

CCO Investment Services Corp.

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March 30, 2012

Form ADV, Part 2A, the “Disclosure Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients and CCO Investment Services Corp. This Disclosure Brochure provides information about our qualifications and business practices.

This Disclosure Brochure provides information about the qualifications and business practices of CCO Investment Services Corp. If you have any questions about the contents of this Disclosure Brochure, please contact CCO Investment Services Corp. at 781-551-3973. The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about CCO Investment Services Corp. also is available at the SEC’s website www.adviserinfo.sec.gov (click on the link, select “investment adviser firm” and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

CCO Investment Services Corp. is a registered investment adviser with the Securities and Exchange Commission. Our registration as an investment adviser does not imply any level of skill or training. The oral and written communications provided to you, including this Disclosure Brochure, is information you use to evaluate CCO Investment Services Corp. (and other advisers) which are factors in your decision to hire CCO Investment Services Corp. or to continue to maintain a mutually beneficial relationship.

Material Changes

What is in this Current Brochure

This March 30, 2012 version of the CCO Investment Services Corp. Part 2A Disclosure Brochure (the “March 2012 Updated Disclosure Brochure”) updates, amends and replaces our Part 2A Disclosure Brochure dated March 31, 2011 (the “March 2011 Disclosure Brochure”). The March 2011 Disclosure Brochure was the “initial” filing of what is regarded as “The New Part 2A” and replaced our disclosure brochure called the Form ADV Part II (the “Old Part II”). The March 2011 Disclosure Brochure was developed in response to new requirements adopted and imposed by the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940 (IA Act) and, as a result, was brand new and was substantially different from previous versions and includes disclosures not specifically required by the Old Part II.

The principal changes to the March 2011 Disclosure Brochure that appear in this March 2012 Updated Disclosure Brochure are the following:

- On page 7, we have updated the section entitled “The Assets We Manage” to provide information as of December 31, 2011 (which information was as of December 31, 2010 in the March 2011 Disclosure Brochure).
- We had added relevant information throughout the document to describe an additional wrap fee program offered through the Firm, the CCO Select Tactical Allocation Group (TAG) ETF Wrap Program, including a description of the program (pages 5 - 6), the applicable fee schedule (on page 12), the applicable minimum account size (page 20), the methods of analysis, investment strategies and risk of loss (pages 21 through 25), the relative responsibilities of us, Envestnet and the ETF Model Provider in connection with the program (see “Investment Discretion” on page 43) and the proxy voting procedures relating to securities held in TAG ETF Wrap Program accounts (see “Voting Client Securities (i.e., Proxy Voting)) on page 44).
- We have revised the information regarding the Portion of Program Fee Payable to Us in the fee schedule for the Separate Account Fee Schedule in the case of Fixed Income Management (pages 8- 9)*.
- We have revised the information regarding the Portion of Program Fee Payable to Us in the fee schedule for the Multi-Manager Account Fee Schedule (pages 9 -10)*.
- In the fee schedule for Mutual Fund Wrap Program Fee Schedule on page 11, in the case of Portfolios Other Than Fixed Income, we have revised the tiers of assets-under-management corresponding to each of the different rates of Program Fee and we have revised the Portion of Program Fee Payable to Us*.
- We have revised the information regarding the Portion of Program Fee Payable to Us in HOMM Program Fee Schedule (page 13)*.

* Additional information is available upon request by contacting us at 781-551-3973.

- We have added information regarding an administrative penalty paid to the State of New Jersey (see last paragraph under “Miscellaneous Legal and Disciplinary Proceedings” on page 27).

Future Filings

In future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since the last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

How to Obtain a Current Brochure

If you would like another copy of this Disclosure Brochure, please download it from the SEC Website as indicated above or you may contact Edward P. Cahillane, the Firm’s Interim Chief Compliance Officer, 781-551-3973.

* Additional information is available upon request by contacting us at 781-551-3973.

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Advisory Business

The Advisory Services We Offer

We offer investment advisory services to both existing and prospective clients through access to a turnkey asset management program (“TAMP”) sponsored and administered by an unaffiliated investment advisory firm.

We do not provide legal, tax or accounting advice.

CCO Select Portfolio Managed Account Program

CCOISC offers a managed account investment advisory program known as the CCO Select Portfolio Managed Account Program (the “Managed Account Program”). We offer the Managed Account Program through an agreement with Envestnet Asset Management, Inc. (“Envestnet” or “Platform Manager”), an independent TAMP provider that is not affiliated with us. The following separate investment management programs (the “Select Portfolio Programs”) are available to our clients as part of our Managed Account Program:

- **CCO Select Portfolio Separate Account Program** – gives clients the opportunity to select from a researched and approved list of equity and fixed income money managers that are compatible with the client’s needs.
- **CCO Select Portfolio Multi-Manager Account (“MMA”) Program** -- gives clients who are looking to diversify their portfolios among different money management styles access to allocation models that are actively managed by money managers and that are appropriate to the client’s investment risk tolerance.
- **CCO Select Portfolio Client-Directed Unified Managed Account (“UMA”) Program** -- gives the client the ability to direct the investment of the client’s account into a single portfolio that, like the MMA Program, accesses multiple asset managers representing various asset classes.
- **CCO Select Portfolio Mutual Fund Wrap Program** -- gives clients who are looking to diversify their portfolios among different mutual fund families and styles access to asset allocation models that are actively managed within mutual funds and that are appropriate to the client’s investment risk tolerance.
- **CCO Select Portfolio Tactical Asset Group (“TAG”) ETF Wrap Program** -- gives clients who are looking to diversify their portfolios among different exchange-traded funds (“ETFs”) and styles access to ETF investments that track asset allocation models constructed by a designated money manager.

