERISA accounts in Command, funds are swept into the Federated Master Trust. These money market funds are fully described in each fund's prospectus, which you should review in detail. You will receive the prospectus for the money market fund when you open your account and it will contain a complete description of any relevant fees and/or expenses.

In utilizing money market or other funds, Pershing may receive a benefit from its possession and temporary investment of cash balances in your accounts prior to investment, whether in a sweep

arrangement or otherwise. Pershing may be paid certain fees relating to these money market funds, such as networking or 12b-1 fees.

2. MAS

In MAS, please consult your Merrill Lynch brokerage agreement regarding the investment of cash held overnight.

G. Billing for Contributions and Withdrawals

Every Sponsor may have different rules regarding whether your fee is adjusted to account for contributions to your account and/or withdrawals from your account made during the quarter and such rules may impact Lockwood's fee. Please contact your Consultant to determine your Sponsor's rules.

Item 6 Performance Based Fees and Side-by-Side Management

Lockwood's fee schedule does not include performance-based fees whereby a party is compensated based on a share of capital gains upon, or capital appreciation of, funds or any portion of funds or other investments in your account. Nor does Lockwood contract with any Sub-Adviser to pay any performance-based compensation in LIS.

Item 7 Types of Clients

A. Client Description

Lockwood's clients may include institutions such as financial services firms, investment management firms, insurance companies, other registered investment advisers, broker-dealers, and banks whose investor clients may consist of individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations and corporations or business entities. Lockwood may accept certain non-U.S. clients, in its sole discretion, in accordance with all applicable laws.

B. General Requirements

1. Sponsor/Consultant Requirement

As described in Item 4, Lockwood's portfolio management services are generally offered to investors only through programs where the Consultant of a third-party Firm or Sponsor provides advice to you. Consultants are not employees of Lockwood, but are independent or employed by Sponsors and Firms typically not affiliated with Lockwood.

2. Client Process and Document Requirements

Generally, you should have a written agreement with your Sponsor and/or Consultant. The Consultant collects financial and background information from you, and assists you in identifying your investment objectives. The Consultant recommends strategies that are designed to meet those objectives. Your Consultant is your primary contact and he or she will report to you regularly.

Consultants may utilize software and marketing and sales material and other documentation provided by Lockwood to assist you in selecting first the product and second the investment style or model, which is suitable for you, both initially and on an on-going basis. The Consultant: 1) collects financial and personal information from you; 2) transmits such information to Lockwood; and 3) assists you in establishing investment objectives.

The Consultant provides you with account opening paperwork, brokerage agreement(s), along with a copy of the Sponsor's Wrap Fee Brochure (if applicable) and Lockwood's Form ADV Part 2A, Firm Brochure. The Consultant submits the financial information, investment objectives and account forms to Lockwood, your custodian and/or any other broker-dealer, as applicable. Lockwood reviews the information provided by you and once approved, opens an account for your managed account assets.

Lockwood also reviews the account opening paperwork or Client profile information provided by the Sponsor or your Consultant to determine whether the selected strategy is suitable for you. At any time, Lockwood may request additional information to verify the information provided by you. After Lockwood reviews and approves the account for trading, Lockwood is granted investment discretion by you and exercises such discretion in the day-to-day management of the account.

3. Requirements for Investment Restrictions

You may put reasonable restrictions on the types of securities to be bought and sold in your account. However, Lockwood may determine that it cannot accept your requested restriction, in its sole discretion.

4. Unfunded Account Termination - Command

In Command, if your account has a zero balance for more than six months, Lockwood will terminate your advisory account in our systems. Your underlying brokerage account, however, will remain open, unless terminated by the custodian (Pershing). Once an advisory account has been terminated, funding of the account at Pershing will no longer be recognized by Lockwood. Lockwood will not be held responsible for account trading delays that may result. Further, Lockwood will not provide any communications to you or your Consultant regarding terminated advisory accounts. It is recommended that if you have a terminated account, you contact your Consultant to terminate the account at Pershing. You should notify your Consultant if you wish to keep an account open for future funding. If you wish to reopen a terminated advisory account, you should contact your Consultant. New account paperwork may be required and other procedures for reactivating the account must be followed.

4. Collateral Accounts

If an account is pledged as collateral for a loan and if the lender has initiated a liquidation of securities in the account pursuant to the terms of the collateral agreement, your account may not be invested in accordance with the model portfolio and/or your investment objective for a period of time.

5. U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Sanctions Program

In compliance with the OFAC sanctions program, Lockwood or its designee will check to verify that your name does not appear on OFAC's "Specifically Designated Nationals and Blocked Persons" List ("SDN List"). Your name will also be checked to verify that you are not from, or engaging in transactions with people or entities from, embargoed countries and regions published on the OFAC Web Site. Lockwood or its agent may access these lists through various software programs to conduct these searches in a timely and accurate manner. Lockwood or its designee will also review existing accounts against these lists when they are updated.

In the event Lockwood or its designee determines a Client, or someone with or for whom the Client is transacting, is on the SDN List, or is from or engaging in transactions with a person or entity located in an embargoed country or region, Lockwood will immediately contact Lockwood's Anti-Money Laundering and OFAC compliance group to determine the proper course of action, which may include: rejecting the transaction and/or blocking the Client's assets, and; filing a blocked assets and/or rejected transaction form with OFAC.

C. Account Minimum Requirements

The account size minimums for the products Lockwood manages are shown below.

<u>Program Name</u>	<u>Account Opening Minimum</u>	<u>Subsequent Contribution Minimum</u>
LIS	\$250,000	\$2,500
LAAP	\$50,000*	\$1,000
AFP	\$50,000	\$1,000

*On January 19, 2008, the account opening minimum for LAAP was increased from \$25,000 to \$50,000.

You may fund your LIS, LAAP and AFP accounts with cash equivalents or shares of investment selections included within the applicable program.

Lockwood reserves the right to waive its minimum initial investment requirements, in its sole discretion. Lockwood may terminate your account should your account fail to meet the account minimum during the life of your account. In the case of LIS, you may be able to fund your account with some shares of investment selections not included within the LIS program, at Lockwood's sole discretion.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

A. Lockwood as Sponsor

As the sponsor or co-sponsor of managed account programs, Lockwood evaluates Portfolio Managers and Model Managers for inclusion in various managed account programs. Depending upon the particular program, Lockwood's review process may differ, as described below. Lockwood works with its affiliate, BNY Mellon, in reviewing and researching Portfolio Managers and Model Managers.

In certain programs (Managed Account Link, Managed Account Advisor and co-sponsored programs), Lockwood provides its clients with a list of covered Portfolio Managers and Model Managers ("Covered Managers"). In determining which Portfolio Managers are selected for coverage, Lockwood utilizes a preliminary screening process involving a variety of criteria, such as, assets under management, personnel, registration, disclosures and regulatory history. If the preliminary screen is successful, the next phase of the analysis includes a review of a range of quantitative criteria (relating to performance and portfolios reviews) and qualitative criteria (relating to such items as the investment team, philosophy and process, capacity and structure). Lockwood also relies on information regarding the Portfolio Managers from the following types of sources: Covered Manager's website, publicly available sources, regulator websites, commercially available databases and in person meetings. The criteria employed for each Covered Manager may not be identical and instead, is typically based on the nature of the Portfolio Manager's portfolios and investment philosophy.

The analysis of each Portfolio Manager and Model Manager is prepared by Lockwood personnel and presented to Lockwood's Investment Advisory Committee for review. Portfolio Managers and Model Managers which are chosen as Covered Managers are approved in each instance by Lockwood's Investment Advisory Committee. Once selected for inclusion as a Covered Manager, Lockwood personnel engage in on-going due diligence and continuing evaluation of the Portfolio Manager or the Model Manager's appropriateness for a particular program.

In certain programs (Managed Account Link and Managed Account Advisor), Lockwood may, as an accommodation, permit certain Portfolio Managers which are not covered ("Non-Covered Managers") to be accessible to Clients. In its contract with Clients, Lockwood and the Client agree that Lockwood is not responsible for determining the suitability of this Portfolio Manager, rather, the Client and the Client's financial adviser assume the responsibility for that determination. Lockwood may, in its sole discretion, conduct initial and on-going due diligence on a Non-Covered Manager.

In addition, the programs referenced above, Lockwood offers the Lockwood Sponsored Program which is an open architecture, separately managed account program. In this program, Lockwood, as sponsor, conducts an initial baseline due diligence (similar to the preliminary screening process described above) on each Portfolio Manager offered in the program and on-going review. In effect, this program allows the Client and the Client's financial consultant to select the Portfolio Managers which they believe are appropriate for the Client. Lockwood makes no representation as to whether Portfolio Managers are suitable for you. In the Lockwood Sponsored Program, the Client and the Client's Consultant and Firm are responsible for determining the Client's asset allocation,

investment objectives, risk tolerance and time horizon. In all cases, the Portfolio Manager selected has discretion over the Client's assets. With respect to all Portfolio Managers offered in the Lockwood Sponsored Program, Lockwood retains the ability to hire and fire any Portfolio Manager. Lockwood may, with the appropriate disclosure, offer affiliated Portfolio Managers in the Lockwood Sponsored Program.

With respect to all Portfolio Managers and Model Managers (regardless of the program), Lockwood employs the preliminary screening process, described above, and the attendant criteria. Lockwood exercises its discretion with respect to the amount and type of additional research conducted. Lockwood reserves the right to terminate any Portfolio Manager or Model Manager, at any time in Lockwood's sole discretion.

You should be familiar with the specific program you are contracted for and understand the level of diligence which is performed on the Portfolio Managers or Model Managers in the program.

B. Lockwood as Money Manager

In Lockwood's role as the money manager for its proprietary products (LIS, LAAP and AFP, as each is described herein) and for other products offered in co-sponsored programs (mutual fund wrap, UMA), Lockwood evaluates Portfolio Managers as subadvisors in a UMA; pooled investment vehicles such as mutual funds and ETFs and other investment vehicles for inclusion in these managed products. Lockwood works with its affiliate, BNY Mellon, to identify, evaluate and implement these products, as well as in the on-going maintenance of these products. In evaluating Portfolio Managers for inclusion as a subadvisor in a UMA, Lockwood uses the screening process described above for Covered Managers.