- **CCO Select Portfolio Non-Discretionary Home Office Model Management (“HOMM”) Program** -- gives clients the ability to direct the investment of the client’s account into a model portfolio comprised of a group of designated mutual funds and ETFs.

Tailored Investment Services. Under the Managed Account Program, you and our representatives compile pertinent financial and demographic information to develop an investment program that is designed to assist you in meeting your financial goals and objectives. The process includes the following steps:

- You, together with our representatives known as Financial Consultants (“FCs”), use a risk tolerance questionnaire developed by Envestnet to identify your needs and objectives, investment time horizon, risk tolerance and other pertinent information.
- The information compiled in the risk tolerance questionnaire is used to assist [us] in creating a risk appropriate asset allocation model and/or to identify money managers appropriate for your investment account.
- A proposal is prepared by us and provided to you that will include a recommended Select Portfolios Program and investment strategy.
- If you approve the recommended Select Portfolios Program and investment strategy, you will sign an investment management agreement with Envestnet and us that establishes your investment management account, evidences your approval and grants investment discretion and discretionary trading authority to Envestnet (and under the Separate Account Program to the respective money managers) over your account.
- After you have established your investment management account, the assets in your account will be managed in accordance with your individual goals and objectives.
- You are responsible to notify us or our FC in the event there are changes in your financial or demographic information or financial goals so that we can help you assess whether the investment program and strategy you previously approved is still appropriate for you. In any event, we will contact you at least once annually to discuss any changes in your circumstances.

Envestnet and, if applicable, the separate account money managers are provided information on your financial circumstances, investment goals and objectives.

CCOISC may also offer advice on Real Estate Investment Trusts (REITs) in connection with its managed account offering.

Services Provided by Envestnet and Us. The level and types of services provided by Envestnet depends on which of the Select Portfolio Programs are applicable to you. However, we do not exercise investment discretion or discretionary trading authority under any of Select Portfolios Programs.

Separate Account Program, Multi-Manager Account Program, Mutual Fund Wrap Program:

- Envestnet provides an operating system that assists us in analyzing the client's information and recommending an appropriate strategy based on the client's needs and objectives, investment time horizon, risk tolerance and other factors.
- Envestnet's research team uses a number of tools (including proprietary analytical tools and commercially available optimization software applications) to develop asset allocation strategies. The asset allocation strategies take into account historical rates of risk and return for various asset classes, correlation across asset classes and risk premiums.
- Envestnet proposes an overall strategy for the client that includes asset allocation and investment style allocation recommendations.
- Envestnet retains the authority to change underlying investments within the portfolios if Envestnet believes a change is in the best interest of clients utilizing the particular portfolio.

Under the Separate Account Program, Multi-Manager Program and Mutual Fund Wrap Program, you grant Envestnet full investment discretion and full discretionary trading authority. Under the Separate Account Program and Multi-Manager Account Program, you also grant each of the selected investment managers discretionary authority over the portion of your account allocated to the investment manager.

UMA Program: Envestnet is responsible for defining the available asset allocation models, including available independent asset managers and other underlying investment vehicles. We provide you with recommendations regarding the appropriate model and underlying investment vehicles to meet your needs. However, you direct the investments within your account and you are responsible for the selection of the appropriate model and the underlying investment vehicles. We do not exercise any investment discretion or discretionary investment authority. Envestnet trades your account based on the instructions received from the independent asset managers and, in connection with such trading, exercises full discretionary trading authority.

TAG ETF Program: A designated third-party asset manager (“ETF Model Provider”) constructs identified asset allocation models consisting of ETFs selected by the ETF Model Provider to pursue identified investment strategies and asset class exposures. The portfolios are tactically towards equity and fixed income securities. The client’s account is traded and rebalanced by Envestnet based on the model portfolios constructed by the ETF Model Provider and the periodic changes the ETF Model Provider submits to Envestnet. Envestnet does not engage in securities selection but is responsible for identifying the risk appropriate profile for each of the strategies. In addition, pursuant to a licensing agreement entered into with the asset manager, Envestnet performs administrative and trade order implementation duties (including directing the relevant broker-dealer to rebalance the client’s account) pursuant to the direction of the ETF Model Provider. We do not exercise any investment discretion or discretionary investment authority.

HOMM Program: We create a set of model portfolios utilizing certain model management tools provided by Envestnet and assist clients in selecting an appropriate model portfolio. We also establish a menu of mutual funds, ETFs and other investment vehicles available under the HOMM Program and assist you in selecting mutual funds, ETFs or other investment vehicles appropriate for your portfolio. However, you are responsible for directing the investments within your account. Neither Envestnet nor we exercise any investment discretion or discretionary investment authority under the HOMM Program.

Additional Information Concerning the Select Portfolios Programs

CCO Select Portfolio Separately Managed Account

The CCO Select Portfolio Separately Managed Account Program is a separately managed account advisory program offering access to equity and fixed income money managers (“Separate Account Managers”) selected and hired by Envestnet. Under the Separate Account Program, clients are provided with access to the Sub-Managers directly using a separate managed account for each Sub-Manager.

CCO Select Portfolio MMA

The CCO Select Portfolio MMA is a multi-manager account advisory program offering access to asset allocation models comprised of Separate Account Managers, mutual funds and ETFs. MMA Accounts are designed to provide many of the benefits of traditional separately managed accounts in a single, broadly-diversified portfolio. Envestnet allocates the portfolio across asset classes and complementary asset managers to create a blend that fits your investment needs and risk tolerances. You directly own the underlying securities in the portfolio.

CCO Select Client-Directed UMA

The CCO Select Portfolio Client-Directed UMA is a unified managed account advisory program offering access to a single portfolio that, like the MMA Program, is comprised of multiple asset managers representing various asset classes. UMA Accounts are designed to provide many of the benefits of traditional separately managed accounts in a single, broadly-diversified portfolio. A UMA Account gives you the option to construct a customized portfolio by establishing an asset allocation model and selecting specific, underlying investment vehicles for the portfolio to pursue your asset allocation model. You directly own the underlying securities in the portfolio.

Envestnet trades the assets in your account based on the instructions received from the relevant investment managers and, in connection with such trading, you grant full discretionary trading authority to Envestnet. We do not exercise any investment discretion or discretionary trading authority.

Envestnet defines the available asset allocation models, including available independent asset managers and other underlying investment vehicles. Although we make recommendations to you regarding the appropriate model and underlying investment vehicles to meet your needs, you are responsible for the selection of the appropriate model and underlying investment vehicles. In addition, you must authorize any changes in the strategy or the investment vehicles used to pursue the strategy.

CCO Select Portfolio Mutual Fund Wrap Program

The CCO Select Portfolio Mutual Fund Wrap Program is a mutual fund wrap advisory program offering access to asset allocation models comprised of mutual funds. The model portfolios available under the program are designed to provide varying levels of risks and potential returns. We provide you with a recommended mutual fund wrap strategy. If you approve the strategy, you must authorize Envestnet to pursue the strategy and to exercise discretionary trading authority. We do not exercise investment discretion or discretionary trading authority.

CCO Select Portfolio TAG ETF Wrap Program

The CCO Select Portfolio TAG ETF Wrap Program is an ETF-based wrap advisory program offering access to asset allocation models comprised of ETFs constructed by a third-party asset manager (the “ETF Model Provider”). The model portfolios available under the program are designed to provide varying levels of risks and potential returns. Your account is traded and rebalanced by Envestnet based on the model portfolios constructed by the ETF Model Provider and the periodic changes the ETF Model Provider submits to Envestnet. Envestnet does not engage in securities selection but is responsible for identifying the risk appropriate profile for each of the strategies. In addition, pursuant to a licensing agreement entered into with the ETF

Model Provider, Envestnet performs administrative and trade order implementation duties (including directing the relevant broker-dealer to rebalance the client's account) pursuant to the direction of the ETF Model Provider. The client grants Envestnet the authority to engage the ETF Model Provider and to trade and rebalance the client's account based on the identified model portfolio provided by the ETF Model Provider. Currently, the ETF Model Provider is Tactical Allocation Group, LLC.

We provide you with a recommended ETF-based wrap strategy taking into account the risk appropriate profile for the ETF Model Provider's strategies provided by Envestnet. We do not exercise investment discretion or discretionary trading authority.

CCO Select Portfolio Non-Discretionary HOMM Program

The CCO Select Portfolio HOMM Program is a mutual fund wrap advisory program offering access to asset allocation models comprised of mutual funds and ETFs. You have the ability to direct investment of your account into one of a group of model portfolios developed by us in conjunction with Envestnet and to choose the investments comprising the portfolio from among a group of designated investment vehicles. Currently, the investments available under this program are limited to a designated list of mutual funds and ETFs. Although we make recommendations regarding an appropriate asset allocation model and the funds for your portfolio, you are responsible for selecting the asset allocation model and fund investments your account. In addition, you must authorize any changes in the strategy or the investment vehicles used to pursue the strategy.

The Non-Discretionary HOMM Program is identified as an "Advisor-Directed Models" program under Envestnet's Wrap Fee Program Brochure (Form ADV Part 2A – Appendix 1) for its Managed Account Solutions Program (the "Envestnet Disclosure Brochure"). However, under the HOMM Program as offered by us, neither Envestnet nor we exercises any investment discretion or any discretionary investment authority under the HOMM Program. Although we will not exercise investment discretion, you will authorize us to "rebalance" the investments held in your account without further direction or consent from you. Rebalancing will occur at periodic intervals selected by us (at least once annually) to adjust the allocations of the account's investments to the target allocations previously designated by you. We will establish tolerance levels that will take into account changes in market value and other factors and, if the adjustments required to return your account's investments to the target allocations fall below those tolerance levels, we will not rebalance your account. The tolerance levels can be changed from time to time at our option.

Our History and Owners

CCO Investment Services Corp. is a corporation organized under the laws of Rhode Island and was established in September 1995. We have been registered with the SEC

as a broker-dealer, and have been a member of the Financial Industry National Regulatory Authority or “FINRA” (formerly the National Association of Securities Dealers, Inc. or “NASD”) since May 1996. In March 2003, we registered with the SEC as an investment adviser under the Investment Advisers Act of 1940. Prior to that time, we were registered as an investment adviser under the laws of the states in which we operated.

We are 100% directly owned by RBS Citizens Bank, N.A., a national banking association, and by its parent company, Citizens Financial Group, Inc., a bank holding company. Indirectly, we are 100% by The Royal Bank of Scotland Group plc, a bank organized under the laws of England that is a registered bank holding company in the United States. The Royal Bank of Scotland Group plc is a publicly traded company, but a majority of the shares of The Royal Bank of Scotland Group plc are government-owned by Her Majesty’s Treasury, a branch of the federal government of England.