With respect to mutual funds, Lockwood uses a screening process to evaluate mutual funds. The criteria employed in the screening may vary depending on a variety of factors, but can include a range of criteria including analysis of the particular investment style, evaluation of the portfolio management team, performance criteria, costs associated with the fund, to name a few. With respect to ETFs, Lockwood uses a comparable screening process where the factors considered include, but are not limited to, the tracked index or benchmark, performance, comparables, personnel and content of the particular ETF.

In each case, the inclusion of these various investment vehicles in a managed product is reviewed and approved by Lockwood's Investment Advisory Committee. Similarly, Lockwood may replace any of these investment vehicles, at its discretion, at any time. In certain co-sponsored programs, Lockwood's co-sponsor may have input into the universe of investment vehicles used.

C. Lockwood as Portfolio Manager: Methods of Analysis, Investment Strategies and Risk of Loss

A description of each asset class used in AFP, LIS and LAAP is provided below. It is important to remember that there are risks inherent in any investment, including the loss of principal, which you should be prepared to bear. There is no assurance that any asset class or index, or a diversified mix of assets will provide positive performance over time. Asset classes and/or other investment strategies not included in AFP, LIS and LAAP may exhibit similar or superior characteristics and

performance than those that are included. The risks associated with certain investment vehicles, which may be used in AFP, LIS and LAAP are described in Exhibit A.

Fixed Income Securities

U.S. short-term fixed income: Seeks to provide a more conservative duration positioning relative to the broad U.S. fixed income market.

U.S. inflation-protected securities: Seeks to provide exposure to U.S. Treasury Inflation-Protected Securities (TIPS). This allocation is intended to provide a hedge against U.S. inflation.

U.S. intermediate-term fixed income: Seeks to provide exposure to intermediate-term government, corporate and mortgage- and asset-backed fixed income securities. This allocation is intended to provide diversification of income through a broad exposure to the U.S. fixed income universe.

U.S. long-term fixed income: Seeks to provide exposure to long-term government and corporate fixed income securities. This allocation is intended to capture incremental yield due to a term premium.

U.S. high-yield fixed income: Seeks to provide exposure to U.S. high-yield or non-investment-grade fixed income. This allocation is intended to generate income through investments in U.S. high-yield bonds, while also serving as a substitute for U.S. small-cap equities.

Global/international fixed income: Seeks to provide exposure to and diversification through non-U.S. yield curves and currencies.

Floating rate income: Seeks to provide exposure to privately structured senior-secured corporate debt obligations with adjustable interest rates. This allocation is intended to generate incremental yield, hedge against rising U.S. interest rates and provide selective credit opportunities.

Equity Securities

U.S. large-cap equity: Seeks to provide exposure to the equities of U.S. large capitalization companies. This allocation focuses on strategies that seek to generate income through investing primarily in U.S. companies that have historically provided above average dividend yields.

International equity: Seeks to provide exposure to the equities of non-U.S. developed market companies. This allocation focuses on investments that seek to generate income through investing primarily in non-U.S. companies that have historically provided above-average dividend yields.

U.S. mid-cap equity: Seeks to provide to the equities of U.S. mid capitalization companies. This allocation is used for its above-average long-term cumulative risk/return potential.

U.S. small-cap equity: Seeks to provide exposure to the equities of U.S. small capitalization companies. This allocation is used for its above-average long-term cumulative risk/return potential.

U.S. large-cap non-traditional: Seeks to reduce the volatility typically associated with equities of U.S. large capitalization companies under certain market conditions, as well as to provide income through call option premiums. This allocation is intended to provide a partial hedge through the sale of call options on the underlying stock holdings, and the purchase of index put options.

U.S. micro-cap equity: Seeks to provide exposure to the equities of U.S. micro capitalization companies. This allocation is used for its above-average, long-term cumulative risk/return potential.

International small-cap equity: Seeks to provide exposure to the equities of non-U.S. developed market small-cap companies. This allocation is intended to provide long-term capital appreciation, as well as diversification through investments in companies outside of the United States.

Emerging markets: Seeks to provide exposure to the equities of non-U.S. emerging markets companies. This allocation is used for its above-average long-term cumulative risk/return potential.

Global thematic: Seeks to provide exposure to equities of global companies that concentrate on specific themes. This allocation seeks to take advantage of investment opportunities as a result of macro-economic developments.

Real Estate Investment Trusts (“REITs”): Lockwood may have an allocation to REITs and if so, it generally employs a passive approach in its allocation to REITs. The asset class is represented by the NAREIT-Equity Index, which has had a low correlation to the stock and bond markets. Lockwood may make an allocation to REITs in an effort to lessen overall portfolio volatility and provide income via its dividend yield.

Commodities: Seeks to provide exposure to commodities, including agricultural, energy and metals. This allocation is used to provide diversification, as well as a potential hedge against future inflation.

Global defensive sectors: Seeks to provide exposure to U.S. and non-U.S. economic sectors. Sector allocations may be used for the defensive nature of certain economic sectors, such as Consumer Staples, Health Care and Utilities. These sectors, at times, have historically experienced lower declines than the overall market. This allocation may include vehicles that invest in U.S. companies, as well as abroad.

Alternatives: Seeks to provide exposure to strategies used primarily for their low correlation to more traditional equity and fixed income asset classes, and thus seeks to reduce overall volatility. The underlying holdings may include managed futures, currency carry, merger arbitrage, convertible arbitrage, long /short equity, fixed income and commodities, and multi-strategy funds.

Gold Bullion

Lockwood may have an allocation to Gold through an ETF designed to mirror as closely as possible the performance of the price of Gold. Lockwood may make an allocation to Gold to seek to offset volatility in the traditional equity and fixed income asset classes.

1. Lockwood AdvisorFlex Portfolios

The AFP product includes three, objectives-based strategies (Appreciation, Income and Preservation), with multiple Models within each strategy, as described below. Until April 3, 2009, AFP consisted of eight (8) models/asset allocation strategies (“Models”). Effective April 3, 2009, the number of Models expanded to a total of sixteen (16) Models. Accounts opened prior to April 3, 2009, in one of the eight Models were mapped to the comparable Model within sixteen (16) new Models. A description of each asset class used in one or more of each of the Models is provided below.

a. Appreciation Strategy

Lockwood designed the Appreciation Strategy to seek to provide:

- the long-term level of returns associated with equity and fixed income asset classes; and
- above average, risk-adjusted levels of appreciation.

There are six (6) Appreciation Strategy models, each representing various levels of expected risk and return. Model I is the most conservative model and Model VI is the most aggressive. In each underlying Appreciation Strategy model, Lockwood seeks to achieve its objective through tilts toward asset classes with above-average cumulative return potential, as well as asset classes that pay a premium to investors with a long-term time horizon.

The six (6) Appreciation Strategy models hold investment vehicles, including mutual funds, ETFs and/or ETNs, which offer exposure to broad asset classes, such as stocks and bonds. Each asset class is intended to contribute to the overall investment objective of the respective models.

Although Lockwood designed the Appreciation Strategy to seek to provide risk-adjusted levels of appreciation, there is no guarantee that the value of your investment will appreciate.

The asset mix of the respective models may include:

- U.S. short-term fixed income.
- U.S. inflation-protected securities.
- U.S. intermediate-term fixed income.
- Global/international fixed income.
- Floating rate income.
- U.S. large-cap equity.
- U.S. mid-cap equity
- U.S. small-cap equity.
- U.S. micro-cap equity.
- International equity.
- International small-cap.
- Emerging markets.
- Global thematic.
- Alternative Investments.

b. Income Strategy

Lockwood designed the Income Strategy to seek to provide:

- a risk-managed, diversified portfolio; and
- select opportunities for above-average level of yield.

There are five (5) Income Strategy models, each representing various levels of risk and return. Model I is the most conservative and Model V is the most aggressive. In each underlying Income Strategy model, Lockwood seeks to achieve its objective through the use of some or all of the following: dividend paying stocks, real estate investment trusts, master limited partnerships, closed-end funds, and preferred securities.

The five (5) Income Strategy models hold investment vehicles, including mutual funds, ETFs and/or ETNs, which offer exposure to broad asset classes, such as stocks and bonds. Each asset class is intended to contribute to the overall investment objective of the respective models.

Although Lockwood designed the Income Strategy to seek to provide an above-average level of yield, there is no guarantee that income will be consistently generated from your investment.

The asset mix of the respective models may include:

- U.S. short-term fixed income.
- U.S. inflation-protected securities.
- U.S. intermediate-term fixed income.
- U.S. long-term fixed income.
- U.S. high-yield fixed income.
- Global/international fixed income.
- Floating rate income.
- U.S. large-cap equity.
- International equity.

c. Preservation Strategy

Lockwood designed the Preservation Strategy to seek to provide:

- the long-term level of returns typically associated with equity and fixed income asset classes;
- a degree of downside protection; and
- a similar level of long-term volatility, when compared to standard capitalization-weighted indices.

There are five (5) Preservation Strategy Models, representing various levels of risk and return. Model I is the most conservative and Model V is the most aggressive. In each underlying Preservation Strategy model, Lockwood seeks to achieve its objective through tilts toward non-cyclical economic sectors, higher quality securities, and alternative strategies that may alter risk characteristics of the portfolio.

The five (5) Preservation Strategy models hold investment vehicles, including mutual funds, ETFs and/or ETNs, which offer exposure to broad asset classes, such as stocks and bonds. Each asset class is intended to contribute to the overall investment objective of the respective models.

Although Lockwood designed the Preservation Strategy to seek to provide downside protection, there is no guarantee that the value of your investment will be preserved.

The asset mix of the respective models may include:

- U.S. short-term fixed income.
- U.S. intermediate-term fixed income.
- U.S. long-term fixed income.
- U.S. inflation-protected securities.
- Global/international fixed income.
- Floating rate income.
- U.S. large-cap non-traditional.
- U.S. large-cap equity.
- International equity.
- Global defensive sectors.
- Alternatives.