The Assets We Manage

As of December 31, 2011, we managed approximately 9,866 accounts totaling \$1,173,802,381 in assets, all on a non-discretionary basis.

Fees and Compensation

How the Firm is Paid for its Services

The CCO Select Portfolio Managed Account Program is available only on a fee basis and fees are charged for asset and investment style allocation recommendations, manager research, performance reports, periodic rebalancing of accounts, document processing, information systems and other administrative services. For services provided under the CCO Select Portfolio Managed Account Program, the client will pay a quarterly fee (the "Program Fee") calculated by applying the annual fee schedule for the type of account maintained by the client (for example, Separate Account, Multi-Manager Account, Unified Managed Account or Mutual Fund Wrap Account). Generally, lower asset-based fees will apply as the level of assets maintained in a Program Account increase. However, unless otherwise noted below, your assets in one Program Account may not be combined (householded) with assets in your other Program Accounts fees for purposes of calculating our asset-based fees.

Clients will incur transaction costs, fees, commissions and other charges and expenses in addition to the fees paid to us. In some cases, we and our employees and affiliated companies will also receive fees and compensation in addition to the fees paid directly by the client, including from mutual funds or similar funds, third-party providers and affiliates.

Fee Schedules Applicable to Investment Management Accounts

Separate Account Fee Schedule

Equity Investment Management

Account Balance	Base Annual Program Fee*	Portion of Program Fee Payable to Us
First \$250,000	2.30%	1.25%
Next \$250,000	2.00%	1.10%
Next \$500,000	1.75%	1.00 %
Next \$1,000,000	1.50%	0.81%
Over \$2,000,000	1.25%	0.59%

Fixed Income Investment Management

Account Balance	Base Annual Program Fee*	Portion of Program Fee Payable to Us
First \$250,000	1.25%	0.58%
Next \$250,000	1.15%	0.53%
Next \$500,000	1.00%	0.44%
Next \$1,000,000	0.90%	0.41%
Over \$2,000,000	0.80%	0.36%

*The Base Annual Program Fee shown in the above tables takes into account the typical fees paid by Envestnet to Sub-Managers used in the Separate Account Program. If one or more Sub-Managers charge Envestnet higher fees, the portion of the Program Fee payable to us will be decreased accordingly.

How the Fees Are Calculated. The quarterly fee is determined by multiplying the ending market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if your Separate Managed Account is invested in fixed income securities and the ending market value of your account at the end of a calendar quarter is \$300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.25% on the first \$250,000 of the assets and at an annual fee rate of 1.15% on the remaining \$50,000 of the assets. If your Separate Managed Account is invested in equity securities and the ending market value of your account at the end of the calendar quarter is \$300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 2.30% on the first \$250,000 and an annual fee rate of 2.00% on the remaining \$50,000 in the account.

Combination with Assets of Other Separate Account Balances. If you maintain more than one Separate Account Program account with us, the balances in your Separate Account Program Accounts will be combined (household) for purposes of calculating the applicable fees. For example, if the ending market value of the account at the end of a calendar quarter is \$500,000 and \$250,000 is invested in equity securities and \$250,000 is invested in fixed income securities, the fee for the subsequent quarter will be calculated at an annual fee rate of 2.15% on the equity portion of the assets and will be calculated at an annual fee rate of 1.20% on the fixed income portion of the assets.

Minimum Fees. The minimum annual Program Fee for Equity Management is \$600 and the minimum annual Program for Fixed Income Management is \$450. Lower annual Program Fees may apply in the case of clients whose Select Portfolio Managed Account Program was established with assets transferred from an ADVISORport Custom Portfolio Program account.

Multi-Manager Account Fee Schedule

Account Balance	Base Annual Program Fee*	Portion of Program Fee Payable to Us
First \$250,000	2.30%	1.16%
Next \$250,000	2.00%	1.16%
Next \$500,000	1.75%	0.99%
Next \$1,000,000	1.50%	0.84%
Over \$2,000,000	1.25%	0.69%

* The Base Annual Program Fee shown in the above tables takes into account the typical fees paid by Envestnet to Sub-Managers used in the Select Portfolio Multi-Manager Account Program. If one or more Sub-Managers charge Envestnet higher fees, the portion of the Program Fee payable to us will be reduced accordingly.

How the Fees Are Calculated. The quarterly fee is determined by multiplying the ending market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the ending market value of the account at the end of a calendar quarter is \$300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 2.30% on the first \$250,000 of the assets and at an annual fee rate of 2.00% on the remaining \$50,000 of the assets.

Combination With Other Multi-Manager Account Balances. If you maintain more than one Multi-Manager Account Program account with us, the balances in your Multi-Manager Account Program Accounts will be combined (household) for purposes of calculating the applicable fees.

Minimum Fees. The minimum annual Program Fee for a Multi-Manager Account is \$625. Lower annual Program Fees may apply in the case of clients whose Select Portfolio Managed Account Program was established with assets transferred from an ADVISORport Custom Portfolio Program account.

Unified Managed Account Fee Schedule

Account Balance	Maximum Annual Program Fee	Our Portion of Program Fee Before Sub-Manager Fees*
First \$250,000	2.30%	2.00%
Next \$250,000	2.20%	1.92%
Next \$250,000	2.10%	1.86%
Next \$250,000	2.05%	1.84%
Next \$1,000,000	2.00%	1.79%
Over \$2,000,000	1.90%	1.69%

* Takes into account deduction from the Program Fee of a 0.01% charge per separate account manager (and assumes two separate accounts managers if assets under management are \$250,000 or below, three if assets under management are between \$250,000 - \$500,000 and four for assets under management of \$500,000 and above). The compensation we receive will depend on whether separate account managers are retained for the client and the level of the fees payable to the separate account managers. Separate account manager fees will range from 0.30% - 0.50% of the assets managed in the case of fixed income managers to 0.50% - 1.20% of the assets managed in the case of equity managers dependent on the asset category. Our net compensation will be higher if mutual funds or ETFs are used instead of separate account managers.

How the Fees Are Calculated. The quarterly fee is determined by multiplying the ending market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the ending market value of the account at the end of a calendar quarter is \$300,000, the fee for the subsequent quarter will be calculated at an Annual Fee rate of 2.30% on the first \$250,000 of the assets and at an Annual Fee rate of 2.20% on the remaining \$50,000 of the assets.

Combination With Other Multi-Manager Account Balances. If you maintain more than one Unified Managed Account Program account with us, the balances in your Unified Managed Account Program accounts will be combined (household) for purposes of calculating the applicable fees.

Minimum Fees. The minimum annual Program Fee for a Unified Managed Account is \$185.

Mutual Fund Wrap Program Fee Schedule

Fixed Income Portfolio		
Account Balance	Base Annual Program Fee	Portion of Program Fee Payable to Us
First \$250,000	1.25%	1.10%
Next \$250,000	1.15%	1.02%
Next \$500,000	1.00%	0.88%*
Next \$1,000,000	0.90%	0.80%
Over \$2,000,000	0.80%	0.70%

* The portion of the Program Fee payable to us for assets over \$750,000 but less than \$1,000,000 is 0.90%.

Portfolios Other Than Fixed Income		
Account Balance	Base Annual Program Fee	Portion of Program Fee Payable to Us
First \$150,000	1.50%	1.22%
Next \$350,000	1.30%	1.05%
Next \$250,000	1.25%	1.03%
Next \$250,000	1.20%	0.98%
Over \$1,000,000	1.00%	0.81%

How the Fees Are Calculated. The quarterly fee is determined by multiplying the ending market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if you are invested in the Fixed Income Portfolio and the ending market value of your account at the end of a

calendar quarter is \$300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.25% on the first \$250,000 of the assets and at an annual fee rate of 1.15% on the remaining \$50,000 of the assets. If you are invested in a Mutual Fund Portfolio other than the Fixed Income Portfolio and the ending market value of your account at the end of the calendar quarter is \$300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.50% on the first \$250,000 and an annual fee rate of 1.30% on the remaining \$150,000 in the account.

Combination With Other Mutual Fund Wrap Account Balances. If you maintain more than one Mutual Fund Wrap Program portfolios, the balances in your Mutual Fund Wrap portfolios will be combined (householded) for purposes of calculating the applicable fees. For example, if you have \$250,000 invested in the Fixed Income Portfolio and have \$250,000 invested in the Moderate Portfolio, you will be considered to have \$500,000 invested in the Fixed Income Portfolio and in the Moderate Portfolio. As a result, the Program Fee rate for your assets in the Fixed Income Portfolio will be 1.20% (50% at 1.25% and 50% at 1.15%) and the Program Rate for your assets in the Moderate Portfolio will be 1.36% (30% at 1.50% and 70% at 1.30%)

Minimum Fees. There is a minimum annual Program Fee charged per Account for participation in the Program. In the case of the Select Portfolio Mutual Fund Wrap Program, the minimum annual Program Fee is \$150.

TAG ETF Wrap Program Fee Schedule

Account Balance	Base Annual Program Fee	Portion of Program Fee Payable to Us
First \$250,000	1.70%	1.15%
Next \$250,000	1.60%	1.10%
Next \$500,000	1.50%	1.02%
Next \$1,000,000	1.40%	0.93%
Over \$2,000,000	1.30%	0.84%
Over \$5,000,000	1.20%	0.75%

How the Fees Are Calculated. The quarterly fee is determined by multiplying the ending market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the ending market value of the account at the end of a calendar quarter is \$300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.70% on the first \$250,000 of the assets and at an annual fee rate of 1.60% on the remaining \$50,000 of the assets.

Combination With Other TAG ETF Program Account Balances. If you maintain more than one TAG ETF Wrap Program account with us, the balances in your TAG ETF

Wrap Program accounts will be combined (householded) for purposes of calculating the applicable fees.

Minimum Fees. The minimum annual Program Fee for a TAG ETF Wrap Program account is \$75.

HOMM Program Fee Schedule

Account Balance	Base Annual Program Fee	Portion of Program Fee Payable to Us
First \$150,000	1.30%	1.09%
Next \$350,000	1.10%	0.89%
Next \$250,000	1.05%	0.84%
Next \$250,000	1.00%	0.84%
Over \$1,000,000	0.80%	0.69%

How the Fees Are Calculated. The quarterly fee is determined by multiplying the ending market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the ending market value of the account at the end of a calendar quarter is \$300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.30% on the first \$150,000 of the assets and at an annual fee rate of 1.10% on the remaining \$150,000 of the assets.

Combination With Other HOMM Program Account Balances. If you maintain more than one HOMM Program account with us, the balances in your HOMM Program accounts will be combined (householded) for purposes of calculating the applicable fees.