Lockwood designed the Models to seek to align with the different phases of the investor life cycle, from wealth accumulation, to transition into retirement and ultimately, the management and distribution of income. Each of the Models contains specific investment selections. Disclosures relating to the specific investment selections are contained in Exhibit A and you should review them in detail. You and your Consultant are responsible for selecting the appropriate Model for you.

After account opening, you or your Consultant may determine to move up or down one Model level from the originally selected Model, in your and your Consultant's sole discretion.

Until February 28, 2009, Lockwood received asset allocations and certain investment selection suggestions relating to AFP from Standard & Poor's Investment Advisory Services LLC ("SPIAS"). SPIAS served as a sub-adviser to Lockwood with respect to AFP until that time.

Effective April 2009, Lockwood makes available research reports relating to the investment selections within the Models and prepared by Morningstar, Inc. ("Morningstar").

For each investment selection within a Model, Lockwood identifies several options from which you and your Consultant may choose. Within each Model, there will be primary investment selections ("Primary Selections") and alternate investment selections ("Alternate Selections") from which you and your Consultant may choose.

Lockwood will implement certain updates and changes to the Models ("Model Updates") throughout the life of your AFP account. You have given Lockwood the limited discretion to make trades in your account for Model Updates. You and your Consultant are responsible for reviewing all such Model Updates. When Lockwood performs a Model Update, Lockwood may replace one investment vehicle with another and/or change the asset allocation of the Model.

At any time and in Lockwood's sole discretion, Lockwood may reclassify a Primary Selection as an Alternate Selection. In such a case, existing accounts holding the Primary Selection may keep the existing selection or decide to change to the new Primary Selection. In each instance, Lockwood will notify your Consultant. In the event that a Primary Selection is eliminated from a Model altogether, all accounts in the Model will default to the new Primary Selection. In the event that Lockwood removes one of the Alternate Selections, affected accounts will default to either the Primary Selection or another, available Alternate Selection, as determined by Lockwood.

If you select both Primary Selections and Alternate Selections to complete a Model, the mixture of Primary Selections and Alternate Selections may result in changes to the weightings within an asset allocation.

Certain asset classes may contain only Primary Selections. Alternate Selections will not be made available in those cases, in Lockwood's sole discretion.

You grant limited discretion to your Consultant to make changes to Primary Selections and Alternate Selections in your AFP account and to make other decisions relating to the AFP account on your behalf.

2. Lockwood Investment Strategies

LIS is a discretionary, multi-discipline managed account product contained in a single portfolio. There are five (5) core models, which span the risk/return spectrum from current income to growth. You may also choose from four (4) additional models, which include exposure to non-traditional asset classes, as described more fully below. Lockwood, serving as the portfolio manager, determines the Sub-Advisers and specific investment vehicles based on its proprietary modeling strategies, and its economic outlook.

Lockwood selects Sub-Advisers and/or investment vehicles, such as ETFs or mutual funds, for each investment style. Each Sub-Adviser electronically provides Lockwood with its model portfolio buy list. As the overall portfolio manager, Lockwood combines each of the model portfolios into one LIS portfolio designed to perform and act similar to a defined target benchmark. Lockwood uses software to find ways to minimize tax implications and create better tracking to the target benchmark. This portfolio management process is sometimes referred to as "overlay management." The Sub-Advisers currently employed in LIS portfolios are Baring Capital Management; Eagle Global Advisors; Penn Capital Management and Riverbridge Partners; and are subject to change at Lockwood's sole discretion.

When Lockwood selects investment vehicles in each of the portfolios, a number of factors are evaluated. Not only must the vehicle stand on its own investment merits, but it also must fit within the overall strategy. The amount allocated to an investment style may determine which type of vehicle may be used to manage that portion of the portfolio. A vehicle such as a mutual fund or ETF may be utilized to allow broad market exposure for lower dollar values. Lockwood may substitute an ETF for a mutual fund held in the model portfolio if a mutual fund is not available. Individual securities supplied by a Sub-Adviser may be used for allocations where Lockwood seeks active securities selection. Lockwood reviews Sub-Adviser and investment vehicle combinations to determine the most effective combination of investments to satisfy the goals of the portfolio.

Lockwood also pays considerable attention to mutual fund and ETF fees, liquidity, investment minimums, and operational issues to determine whether they affect the implementation of specific vehicles and Sub-Advisers in the portfolios.

When a Sub-Adviser makes model portfolio changes, the Sub-Adviser may notify Lockwood after the Sub-Adviser has bought and sold securities in its other clients' accounts. Once a particular Sub-Adviser notifies Lockwood of model portfolio changes, Lockwood may make corresponding changes to your account. Lockwood reserves the right to not accept a particular Sub-Adviser recommendation. For example, if a security is subject to a reasonable restriction you imposed, Lockwood will not purchase that security for your account. As a result of the timing of model change notifications and Lockwood's processes, however, Sub-Adviser may effect trades on behalf of their other clients' accounts before Lockwood effects corresponding trades in LIS accounts. Therefore, in connection with model portfolio changes, due to the potential for the markets to react to the trades effected by the Sub-Adviser, you may be at a disadvantage when compared to Sub-Advisers' other clients with respect to the timing of the trades.

LIS includes a series of strategies limited to traditional asset classes only (Traditional) and a series of strategies that include traditional and non-traditional investment asset classes (Alternative).

a. Traditional Strategies

Lockwood offers five (5) LIS diversified, discretionary investment portfolios that generally include allocations to Traditional asset classes. Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with an allocation focused on equities.

The Traditional Strategies models, representing various levels of expected risk and return, offered within LIS are:

Model I:	Current Income
Model II:	Growth & Income
Model III:	Conservative Growth
Model IV:	Moderate Growth
Model V:	Growth

Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with an allocation focused on equities.

Lockwood may use both active and passive vehicles in any of its asset classes as market conditions or the availability of investment vehicles warrant.

Using a long-term, strategic approach to its asset allocation methodology, Lockwood shifts its models from time to time based on economic models and changing investment fundamentals.

Lockwood generally seeks to make relatively small adjustments within its allocation models, rather than making significant shifts between asset classes, in an effort to reduce the volatility of the portfolios. The decision to increase or reduce exposure to an asset class is driven by secular changes to key economic and market-related factors, which may include shifts in valuations, expected earnings growth, or the impact of changing interest rates.

b. Alternative Strategies

Lockwood also offers four (4) diversified, discretionary, investment portfolios that include allocations to the non-traditional investment asset class, with the expectation of offering comparable returns with less volatility than the Traditional Strategies.

Lockwood may invest in the following non-traditional asset classes, or others as it deems appropriate, in its sole discretion:

- convertible arbitrage,
- distressed securities,
- equity hedge,
- equity market neutral,
- event-driven,
- fund-of-funds,
- long-short,
- merger arbitrage,
- macro strategies, and
- commodities.

Lockwood employs fundamental valuations and employs its own models to evaluate expected returns, risk and correlation for the traditional asset classes it includes in its investment strategies. A similar approach is employed to determine risks and correlations, and set return requirements for the alternative asset classes. The following issues are among those considered for non-traditional assets:

- expected compensation for potential illiquidity,
- transparency and pricing of underlying securities,
- implementation costs and fees, and
- the use of leverage.

The core asset allocation models offered within the LIS Alternative Strategies are:

Alternative Model II:	Growth & Income
Alternative Model III:	Conservative Growth
Alternative Model IV:	Moderate Growth
Alternative Model V:	Growth

c. Tax Considerations

For taxable portfolios in LIS, Lockwood will consider tax implications when implementing changes in the portfolios when motivated by investment reasons. Lockwood will, from time to time, use various strategies, when appropriate, to seek to lessen the potential tax impact on taxable LIS portfolios when transactions are triggered for investment reasons, such as changes in asset class forecasts, Sub-Adviser changes, investment vehicle changes, and market drift. For example, Lockwood may seek to use losses to offset gains where desirable.

Lockwood may retain an investment vehicle that is not included in the applicable model portfolio for tax reasons. In this instance, Lockwood may change the allocation of the other investment vehicles in the portfolio to offset exposure to the retained vehicle.

Please consult your tax advisor regarding the tax implications of the investments in your LIS account.

3. Lockwood Asset Allocation Portfolios

LAAP is a discretionary, multi-discipline managed account product contained in a single portfolio. Lockwood, serving as the portfolio manager, determines the asset allocation strategy and selects investment vehicles in the portfolio, based upon proprietary modeling strategies, economic outlook and investment research discipline. Lockwood uses the same analysis described above to evaluate vehicles for use in LAAP.

The five (5) LAAP model portfolios are:

Model I:	Current Income
Model II:	Growth & Income
Model III:	Conservative Growth
Model IV:	Moderate Growth
Model V:	Growth

Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with an allocation focused on equities.

These portfolios may consist of open and closed end mutual funds, exchange-traded funds and other types of securities, as determined by Lockwood, in its sole discretion.

D. Composite Performance - LIS and LAAP

For LIS and LAAP, all accounts were included in a composite performance calculation after an account had been managed in that style for one full calendar quarter. Effective April 1, 2012, LIS and LAAP accounts will be included in a composite performance calculation after an account has

been managed in that style for one full month. Lockwood creates a composite after five accounts meet this criterion. Lockwood calculates performance each time there is an asset or cash flow of 10% or greater and at each month end. Lockwood calculates performance on a total return basis, which includes realized gains, unrealized gains, and interest and dividend income. Cash is included in the calculation. Accrual accounting is used to recognize interest and dividend income. Cash flows are accounted for by the date they are received, and portfolios are revalued if assets change by more than 10%. Individual account returns are time-weighted. Lockwood annualizes returns for periods greater than one year.

E. Model Performance - AFP

The performance data provided in AFP is based on the performance of a model portfolio. Model performance has inherent limitations and does not represent the results of actual trading of your assets. Returns are based upon the primary investment selections for each model and assume the portfolio is rebalanced monthly. Performance is calculated using a time-weighted rate of return, and returns for periods of one year or longer are annualized.