Minimum Fees. The minimum annual Program Fee for a HOMM Account is \$75.

Fees Are Negotiable Under Some Circumstances

We are willing to negotiate the rate of the applicable fees for Managed Account Program Accounts under some circumstances, including based on the type and size of the client account, the range of services provided to the client and our total relationship with Envestnet in terms of assets under supervision. Also, if your Select Portfolio Managed Account Program was established with assets transferred from an ADVISORport Custom Portfolio Managed Account Program account, your initial Program Fee will be reduced or adjusted as necessary so that it will not exceed the similar program fee that would have applied had the client's investment selections under the Select Portfolio Managed Account Program continued to be managed under the ADVISORport Custom Portfolio Program.

Our employees and employees of our affiliates may be entitled to significant discounts by virtue of their employment.

Fee Billing

The Program Fee typically are paid quarterly in advance by applying the applicable fee rate (as specified in the fee schedule for the applicable Select Portfolio Program or otherwise applicable to the client's account balances) to the fair market value of the assets in the account (including interest paid or accrued) as of the last business day of the preceding calendar quarter. The fair market value of the assets in the account will be as determined by Envestnet. The following procedures will apply:

- The initial Program Fee will be calculated and debited on the 15th day of the month following the initial investment. The initial Program Fee for any partial calendar quarter will be pro-rated based on the number of calendar days in the partial quarter.
- After the initial payment period, the Program Fee will be calculated at the beginning of each calendar quarter based on the value of Program Assets on the last business day of the prior calendar quarter.
- In an account is terminated and all assets of the account are withdrawn prior to the end of a quarter, a pro rata portion of the Program Fee will be reimbursed to the client.

We will calculate the applicable Program Fee and provide the amount due to the Managed Account Program account custodian, National Financial. National Financial will automatically deduct the amount due from your Managed Account Program account.

Costs Not Covered by the Program Fee

In addition to the Program Fee, you will incur transaction costs, fees, commissions and other charges and expenses. In some cases, we and our employees and affiliated companies will also receive fees and compensation in addition to the fees paid directly by you, including from mutual funds or similar funds, third-party providers and affiliates.

Securities Transaction Charges. The Program Fee does not cover certain charges associated with securities transactions in clients' accounts, including the following:

- dealer markups, markdowns or spreads charged on transactions in over-the-counter securities;
- costs relating to trading in certain foreign securities;

- the internal charges and fees that may be imposed by collective investment vehicles (“Collective Investment Vehicles”), such as mutual funds and closed-end funds, unit investment trusts, exchange-traded funds (“ETFs”) or real estate investment trusts, including fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses;
- brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker-dealer;
- regulatory fees; and
- the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law.

In-Kind Transfers. If you they transfer assets into a Program account “in kind,” Envestnet will have the discretion to liquidate some or all of those assets either immediately or at a future point in time. In that event, you may incur a brokerage commission or other charge, including a CDSC. The “in kind” transfer or liquidation of assets also may have tax consequences for you. Accordingly, you should consult with your financial advisor and tax consultant before transferring assets in-kind into a Program account.

Custodian Fees and Charges. The customary, ongoing custody fee charged by the Program custodian will be paid out of the Program Fee. However, the Program Fee will not cover certain fees and charges of or any other Program custodian. Among other items, clients may be charged for specific account services, including the following:

- ACAT transfers;
- electronic fund and wire transfer charges;
- other optional services which you elect to request;
- transaction-based ticket charges assessed by the custodian for the purchase of certain mutual funds; and
- Non-brokerage-related fees such as individual retirement account (“IRA”) trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs).

Mutual Fund and Similar Commissions and Expenses. Your Program account will not incur front-end or deferred sales charges in connection with the purchase of Collective

Investment Vehicles. However, all Collective Investment Vehicles (including money market mutual funds used for investment of cash balances) will have ongoing expenses that will impact the return received by your account. These ongoing expenses may include management fees, distribution expenses, 12(b)(1), shareholder servicing, administrative service and similar fees. Collective Investment Vehicle charges and expenses are subject to change. A detailed explanation of fund fees and expenses is contained in each fund's prospectus. You should carefully read each fund's prospectus. In addition:

- In some cases, the investment of assets in Collective Investment Vehicles will result in the receipt of additional compensation by us or our affiliates or our or our affiliate's employees.
- If an ETF is purchased or sold for your account, your account typically will incur a commission that will be paid from the assets of your account.

Fund Redemption Fees. Some mutual funds, ETFs and other Collective Investment Vehicles assess redemption fees to investors upon the short-term sale of shares or other participation interests. Your account may incur redemption fees if you (assuming you participate in the UMA Program or the HOMM Program, which allow you to direct investment of your account), Envestnet or a Sub-Manager sells some or all of your account's holdings in a Collective Investment Vehicle before the end of the Collective Investment Vehicle's stated minimum holding period. Envestnet or a Sub-Manager may decide to delay a decision to liquidate a position in a Collective Investment Fund until the end of the applicable minimum holding period if it believes that it is appropriate to do so under the circumstances, but Envestnet and the Sub-Managers are not obligated to do so.

Depending on the particular Collective Investment Vehicle, redemption fees also may be incurred in connection with routine, periodic rebalancing of your account.

Please see the prospectus or other disclosure document for the specific Collective Investment Fund for detailed information regarding applicable redemption fees.

Additional Compensation

We, our representatives and our affiliates will receive fees and other compensation in addition to the fees we charge to your account for investment management services. Our investment advisory services fees are not reduced by the amount of the additional fees and other compensation received by us, our representatives or our affiliates. This presents a conflict of interest and gives us or our representatives an incentive to recommend investment products based on the compensation received, rather than on a client's needs. The types of additional compensation we expect to receive are described below.

- We will receive 12b-1 distribution fees, shareholder servicing fees, administrative service fees and similar fees, and revenue-sharing payments, from certain of the Collective Investment Vehicles or in connection with the investment of client funds into the Collective Investment Vehicle (“Fund-Related Compensation”). The availability to us of Fund-Related Compensation gives rise to conflicts of interest since some Collective Investment Vehicles pay Fund-Related Compensation, while others do not, and from the fact that the level of Fund-Related Compensation may vary based on the Collective Investment Vehicle chosen. In the case of Select Portfolio Managed Program accounts where the client is an individual retirement account or an employee benefit plan subject to the Employee Retirement Security Act of 1974 (“ERISA”), we either will not accept Fund-Related Compensation or will credit any Fund-Related Compensation received by us to the client account.
- Our FCs receive compensation as a result of our client's participation in the Select Portfolio Program that will vary based on the amount of managed account compensation we receive over time. The managed account compensation will vary based on, among other things, the size of the account, changes in value over time, our and Envestnet’s ability to negotiate fees or commissions, and the number of transactions. However, the compensation payable to an FC in connection with a client’s participation in a Select Portfolios Program may be more than what the FC would receive if the client participated in other of our programs, or if the client paid separately for investment advice, brokerage and other services. Therefore, our FC may have an incentive to recommend the Select Portfolio Programs over other programs or services.
- Our principal executive officers, FCs and other associated persons will receive a portion of the Fund-Related Compensation received by us in connection with the investment of our client’s assets into Collective Investment Vehicles. The availability of this compensation results in conflicts of interests for our principal executive officers, FCs and other associated persons. Conflicts of interest also arise for our principal executive officers, FCs and other associated persons because their individual compensation will vary based on the particular investment choice recommended to the client. These conflicts of interest may affect the judgment of those of our representatives who make investment recommendations to you.
- We act as a broker-dealer in addition to acting as an investment adviser. If you open your Managed Account Program account with securities previously purchased through us or one of our representatives, you will already have paid a commission on the purchase to us or our representative, or both. Similarly, if you open your account with cash proceeds from the sale of securities through us or our representative, we or our representative, or both, may have already received commissions of the sale.

Clients have the option of obtaining certain of the investment products we recommend for our investment advisory accounts through brokers or other agents that are not affiliated with us.

Changes in Our Fee Schedule

We and Envestnet may revise the Program Fees on an annual basis by giving you at least 30 days' prior notice. You will be deemed to have approved a fee changes unless you object to the fee change by sending written notice to us or Envestnet, as applicable, within 30 days from the date of the fee increase notification.

Account Termination

Your Select Portfolio Managed Account investment management agreement is not effective until it is accepted by us and Envestnet. During the 5 business days after both we and Envestnet have accepted the investment management agreement, you have the right to cancel the investment management agreement by providing written notice to us. If you cancel as described above, any Program Fees paid by you will be refunded, but you will be responsible for any transactions executed prior to cancellation.

In addition, you, we and Envestnet each have the option to terminate your Select Portfolio Managed Account investment management agreement by providing at least 30 days' prior written notice to the other parties. In the event of termination, you will be refunded any Program Fees that have been prepaid but have not yet been earned.

Performance-Based Fees and Side-By-Side Management

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Advisory fee compensation is charged only as disclosed above (Fees and Compensation).

Types of Clients

We provide services to, among others:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Taft-Hartley plans, governmental plans and municipalities
- Not for profit entities
- Individual retirement plans

We also may also offer advisory services to governmental units, teacher organizations and other non-profit institution (403b) trust plans.

In order to establish a CCO Select Portfolios account, you must sign an investment management account with us and Envestnet. In addition, if you do not already have one, you must open a custodial account with our clearing broker, National Financial Services LLC ("National Financial"). The following minimum amounts are required in order to establish and maintain accounts under the Select Portfolios Programs:

- CCO Select Portfolios Separate Account Program – Generally, a \$100,000 minimum account size is required for each account managed by an investment manager. In some cases, investment managers hired by Envestnet may have higher or lower minimum account sizes.
- CCO Select Portfolios MMA Program – Generally, the minimum account size for each MMA Account is \$250,000 .
- CCO Select Portfolios UMA Program – Generally, the minimum account size for each UMA Account is \$250,000.
- CCO Select Portfolios Mutual Fund Wrap Program – Generally, the minimum account size for each Mutual Fund Wrap Program account is \$50,000.
- CCO Select Portfolios TAG ETF Wrap Program – Generally, the minimum account size for each TAG ETF Wrap Program account is \$50,000.
- CCO Select Portfolio HOMM Program -- Generally, the minimum account size for each HOMM Program account is \$50,000.

Methods of Analysis, Investment Strategies and Risk of Loss

Analysis

We do not provide investment advisory services on a discretionary basis. However, in connection with our recommendations to our clients in connection with the Managed Account Program, we will utilize the following, among other, sources:

- a computer based asset allocation program provided by Frontier Analytics;
- information and recommendations provided by Envestnet, including regarding asset allocation models, appropriate asset classes, asset managers, historical rates of risk of return for various asset classes, correlation across asset classes, and risk premiums;
- recommendations provided by Envestnet regarding appropriate strategies to achieve your needs and objectives; and
- model management tools provided by Envestnet.