The model performance represents historical gross performance with no deduction for advisory or program fees, assumes the reinvestment of dividends, capital gains, and any other earnings plus capital appreciation, and is net of transaction costs. Returns of the underlying funds within each model are based on changes in net asset value and are net of fund expenses, including management fees and any transaction costs incurred by the fund.

It is important to note that the performance of your portfolio will not necessarily match the performance of the model portfolio due to differences in the weightings of the individual holdings, security substitutions, and the effects of periodic rebalancing. In addition, these model results do not take into account timing differences between the model selections and the purchases or sales that were or would have been made based on those selections by you. Due to the range of investment vehicle selections in AFP, your account's performance may differ substantially from AFP's model performance.

Item 9 Disciplinary Information

Lockwood is not a defendant in any of the complaints or actions described in the following paragraph.

Several State Attorney General's Offices, the U.S. Attorney's Office for the Southern District of New York and certain individual plaintiffs have filed civil complaints against BNY Mellon, the parent company of Lockwood. Certain of these complaints supersede complaints that had been filed by a purported whistleblower under state false claims act statutes. In addition, the Massachusetts Securities Division has filed an administrative complaint against BNY Mellon. These actions allege that BNY Mellon improperly charged and reported prices for standing instruction foreign exchange ("FX") transactions executed in connection with custody services provided by BNY Mellon. BNY Mellon believes that the claims asserted in the actions are without merit, and reflect a fundamental misunderstanding of the role of custodian banks and the operation of institutional FX markets. BNY Mellon plans to defend itself vigorously on behalf of its shareholders.

Item 10 Other Financial Industry Activities and Affiliations

A. Other Financial Industry Activities

Lockwood does not engage in any other business other than that of an investment manager and Sponsor or administrator for managed account programs. Some of Lockwood's personnel may have securities registrations, including, but not limited to FINRA series 7 or series 24, which are held with Lockwood's affiliate, Pershing.

B. Financial Industry Affiliations

Lockwood is affiliated with a large number of investment advisers and broker-dealers within the BNY Mellon family of companies. Please see Form ADV, Part 1A-Schedule D, Section 7.A, for a list of investment advisers and broker-dealers affiliated with Lockwood.

Clients of Lockwood, however, may also be clients of affiliated investment advisers and such relationships and related transactions may occur without Lockwood's knowledge.

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide, client-focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Asset Management is the umbrella designation for certain of BNY Mellon's affiliated investment management firms and global distribution companies and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

Lockwood may enter into transactions with unaffiliated counterparties or third-party service providers who then use affiliates of Lockwood to execute such transactions. These services may include, for example, clearance of trades, purchases or sales of ADRs, or other transactions not contemplated by Lockwood. Although the affiliate may receive compensation for engaging in these transactions, the decision to use or not use an affiliate of Lockwood is made by the unaffiliated counterparty or third-party service provider. Further, Lockwood will likely be unaware that the affiliate is being used to enter in such transaction. Lockwood does not use or recommend any Sub-Advisers that are investment management affiliates of BNY Mellon or investment vehicles that are managed by investment management affiliates of BNY Mellon in the construction of its AFP, LIS and LAAP portfolios to avoid potential conflicts of interest.

Parties, which are related parties to Lockwood or under common control as subsidiaries owned by BNY Mellon, include those, which are:

- broker dealers (such as Pershing)
- investment companies or other mutual funds
- futures or commodity brokers or agents
- hedge funds
- other investment advisers
- banks

- insurance companies or agencies
- pension consultants
- syndicators of limited partnerships
- general partners of limited partnerships.

Affiliates of Lockwood may refer Consultants, Co-Sponsors, or Sub-Advisers to Lockwood. Lockwood shall make an independent determination as to whether to do business with such entities. Affiliates of Lockwood may also have business arrangements with Consultants, Co-Sponsors, or Sub-Advisers that may indirectly benefit from such entities business with Lockwood.

Certain mutual fund families whose funds are selected by Lockwood may provide fees to Lockwood's affiliates, Pershing and PAS. Lockwood is not incented or rebated any fees or compensation as a result of a related party's receipt of fees. Lockwood does not consider fees paid to affiliates in its selection and retention of mutual funds. Affiliates of Lockwood may be a service provider, such as a trustee or administrator to a mutual fund or ETF, used in the Products, and may receive a fee from the mutual fund or ETF for performing such service. Lockwood does not receive any portion of these fees and does not consider trustee or administrator fees received by an affiliate in its selection and retention of investment vehicles.

Lockwood's affiliate Lockwood Solutions, Inc., for a fee, provides certain asset management firms with back office support services related to their participation in wrap fee programs. As of the date of this Brochure, none of the Sub-Advisers used in the LIS Program were clients of Lockwood Solutions, Inc.

One or more of the Sub-Advisers for LIS may also have a contract with Lockwood to serve as a separate account portfolio manager in one or more of the Lockwood Wrap Products.

Pershing, a registered broker-dealer and Lockwood's affiliate, provides clearing and custody services for the Command platform. Trading is performed on an agency basis through Pershing. Lockwood may delegate certain functions, including administration of trading, to its affiliate, the Pershing Managed Account Solutions division of Pershing ("PMAS"). PMAS does not have discretion to trade other than upon instructions of Lockwood.

As of December 31, 2011, the following firms were one of the top ten institutional owners of the common stock of BNY Mellon and have a relationship with Lockwood, relating to program's covered in this Brochure and not covered in this Brochure as indicated:

Davis Selected Advisers, L.P. (Portfolio Manager in certain Lockwood managed account programs);

BlackRock Institutional Trust Company, N.A. (affiliate of BlackRock Investment Management LLC, a Portfolio Manager in certain managed account programs);

MFS Investment Management (affiliate of MFS Investment Advisors, Inc., a Portfolio Manager in certain Lockwood managed account programs); and

Vanguard Group, Inc. (Mutual Fund(s) and ETFs held in products managed by Lockwood).

These relationships with BNY Mellon did not and do not affect Lockwood's decision to include these firms in a managed account program and these Portfolio Managers and investment vehicles are subject to Lockwood's due diligence criteria.

On July 1, 2010, BNY Mellon purchased PNC Global Investment Servicing Inc., the parent of PNC Managed Investments Inc. ("PNC Managed Investments") (formerly ADVISORport, Inc.) from The PNC Financial Services Group, Inc. (the "Transaction"). In connection with the Transaction, PNC Managed Investments became a part of Lockwood. The transition to Lockwood was accomplished in two steps. At the closing of the Transaction, PNC Managed Investments transferred its advisory business to Lockwood and, in turn, Lockwood delegated to PNC Managed Investments certain operational activities in support of the advisory programs. For transitional purposes, PNC Managed Investments was renamed BNY Mellon Managed Investments Inc. ("BNYMMI") on July 1, 2010 and was merged with and into Lockwood in 2011.

Effective as of the date of the Transaction, Lockwood became an affiliate of BNY Mellon Distributors Inc. ("BNYMDI"), BNY Mellon Investment Servicing (US) Inc. ("BNYMIS") and BNY Mellon Investment Servicing Trust Company ("BNYMTC") (formerly, PFPC Trust Company), each, a BNY Mellon Company. The mutual funds and ETFs in which you invest may be serviced by BNYMDI, BNYMIS, BNYMTC and/or other Lockwood affiliates and for which such affiliates receive fees. When selecting a mutual fund and/or ETF for inclusion in, or removal from a Program, Lockwood does not take into consideration whether the fund is serviced by an affiliate of Lockwood. BNY Mellon is expected to sell BNYMDI to a third party at some point in the first half of 2012, at which point BNYMDI would no longer be affiliated with Lockwood. For more detailed information regarding a mutual fund, including fees and expenses, please refer to that fund's prospectus.

When Lockwood serves as portfolio manager, Lockwood does not purchase securities issued by BNY Mellon.

C. Other Relationships

Lockwood and its affiliates perform investment advisory services for various clients. Lockwood may give advice and take action in the performance of its duties with respect to any of its other clients, which may differ from the advice given, or the timing or nature of action taken, with respect to another client. Lockwood has no obligation to purchase or sell for a client any security or other property, which it purchases or sells for its own account or for the account of any other client, if it is undesirable or impractical to take such action. Lockwood may give advice or take action in the performance of its duties with respect to any of its clients, which may differ from the advice given, or the timing or nature of action taken by our affiliates on behalf of their clients. In addition, Lockwood or an affiliate may cause multiple accounts to invest in the same investment.

In addition, BNY Mellon personnel, including certain of our employees, may have board, advisory, or other relationships with issuers, distributors, consultants and others that may have investments in a private fund and/or related funds or that may recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including us and our personnel, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the

relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties may have conflicts associated with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private fund.

D. Marketing Activities

During 2010 and 2011 Lockwood and/or its predecessor Lockwood Capital Management, Inc. paid sponsorships fees for certain, specific marketing activities engaged in by the financial institutions and organizations listed below. This list includes Firms that participate or participated in Lockwood's MAL Program, MAA Program, LSP, certain co-sponsored programs, Command and other non-advisory platforms.

AIG (including AIG Advisor Group Inc., AIG Financial Advisors, Inc. AIG Financial Products, Corp.)

Ameritas Investment Corp.

Associated Investment Services, Inc.

AXA Advisors, LLC

B.C. Ziegler & Company

Benjamin F. Edwards & Company, Inc.

Black Walnut Advisors LLC

Cambridge Investment Research Inc.

Cantella & Co., Inc.

Centaurus Financial, Inc.

Client 1st Advisors Inc.

Consultiva Internacional, Inc.

Crowell Weedon and Co.

Essex Securities LLC

E*TRADE Capital Management, LLC

Excel Securities & Assoc.

Fulcrum Securities Inc.

Genesis Capital Advisors, Inc.

Genworth Financial Investment Services/Genworth Financial Advisors, Corp.

H. Beck Inc.

Honor, Townsend & Kent, Inc.

Infinex Investments Inc.

Investors Security Co., Inc.

Kahn Litwin Renza & Co LTD (related to KLR Investment Advisors, LLC)

The MetLife Broker Dealer Group (including MetLife Securities, New England Securities and Walnut Street Securities)

Sanders Morris Harris (SMH Capital)

Lincoln Financial Advisors Inc.

Minnesota Life Insurance Company

Money Concepts Capital Corp.

North Ridge Securities Corp.

NPB Financial Group LLC

Premier Resource Group

PFS Investments Inc. (d/b/a Primerica Advisors)

Questar Capital Corporation

Royal Alliance Associates, Inc.

Securian Advisors/Securian Financial Services

Strategic Financial Solutions, LLC

Summit Brokerage Services, Inc.

The Investment Center, Inc.

The Strategic Financial Alliance, Inc.

United Planners' Financial Services of America

Waddell and Reed Inc.

Westport Resources Investment Services

Woodbury Financial Services, Inc.

Affiliates of Lockwood, including Pershing, may have also paid or received sponsorship fees for certain marketing activities of firms that do business with Lockwood. Lockwood manages this potential conflict of interest by applying the same selection criteria to Sub-advisers and mutual funds, regardless of whether Pershing or any other affiliate of Lockwood receives sponsorship fees.

E. Other Wrap Products and Services

Lockwood acts as Sponsor and/or portfolio manager in programs that may be similar to the Products described in this Brochure and priced differently. Lockwood acts as portfolio manager in programs where Lockwood acts as Sponsor and also in programs where it does not also act as Sponsor. **In addition, Lockwood's management of the investments in these other programs not described in this Brochure may differ from the way Lockwood manages the investments in the Products described in this Brochure, for accounts with the same or similar investment objectives, similar risk structure and similar size. For the Products described in this Brochure and the programs not described in this Brochure, where Lockwood acts as portfolio manager, Lockwood may make different decisions regarding the same security in different programs, taking into consideration all facts and circumstances, on or about the same time.** Lockwood personnel enter trade orders for each program independently from the other programs due to different trading technology platforms. As a result, the trades from one program may be entered before the trades of another program.

Lockwood, through its affiliation with Pershing Securities Singapore Pte Ltd., provides certain fund management services to accredited institutional investors in Singapore, subject to its registration in Singapore. In addition, Lockwood may provide mutual fund selection services in connection with mutual fund wrap programs that are not sponsored by Lockwood to BNYMTC and its clients may consist of individuals and institutions.

Lockwood may, for a fee, provide third-party financial services firms with its list of the investment vehicles used in AFP and such firm will offer a product similar to AFP to its Clients.

To obtain a copy of other Lockwood Brochures, call 1-800-200-3033, Option 3.

Lockwood may enter into agreements with third parties, including Firms and affiliates of Lockwood, whereby Lockwood will apply its proprietary quantitative screening techniques (including historical performance and risk measures) to a mutual fund and/or ETF universe provided to Lockwood by a third-party, including your Firm. Lockwood will then assess each mutual fund/ETF as to whether it passes or fails the screening process. The screening results are not intended to be offered by Lockwood as investment advice to clients, but rather only offered to the corresponding Firm. Lockwood has no investment discretion when it is only providing mutual fund and ETF screening services. Lockwood's fee for this service may be billed quarterly to the third-party or Firm.

F. Compensation from Sub-Advisers

Lockwood does not receive compensation directly or indirectly from the Sub-Advisers Lockwood selects for LIS.

G. BNY Mellon Incentive Compensation Plan

BNY Mellon has adopted an incentive compensation program (“IC Program”), which seeks to financially reward eligible employees who offer a business lead that results in a sale of certain affiliated products or services to existing clients and prospects. These rewards may be paid to Lockwood and its employees for referring business (services or products) to its affiliates, and Lockwood’s affiliates and their employees may receive rewards for referring business to Lockwood. The rewards may be based on the number of referrals made. These rewards may create conflicts of interest for Lockwood and our employees because we have an incentive to encourage our clients to engage in transactions with our affiliates, based on the compensation that we will receive for these referrals.

To the extent that Lockwood participates in the IC Program, it will do so in a manner that complies with all applicable law and Rule 206(4)-3 under the Advisers Act, if applicable.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Compliance Plan

Lockwood has adopted its Investment Advisory Compliance Plan (the “Plan”), pursuant to Rule 206(4)-7 under the Investment Advisers Act of 1940 (“Advisers Act”). Part of that plan includes the adoption of written policies and procedures, which are incorporated within Lockwood’s Compliance Manual. The Compliance Manual addresses the following topics:

- | | |
|---|--|
| 1. Adherence to Investment Objectives and Restrictions | 27. Gifts, Entertainment and Other Payments |
| 2. Advertisements | 28. Government Contracts |
| 3. Adviser’s Compliance Program | 29. Insider Trading and Pre-Clearance |
| 4. Adviser as Sponsor | 30. Investment Adviser Representative Registration |
| 5. Adviser as Portfolio Manager | 31. Late Trading and Market Timing- Mutual Funds |
| 6. Advisory Agreements | 32. Material Compliance Event |
| 7. Agency Cross Transactions | 33. Oversight of Portfolio Managers, Investment Vehicles and Buy List Providers |
| 8. Anti-Money Laundering | 34. Performance Advertising |
| 9. Best Execution | 35. Personal Securities Transactions & Records |
| 10. Books and Records | 36. Principal Trading |
| 11. Business Continuity and Disaster Recovery | 37. Prohibited Business Practices for Investment Advisers and their Associated Persons |
| 12. Client Accounts | 38. Proxy Voting |
| 13. Complaints | 39. Regulation S-P- Privacy of Client Financial Information and Safeguarding Information |
| 14. Conflicts of Interest | 40. Security Pricing and Account Valuations |
| 15. Continuing Education | 41. Soft Dollars |
| 16. Custody | 42. Solicitor Arrangements |
| 17. Dealings with Regulators, Government Agencies, Outside Attorneys and Duty to Escalate | 43. Trade Errors |
| 18. Directed Brokerage | 44. Trading |
| 19. Due Diligence – Third Party Firms | 45. Political Contributions by Investment Advisers |
| 20. Due Diligence-Selection of Portfolio Managers | |
| 21. Due Diligence-Selection of Investment Vehicles and Third-party List Providers | |
| 22. Electronic Communications | |
| 23. ERISA | |
| 24. Exchange Act Filings | |
| 25. Fees | |
| 26. Form ADV | |

Lockwood employees receive periodic training relating to the Compliance Plan, which is amended periodically to reflect additional policies.

B. Code of Ethics and Personal Trading

Lockwood has adopted a Code of Ethics (“Code”) pursuant to Rules 204A-1 and 204-2 under the Advisers Act. The Code is updated periodically, as necessary, and distributed to all personnel. Periodic training on the Code is provided to existing employees and all new employees upon hire.

The Code addresses a variety of topics relating to the appropriate conduct of investment advisory personnel, including the following:

- fiduciary duties of advisory personnel;
- confidentiality duties of advisory personnel;
- gift policy;
- trading policy for advisory personnel;
- reporting, review and record-keeping obligations; and
- avoidance of conflicts of interest.

With respect to personal trading, the Code contains rules and restrictions on the purchase and sale of securities by employees. These rules and/or restrictions are designed to protect Lockwood’s Clients. All officers and employees are required to put the interests of the Clients first in all dealings relating to the Client and their investments.

Activities that are strictly prohibited include:

- Having a personal interest in any Client transaction;
- Getting any personal benefit from a Client transaction;
- Using knowledge of Client transactions for personal gain; and
- Allowing anything to influence or impact an independent unbiased judgment with respect to Client communications.

Lockwood Compliance personnel monitor personal securities trading by employees and the members of the employee’s household. Employees who have direct contact with certain Client account information are required to get approval in advance of any securities transactions they wish to make. Employee personal trading reports are reviewed by Compliance personnel to verify the employees are complying with the Code. Lockwood may impose penalties and sanctions on employees who have violated provisions of the Code, including the personal trading policy. Employees must file transaction reports with Compliance at least quarterly. Compliance personnel review employee transaction reports.

To the extent the Code is silent on a matter; Lockwood shall default to the BNY Mellon Code of Conduct and Interpretive Guidance (the “BNY Mellon Code”). The BNY Mellon Code provides to employees the framework and sets the expectations for business conduct. In addition, it clarifies our responsibilities to clients, suppliers, government officials, competitors and the communities we serve and outlines important legal and ethical issues.

Lockwood will provide a copy of the Code or BNY Mellon Code to you or any prospective Client, upon request.

C. Participation or Interest in Client Transactions

Lockwood, its employees and/or affiliates may give advice and take action in the performance of their duties that may be the same as, similar to, or different from advice given, or the timing or nature of actions taken, for other Client accounts or for their proprietary or personal accounts. Lockwood and its employees may at any time hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which your account may have an interest from time to time. Lockwood has no obligation to acquire for your account a position in any investment, which it, acting on behalf of another Client, or an employee, may acquire, and the Client accounts shall not have first refusal, co-investment or other rights in respect of any such investment. In addition, Lockwood employees may be invested in the Products. Because this may present a potential conflict of interest, Lockwood has adopted a Code of Ethics, which includes restrictions on employees' personal trading as described above.

D. Privacy Policy

Lockwood protects your personal information. Please refer to Exhibit B for Lockwood's Privacy Policy.

E. Business Continuity

Lockwood has adopted a business continuity strategy to maintain critical functions in the event of circumstances, which impact our physical plants, applications, data centers or networks. Lockwood has engaged in planning and process development to reduce risk in this area.

F. Error Correction

Lockwood seeks to correct errors affecting Client accounts in a fair and timely manner and in such a way that the Client will not suffer a loss. To manage potential conflicts of interest concerning errors, we have implemented a written error resolution policy, whereby risk management personnel monitor and resolve such issues.

G. Risk Committee

A Risk Committee has been established that provides oversight of investment management and operational policies and procedures.

Item 12 Brokerage Practices

A. Soft Dollars

Lockwood currently does not use soft dollar research or services. In the event Lockwood should begin to use soft dollar research or services, then Lockwood would make a good faith determination of the value of the research product or service in relation to the commissions paid. Lockwood would pay particular attention to the fact that any benefit must be advantageous to Clients.

B. Trade Aggregation

Lockwood delegates certain operational functions to PMAS, including trade order entry with respect to AFP, LIS and LAAP. Due to different trading technology platforms, the timing of trading among the different Products may, and often does, differ.

Lockwood maintains “average price accounts” at Pershing for the trades in accounts managed by Lockwood. Generally, trades made within the same Product are aggregated in the same trading block so that all accounts within that trading block will receive the same price for execution based on the average price for the block. Typically, for each Product, trades for new accounts, style changes and previous day contributions are aggregated in one trade block. For example, if the same security is being purchased in both AFP and LAAP at the same time, there would be separate trading blocks for each of the AFP and LAAP trades. For large ETF orders, however, Lockwood may combine a trade across the Products.

Throughout the day, at various times, Lockwood may receive requests from Clients that require Lockwood to make a trade. For example, you may ask your Consultant to raise cash for an upcoming withdrawal, liquidate a security or change the selected model portfolio. PMAS will process the request and enter an order for a trade block as each request is received. If PMAS receives multiple requests within a reasonable time (typically a 15 minute window), generally, PMAS will aggregate those trades into a single trading block.

C. Trade Rotation Policy

Lockwood has adopted a trade rotation policy which is applicable to the Products on the Command platform. Lockwood uses the Fiserv APL trading system (“APL”) to allocate the trades made in the Products. Lockwood utilizes the pro-rata method within APL in the event of a partial fill, whereby Lockwood allocates shares to accounts on a pro-rata basis governed by a series of tax-lot and trade criteria until all shares are allocated.

D. Rebalancing

Lockwood may change the style allocation, Sub-Advisers or investment vehicles used to manage a portion of the portfolio without receiving instructions signed by you in each case. In the event of an asset allocation change, Lockwood rebalances the portfolio accordingly (a “Global Rebalance”). During the life of the portfolio, Lockwood may change the investment vehicles used within the portfolio to attempt to achieve more effective tracking to a benchmark, or make

an allocation to a specific sector or characteristic, such as International Small-Cap or fixed income duration.

Accounts are systematically reviewed periodically to determine if they fall outside of the drift parameters. If the account has drifted away from the model allocation such that it falls outside of the established parameters, it will be rebalanced back to the selected investment model. If the account is within the drift parameters, the account will not be rebalanced. Lockwood retains discretion to determine if a rebalance is appropriate at any time during the life of the account.

When you request a cash withdrawal from your account, Lockwood must first sell some of the securities in your account to raise the cash you requested. After an equity security is sold, it may take up to three (3) business days before the trade settles and the cash proceeds are in your account. In some cases, Lockwood may be able to request a “short settlement” and have the trade settled in one (1) business day. Please note, however, that you will incur additional brokerage costs to have a short settlement effected. In addition, certain mutual funds do not permit next day settlement requests even though most open-ended mutual fund trades settle in one (1) business day.

During a Global Rebalance, if there is a cash balance in the portfolio, the cash may not be available to be withdrawn. Lockwood performs its trading analysis based on trade date, not settlement date, so cash may appear to be available to you when it is not available during such a Global Rebalance.

For example, Lockwood sends an order to sell a security and buy another security. The security sale raises \$10,000 and the new security is purchased for the same amount. The sale may settle the next business day, but the new security may not settle for three (3) more business days. If you request a withdrawal and take the cash in the strategy after the sale of the security settles, but before the new security buy settles, it will result in a negative balance. In addition, there are times when it will take more than one (1) day to complete the trading required for a Global Rebalance and cash may appear to be available to you at times when it is not available.

If you wish to make a withdrawal or some other change, such as a Model change, style change, etc., Lockwood cannot process this request on shares that have not settled, because the client does not own them yet. This would constitute a violation called “freeriding,” which is not permitted under the Federal Reserve Board’s Regulation T and the custodian may be required to prohibit trading in the Client’s account for 90 days.

You should consult your tax advisor and Consultant on these issues prior to requesting a withdrawal from your account.

E. Best Execution

Lockwood has adopted a Best Execution Policy pursuant to which Lockwood reviews exception reports containing samples of trades to monitor for best execution. Pursuant to its best execution policy, Lockwood has established a best execution committee which meets quarterly to review compliance and to monitor compliance with applicable regulations.

In Command, Lockwood may send trade orders to Lockwood's affiliate, Pershing. All such trades are affected on an agency basis, unless prior Client approval is obtained for a principal trade, in accordance with the Advisers Act. Lockwood may trade away from Pershing in order to achieve best execution. When selecting other broker-dealers, Lockwood does not consider whether Lockwood or an affiliate receives client referrals from that broker-dealer. Lockwood may delegate certain functions, including administration of trading to PMAS. In MAS, Lockwood sends trade orders to Merrill Lynch for execution.

Item 13 Review of Accounts

Lockwood employs a number of reports to monitor an account's holdings with respect to the Products. Periodically, Lockwood personnel employ a variety of reports to review accounts for such items as cash level, style drift and investment performance. As a result of these reviews, Lockwood, in its sole discretion, may rebalance your account in such instances as it believes are in your best interests.

Your Consultant and your Sponsor are responsible for obtaining information from you regarding your financial situation and investment objectives, and providing you with the opportunity to impose reasonable restrictions on the management of the account.

In addition, your Consultant and your Sponsor are responsible for monitoring your investment objectives or guidelines on an on-going and periodic basis, but not less frequently than quarterly, to confirm consistency with your investments/portfolios.

Your Consultant and your Sponsor will ask you, at least annually, to inform them of any changes in your financial condition or of any changes to investment restrictions which you wish to impose. While there are no restrictions on your ability to contact and consult Lockwood personnel, it is generally preferred that you do so through, or together with your Consultant.

Lockwood may provide your Consultant with written investment performance reports.

Item 14 Client Referrals and Other Compensation

As of the date of this Brochure, Lockwood does not have any solicitor arrangements. Lockwood may enter into agreements with third parties who will solicit investor Clients for Lockwood and receive compensation from Lockwood for their solicitation efforts. In such instances, Lockwood will give the third-party solicitor either a percentage of or a set fee from the Lockwood advisory fee charged to the Client. The Lockwood advisory fee charged to the Client is not affected by the use of a third-party solicitor in connection with the Client's account(s), and the Client will not be assessed any additional charges because of that referral fee paid by Lockwood. If the services of a third-party solicitor are used in connection with the Client's account, the structure of the arrangement and the compensation paid to the third-party solicitor will be fully disclosed to the Client pursuant to Rule 206(4) of the Advisers Act.

Item 15 Custody

You will receive custodial account statements about portfolio holdings directly from the custodian that maintains your funds and securities. You are encouraged to carefully review the custodial account statements you receive from the custodian and compare the information on those statements to any report on an account that you receive from Lockwood. If you require additional information about the content of a Lockwood report, you should contact the Service Desk at 1-800-200-3033, Option #3.

Accounts may be custodied at Pershing, an affiliate of Lockwood or elsewhere. In addition to custodial brokerage statements provided by the custodian, Lockwood may make regular investment performance and evaluation reports available to your Consultant, so you can measure your progress toward your financial goals.

Because Lockwood is affiliated with Pershing, Lockwood engaged an independent public accountant to perform a surprise examination of Lockwood pursuant to Rule 206(4)-2 under the Advisers Act. The most recent independent public accountant's report dated November 22, 2011, is filed with the SEC and is available at the SEC's website www.adviserinfo.sec.gov. (Click on the link, select "investment adviser firm," type in "Lockwood Advisors", and then select "Form ADV-E, Accountant Surprise Examination Report.")

It is Lockwood's policy that it does not advise, initiate or take any other action on your behalf relating to securities held in your account managed by Lockwood in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies). Lockwood does not file proofs of claim relating to securities held in your account and does not notify you or your custodian of class action settlements or bankruptcies relating in any way to such account. You should consult with your custodian, Pershing or Merrill Lynch, and other service providers to ensure such coverage.

Item 16 Investment Discretion

If you have an AFP account, you have given Lockwood and your Consultant certain discretion in your investment advisory agreement with your Sponsor. As previously described in Items 8 and 12, you have given Lockwood the limited discretion to make trades in your account for Model Updates. Lockwood, in its sole discretion, may rebalance your account in such instances as it believes are generally beneficial and in accordance with the Model selected by you and your Consultant. You grant limited discretion to your Consultant to make changes to Primary Selections and Alternative Selections in your AFP account and to make other decisions relating to the AFP account on your behalf.

If you have an LIS or LAAP account, you have given Lockwood certain discretion in your investment advisory agreement with your Sponsor or in the case of the MAS program, in your contract with Lockwood. As described in Items 8 and 12, you have given Lockwood full discretionary authority to select securities for your account, to make trades in your account and to rebalance your account in such instances as it believes are in your best interests and in accordance with the model selected by you and your Consultant.

Item 17 Voting Client Securities

If you opt to have Lockwood vote proxies for you, your custodian will send reorganization notices and proxy materials to Lockwood. If your account is a tax-qualified retirement plan subject to ERISA, unless you opt to do it yourself, Lockwood will vote your proxies. If your account is not an ERISA account, you may either retain the right to vote proxies or delegate such authority to Lockwood. If you opt to vote your own proxies, you will receive proxies as described in your brokerage agreement with the Sponsor. Clients should contact their Consultant if they have any questions about any proxies or other solicitations they receive.

Lockwood's proxy voting policy is described below:

Lockwood participates in BNY Mellon's Proxy Policy Committee (the "Proxy Committee") and has adopted a Proxy Voting Policy, related procedures, and voting guidelines. These policies apply to those Clients who have given Lockwood, through the investment advisory agreement, authority to vote proxies. In voting proxies, Lockwood will seek to act solely in your best interest.

Lockwood will carefully review proposals that would limit shareholder control or could affect the value of a Client's investment. Lockwood generally will oppose proposals designed to protect a company's management unnecessarily from the wishes of a majority of shareholders. However, Lockwood will generally support proposals designed to provide management with short-term protection from outside influences so as to allow management to achieve long-term goals.

Conflicts of interest may arise between Lockwood's interests and our Client's interest when voting Client securities. A conflict of interest may exist, for example, if BNY Mellon or any of its affiliates has a business relationship with either the company soliciting the proxy or a third-party that has a material interest in the outcome of a proxy vote. Lockwood seeks to avoid material conflicts of interest through its participation in the Proxy Committee, which applies detailed, pre-determined proxy voting guidelines (the "Voting Guidelines") in an objective and consistent manner across Client accounts, based on internal and external research and recommendations provided by a third-party vendor, and without consideration of any Client relationship factors. Further, Lockwood and its affiliates engage a third-party as an independent fiduciary to vote all proxies for BNY Mellon securities and affiliated mutual fund securities.

All proxy voting proposals are reviewed, categorized, analyzed and voted in accordance with the Voting Guidelines. These guidelines are reviewed periodically and updated as necessary to reflect new issues and any changes in our policies on specific issues. Items that can be categorized under the Voting Guidelines will be voted in accordance with any applicable guidelines. On the other hand, proposals that cannot be categorized under the Voting Guidelines will be referred to the Proxy Committee for discussion and vote. Additionally, the Proxy Committee may review any proposal where it has identified a particular company, industry or issue for special scrutiny. With regard to voting proxies of foreign companies, Lockwood may weigh the cost of voting, and potential inability to sell the securities, (which may occur during the voting process) against the benefit of voting the proxies to determine whether or not to vote.

Clients may request Lockwood to make a particular vote with regard to an issue of importance to the Client, and Lockwood will consider the feasibility of honoring that request within its policy and administrative procedures.

Lockwood will furnish a complete copy of its Proxy Voting Policy, any related procedures, and its Voting Guidelines to each Client upon request. Upon request, Lockwood will also disclose the proxy voting history for a Client's account after the shareholder meeting has concluded.

Item 18 Financial Information

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. Lockwood 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.

EXHIBIT A

Risks Associated with Certain Investments

Despite the analysis undertaken by Lockwood's analysts, it is important to remember that all investments carry at least some degree of risk. Risk may include loss of some, or even all, of your investment. No particular type of investment, or approach to investing, is guaranteed to perform well, and there may be other investment vehicles, portfolio managers or approaches not offered by Lockwood that may perform as well or better. You should consider these factors carefully before deciding to invest. The risks associated with certain investments are described below.

Alternative Investments and Derivatives

Alternative investments and derivatives are often more volatile than other investments and may magnify the vehicle's gains and losses. A derivative is a security or contract (futures, options etc.) the value of which fluctuates with the value of another security (i.e., its value is "derived" from the value of another). An example would be a call option on a stock. The value of the option depends, in part, on the price of the stock. An investment vehicle that uses derivatives could be negatively affected if the change in market value of its securities fails to correspond as expected to the underlying securities. You should have a long-term investment horizon if you are considering these types of investments.

Alternative investment products are not for everyone and entail risks that are different from more traditional investments. Alternative investment strategies are intended for sophisticated investors and involve a high degree of risk, including, among other things, the risks inherent in investing in securities and derivatives, using leverage, and engaging in short sales. An investment in an alternative investment product or strategy is speculative and should not constitute a complete investment program. Diversification and strategic asset allocation do not assure a profit or protect against loss in declining markets.

The potential for a commodity investment vehicle to use derivative instruments, such as futures, options, and swap agreements, to achieve its investment objective may create additional risks that would not be present in the underlying securities themselves, thus raising the potential for greater investment loss.

Convertible Arbitrage Strategies

Mutual funds that employ convertible arbitrage strategies seek to generate income by purchasing convertible securities and then selling short the securities' underlying stock. Investing in convertible securities involves risks, including the risk that the company issuing the debt security will be unable to repay principal and interest (default risk) and the risk that the debt security will decline in value if interest rates rise (interest rate risk). Convertible securities are subject to price fluctuations and may gain or lose value if sold prior to maturity. A majority of convertible securities trade on the over-the-counter market, which may make them more illiquid than other investments. Short selling involves significant risk, as an increase in the value of borrowed

securities between the date of the short sale and date the borrowed security is replaced may expose the mutual fund to unlimited loss.

Corporate Fixed Income

Investments in corporate fixed income securities are subject to a number of risks, including the possibility of issuer default, credit risk, market risk and call risk.

Covered Calls

Mutual funds that engage in the selling (or writing) of covered calls may involve a high degree of risk and may not be suitable for all investors. For a call option that is sold (written), if that option is exercised, the upside potential is limited to the premium received plus the difference between its stock price and the stock purchase price. If the option is not exercised and expires out-of-the-money and with no value, the upside potential is any gain in share value plus the premium received. On the downside, limited protection is provided by the premium received from the call's sale. The loss potential may be substantial and is limited only by the stock declining to zero. Investors should read and understand the risks associated with options prior to engaging in any covered call strategy. These risks are more fully described in the booklet entitled "The Characteristics & Risks of Standardized Options", which can be accessed at www.optionsclearing.com.

Currency Carry Strategies

Mutual funds that employ currency carry strategies seek to benefit from changes in the relative valuations of one currency to another currency, primarily through the buying and selling of over-the-counter (OTC) derivatives, such as currency spot, forward and non-deliverable forward contracts. This strategy may involve significant risk, as there is no exchange on which to trade over-the-counter derivatives and no standardization of contracts, which may make it difficult or impossible to value or liquidate an open position. The relationship between different currencies may be highly volatile, and transactions involving foreign currencies may entail risks not common to investments denominated entirely in a person's domestic currency. Such risks include the risks of political or economic policy changes in the foreign nation; the stability of foreign governments, banking systems and economies; the performance of global stock markets; interest rate levels; inflation; and any other conditions that may substantially and permanently alter the conditions, terms, marketability or price of a foreign currency. The market for some currencies may, at times, experience low trading volume and become illiquid, thus subjecting the mutual fund to added risk, including the potential for substantial loss.

Emerging Markets

Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. In particular, emerging markets may have relatively unstable governments, present the risk of sudden adverse government or regulatory action and even nationalization of businesses restrictions on foreign ownership on prohibitions of repatriation of assets, and may have less

protection of property rights than more developed countries. The economies of emerging market countries may be based predominantly on only a few industries and may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme debt burdens or volatile inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult. Transaction settlement and dividend collection procedures also may be less reliable in emerging markets than in developed markets.

ETFs

Lockwood's fees for the Products do not include fees or expenses that may be associated with individual ETFs, including, but not limited to, the ETF sponsor fee, the trustee fee, ETF custodian's fee, stock exchange listing fees, SEC registration fees, printing and mailing costs, audit fees, legal fees, licensing fees, marketing expenses and other operating expenses. For more information on these expenses, refer to the ETFs prospectus. There are special risks associated with ETFs, such as:

- ETF shares are not individually redeemable.
- The market price of ETF shares may differ from the net asset value.
- An active trading market for ETF shares may not exist and if it does exist, it may not be maintained over time.
- Trading of ETF shares may be halted by regulators under certain circumstances.

Certain ETFs may have elected to be treated as partnerships for federal, state and local income tax purposes. Accordingly, if you own one of these ETFs, you will be taxed as a beneficial owner of an interest in a partnership. Tax information for such ETFs will be reported to you on an IRS Schedule K-1. You should consult your tax advisor in determining the tax consequences of any investment, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

Exchange-Traded Notes

Exchange-Traded Notes ("ETNs") are a type of senior, unsecured, unsubordinated debt security of the issuing company. This type of debt security differs from other types of bonds and notes because ETN returns are based upon the performance of a market index minus applicable fees, no periodic coupon payments are distributed and no principal protection exists. Similar to ETFs, ETNs are generally traded on a securities exchange. Investors can also hold the debt security until maturity. At that time, the issuer is obligated to give the investor a cash amount that would be equal to the principal amount times the applicable index factor less investor fees. The index factor on any given day is a mathematical equation equal to the closing value of the underlying index on that day divided by the initial index level. The initial index level is the closing value of the underlying index on the creation/inception date of the note.

One significant risk factor that affects an ETN's value is the credit of the issuer. ETNs are synthetic investment products that do not represent ownership of the securities of the indices they track, and are backed only by the issuer's credit. The value of the ETN may drop despite no change in the underlying index due to the adverse change in issuer's creditworthiness or in

perceptions of the issuer's creditworthiness. Another significant risk factor affecting ETNs is liquidity. Upon issuance, the ETNs may not have an established trading market. There is no assurance that a trading market for the notes will develop or, if one develops, that it will be maintained. Although the issuers of the notes may apply to list certain issuances of notes on a national securities exchange, the notes may not meet the requirements. Even if there is a secondary market, it may not provide liquidity. While the issuers of the notes may make a market for the notes, they are not required to do so. If the notes are not listed on any securities exchange and the issuers of the notes were to cease acting as a market maker in the notes, it is likely that there would be no secondary market for the notes. All of these factors impact the overall liquidity of the notes and may impact the price received upon disposition of the notes.

Additional risks of investing in ETNs include limited portfolio diversification, price fluctuations, issuer default, uncertain principal repayment, and uncertain federal income tax treatment. Clients should consult their tax advisor regarding tax treatment. Investing in ETNs is not equivalent to a direct investment in an index or index components. The performance of the ETNs may vary from the actual performance of the underlying index and the performance of the underlying index components. By investing in ETNs, the owner does not have certain rights that investors in the underlying index or the underlying index components may have, such as stock voting rights. Upon sale or redemption of the ETN shares, the owner will be paid cash, and will have no right to receive delivery of any of the underlying index components or commodities or other assets underlying the index components. Similar to ETFs, ETNs have operating fees that will reduce the amount of return at maturity or on redemption, and as a result, the owner may receive less than the principal amount of its investment upon sale or redemption of an ETN, even if the value of the relevant index has increased.

Fixed Income

Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, which could reduce the yield that you receive from your portfolio. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.

Floating Rate Loans

Investment vehicles may include mutual funds and/or ETFs that invest in floating rate loans, which are subject to risks similar to those of below investment grade securities. The value of the collateral securing the loan may decline, causing a loan to be substantially unsecured. In addition, the sale and purchase of a bank loan are subject to the requirements of the underlying credit agreement governing such bank loan. These requirements may limit the eligible pool of potential bank loan holders by placing conditions or restriction on sales and purchases of bank loans. Bank loans are not traded on an exchange and purchasers and sellers of bank loans rely on market makers, usually the administrative agent for a particular bank loan, to trade bank loans. These factors, in addition to overall market volatility, may negatively impact the liquidity of loans. Difficulty in selling a floating rate loan may result in a loss. Borrowers may pay back principal before the scheduled due date when interest rates decline, which may require the mutual fund or ETF to replace a particular loan with a lower-yielding security. There may be less public information available with respect to loans than for rated, registered or exchange

listed securities. The mutual fund or ETF may assume the credit risk of the administrative agent in addition to the borrower, and investments in loan assignments may involve the risks of being a lender.

Foreign Investments

Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic, and political risks, and may follow different accounting standards than domestic investments.

Futures

Mutual funds that employ managed futures strategies typically utilize derivatives, such as futures, options, structured notes and swap agreements, which provide exposure to the price movements of a commodity (i.e., oil, grain, livestock) or a financial instrument (i.e., currency, index). This may expose the fund to additional risks that would not be present had the fund invested directly in the securities underlying those derivatives. Mutual funds that invest in commodity-linked derivatives may be subject to greater volatility, as the value of those derivatives may be affected by overall market movements, changes in interest rates and other factors such as weather, disease, embargoes and international economic and political developments, as well as the trading activity of speculators and arbitrageurs in the underlying commodities. This strategy may cause the mutual fund to invest a significant portion of assets in the securities of a single issuer. Changes in the market value of the issuer's securities may result in greater volatility than would otherwise occur in a more diversified mutual fund, thus increasing the potential for greater investment loss. Mutual funds that employ managed futures strategies may purchase shares of other pooled investments, such as ETFs. In addition to its own expenses, the mutual fund will also bear a portion of the ETFs expenses, which may negatively impact performance. A highly liquid secondary market may not exist for certain derivatives utilized by this strategy, and there can be no assurances that one will develop.

GNMA Securities

Investments in GNMA securities involve fluctuation due to changing interest rates or other market conditions. Investors may experience a gain or loss due to prepayment of obligations and may receive back part of their investment before redemption.

Gold

Investment vehicles in the Products may include ETFs that invest in gold bullion. The price of gold has fluctuated widely over the past several years. Several factors affect the price of gold, including: global supply and demand; global or regional political, economic or financial events and situations; investors' expectations with respect to the rate of inflation; currency exchange rates and interest rates. There is no assurance that gold will maintain its long-term value in terms of purchasing power in the future.

Health Sciences

Investment vehicles may include mutual funds and/or ETFs that invest in health sciences companies, which are subject to a number of risks, including the adverse impact of legislative actions and government regulations. These actions and regulations can affect the approval process for patents, medical devices and drugs, the funding of research and medical care programs, and the operation and licensing of facilities and personnel. The goods and services of health sciences companies are subject to risks of rapid technological change and obsolescence, product liability litigation, and intense price and other competitive pressures.

High Yield Bonds

The strategy may invest to a limited extent in high yield bonds. High yield (“junk”) bonds involve greater credit risk, including the risk of default, than investment grade bonds, and are considered predominantly speculative with respect to the issuer’s ability to make principal and interest payments. The prices of high yield bonds can fall dramatically in response to bad news about the issuer or its industry, or the economy in general.

Inflation-Indexed Bonds

Investment vehicles used in the Products may invest in inflation-indexed bonds and other fixed income securities. Bonds are subject to a variety of risks including interest rate, credit, and inflation risk.

International Equity Small-Cap

Investments in international equity small-cap securities involve additional risks, including foreign currency risk, political instability, foreign legal and accounting practices, increased volatility, and reduced liquidity often associated with securities of smaller companies.

Long Short Positions

Investment vehicles used in the Products may employ the use of long and short positions, which may involve risks different from those normally associated with other types of investment vehicles, such as mutual funds. It is possible that the fund’s long positions will decline in value at the same time that the value of the securities sold short increases, thus raising the potential for greater investment loss. Market neutral investing, in using long and short positions, provides no guarantee that it will be successful in limiting the fund’s exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Investment in a strategy involved in long and short selling may have higher portfolio turnover rates, which may result in additional tax consequences. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

Merger Arbitrage Strategies

Mutual funds that employ merger arbitrage strategies seek to capitalize on “event”-driven situations, such as announced mergers, acquisitions and reorganizations, by purchasing the securities of companies that have agreed to be acquired by another company. This strategy involves risks, including the risk that the merger or similar transaction will not occur, will be renegotiated at a less attractive price or may take longer than expected to be completed, which

may cause the price of the company's securities to decline significantly. Mutual funds that employ merger arbitrage strategies may experience significant portfolio turnover, generally resulting in additional transaction costs that may negatively impact fund performance. Mutual funds may also invest in the securities of a limited number of companies whereby a decline in the value of any one security may have a greater impact on the mutual fund's share price. This may result in increased volatility over a more diversified fund and the potential for greater investment loss.

Micro-Cap Securities

Micro-cap stocks may offer greater opportunity for capital appreciation than the stocks of larger and more established companies; however, they also involve substantially greater risks of loss and price fluctuations. Micro-cap companies carry additional risks because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses), and their share prices tend to be more volatile and their markets less liquid than companies with larger market capitalizations. Micro-cap companies may be newly formed or in the early stages of development, with limited product lines, markets or financial resources, and may lack management depth. In addition, there may be less public information available about these companies. The shares of micro-cap companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the ability to sell these securities. In addition, it may take a long time before the value of your investment realizes a gain, if any, on an investment in a micro-cap company.

Mortgage-and Asset-Backed Securities

Investments in mortgage-and/or asset-backed securities involve risk, including the risk of prepayment, which may affect the overall return of the investment. Only select deposit products and investments are guaranteed by the Federal Deposit Insurance Corporation (FDIC), and the credit quality of a particular security or group of securities does not ensure the stability or safety of the overall portfolio.

Mutual Funds

Lockwood's fees for the Products respectively do not include fees or expenses, which may be associated with individual mutual funds, including, but not limited to, redemption fees, 12b-1 fees, other fund expenses or other applicable regulatory fees. Lockwood's affiliates, including Pershing and PAS, may receive fees from certain mutual fund families whose funds are employed in the Managed Products. Please refer to each mutual fund's prospectus for more information about the specific investment risks associated with each mutual fund.

Non-U.S. Fixed Income

Investments in non-U.S. fixed income securities involve additional risk, including interest rate risk, credit risk and market risk, which could reduce the yield that you receive from your portfolio. These are in addition to the risks associates with all fixed income securities, including interest rate risk, market risk and the possibility of issuer default.

Preferred Securities

Portfolios that invest in preferred securities are subject to certain risks, including interest rate risk, where a rise in interest rates may cause the value of preferred shares to decline significantly. Dividend payments are not guaranteed, and an issuer's decision to decrease or suspend dividend payments may adversely affect the value of its preferred shares. Redemption of shares due to maturity, conversion or call features may decrease the overall yield of the portfolio.

REITS

Investments in REITs are subject to many of the risks associated with direct real estate ownership and, as such, may be adversely affected by declines in real estate values and general and local economic conditions.

Small- and/or Mid-Cap Portfolios

Small and midsize companies carry additional risks because the operating histories of these companies tend to be more limited, their earnings and revenues less predictable (and some companies may be experiencing significant losses), and their share prices more volatile than those of larger, more established companies. The shares of smaller companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the strategy's ability to sell these securities. These companies may have limited product lines, markets or financial resources, or may depend on a limited management group. Some of the strategy's investments will rise and fall based on investor perception rather than economic factors. Other investments are made in anticipation of future products, services or events whose delay or cancellation could cause the stock price to drop.

Specific Sector or Industry

Portfolios that invest a significant portion of assets in one sector or industry, or in related industries, may involve greater risks, including greater potential for volatility, than more diversified portfolios.

Treasury Inflation Protected Securities

Investments in Treasury Inflation Protected Securities involve liquidity risk and are subject to specific taxation obligations.

Treasury Securities

Investments in intermediate- and long-term Treasury securities involve interest rate risk and inflation risk, which could reduce the value or real return of an investment should interest rates rise.

EXHIBIT B

Lockwood Privacy Policy

(BEGINS ON NEXT PAGE)

FACTS

WHAT DOES **Lockwood** DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information.

Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information may include:

- Social Security number
- Risk Tolerance
- Investment Experience
- Income and Assets
- Account Balances

When you are no longer our client, we may continue to share your information as described in this notice.

How?

All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies may share their clients' personal information; the reasons Lockwood chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Lockwood share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	No
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	No
For our affiliates to market to you	No	No
For non-affiliates to market to you	No	No

Questions?

**Call Lockwood Compliance at 1-800-200-3033,
extension 8776**

Who we are

Who is providing this notice?

Lockwood Advisors, Inc. ("Lockwood")

What we do

How does Lockwood protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our internal data security policies restrict access of nonpublic personal information to authorized employees. We maintain physical, electronic and procedural safeguards to guard our customers' nonpublic personal information. Employees who violate our data security policies are subject to disciplinary action, up to and including termination.

How does Lockwood collect my personal information?

We collect your personal information for example, when you

- Open an account
- Make deposits/withdrawals
- Enter into an Investment Advisory Contract
- Provide your income information
- Provide your employment information
- Show your Driver's License information

We also collect your personal information from others such as affiliates or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies. Our affiliates include Pershing, LLC, Pershing Advisor Solutions and The Bank of New York Mellon Corporation.

Non-affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- Lockwood does not share with non-affiliates so they can market to you.

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- Lockwood doesn't jointly market.

Other important information

This notice applies to individual consumers who are customers or former customers. This notice replaces all previous notices of our consumer privacy policy, and may be amended at any time. We will keep you informed of changes or amendments as required by law.