In connection with the Managed Account Program, Envestnet and the Sub-Managers may utilize different types of investments, methods of analysis, sources of information and investment strategy in connection with the models utilized in the program. At the time you open an investment advisory account and the Selected Portfolio Program and one or more separate account investment managers and/or mutual fund, ETF or other investment vehicle (collectively, "Sub-Managers") are selected, you will receive detailed descriptions of the investment strategies, methods of analysis, sources of information and types of investment products that will be utilized for your account.

Investment Strategies

Prior to participating in the Managed Account Program, you will execute an Investment Management Agreement ("IMA") with Envestnet as Platform Manager and us as Advisor. By signing the IMA, you will be approving and authorizing your participating in a particular Select Portfolio Program, the recommended investment selection and applicable fees associated with such investment selection.

- *Separate Account Program, Multi-Manager Account Program and Mutual Fund Wrap Program* -- Envestnet may recommend Sub-Managers that correspond to the proposed risk appropriate investment strategy. Envestnet has established, and from time to time will establish, relationships with various Sub-Managers in order to make their services available under TAMPs sponsored by Envestnet. Generally, the Sub-Managers available to our clients under the Separate Account Program and the Multi-Manager Account Program will be chosen from Envestnet's list of

“Approved Sub-Managers” Envestnet has developed and implemented a program to collect and report data on investment style and philosophy, past performance and personnel of the Approved Sub-Managers. Envestnet also provides on-going monitoring of the performance and management of Approved Sub-Managers through analysis of data (including an assessment of any applicable deviation of the Sub-Manager from the investment style for which the Sub-Manager was selected, i.e., “style drift”), including through an annual on-site visit to the Approved Sub-Manager by Envestnet personnel. If Envestnet determines that an Approved Sub-Manager is no longer suitable for the applicable Select Portfolios Program, Envestnet will remove the Sub-Manager from the list of Approved Sub-Managers and make a recommendation to us and our client regarding a substitute Approved Sub-Manager.

In addition to Approved Sub-Managers, Envestnet also allows access through the Separate Account Program, Multi-Manager Program and Mutual Fund Wrap Program to certain additional “Available Sub-Managers.” The level of due diligence and on-going monitoring performed by Envestnet in the case of Available Sub-Managers is less than in the case of Approved Sub-Managers. Among other things, Envestnet does not conduct periodic on-site visits of Available Sub-Managers and does not ask the investment managers for information concerning investment personnel changes at Available Sub-Managers. However, Envestnet will notify us and our affected clients participating if an Available Sub-Manager no longer satisfies the parameters established by Envestnet. The ultimate decision to allow client's access to a particular Sub-Manager under a Select Portfolio Program is made by us. It is anticipated that clients participating in the Separate Account Program, Multi-Manager Account Program and the Mutual Fund Wrap Program will have access to Approved Sub-Managers, but not to Available Sub-Managers. However, if you used an Available Sub-Manager in your ADVISORport Citizens Custom Portfolio Program account at the time your account balances were transferred to a Managed Account Program account, the Available Sub-Manager will continue to be used in their Managed Account Program account unless you instruct us otherwise.

- *Unified Managed Account Program* -- Envestnet defines the available asset allocation models, including available independent asset managers and other underlying investment vehicles. Although we make recommendations to you regarding the appropriate model and underlying investment vehicles to meet your needs, you are responsible for the selection of the appropriate model and underlying investment vehicles. In addition, you must authorize any changes in the strategy or the investment vehicles used to pursue the strategy.
- *TAG ETF Wrap Program* -- Envestnet does not engage in securities selection but is responsible for identifying the risk appropriate profile for each of the strategies. In addition, pursuant to a licensing agreement entered into with the ETF Model

Provider, Envestnet performs administrative and trade order implementation duties (including directing the relevant broker-dealer to rebalance the client's account) pursuant to the direction of the ETF Model Provider. The client grants Envestnet the authority to engage the ETF Model Provider and to trade and rebalance the client's account based on the identified model portfolio provided by the ETF Model Provider. We provide you with a recommended ETF-based wrap strategy taking into account the risk appropriate profile for the ETF Model Provider's strategies provided by Envestnet. We do not exercise investment discretion or discretionary trading authority.

- *HOMM Program* -- You have the ability to direct investment of your account into one of a group of model portfolios comprised of mutual funds and ETFs. The available models are developed by us in conjunction with Envestnet and we make recommendations regarding an appropriate asset allocation model and the funds for your portfolio. However, you are responsible for selecting the asset allocation model and fund investments your account.

We will offer and make available a Select Portfolio Program to you only if we have determined that the Select Portfolio Program is suitable for you.

Risk of Loss

All investments in securities include a risk of loss of a client's principal (invested amount) and any profits that have not been realized (the securities were not sold to "lock in" the profit). Stock markets, bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the managed assets.

Our investment approach takes the potential the risk of loss in mind and seeks to match the investment strategy employed for you with your tolerance for potential fluctuations in markets and incurring losses. Generally, it is necessary to invest in securities that have a higher risk of loss in order to obtain a higher potential for long-term gains. There is no guarantee that our investment strategies will meet your objectives or, in any event, protect your assets from the potential for losses. Depending on the types of securities you invest in, you may face the following investment risks:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Liquidity Risk:** When consistent with a client's investment objectives, guidelines, restrictions and risk tolerances, Advisor may invest portions of client portfolios in illiquid securities, subject to applicable investment standards. Investing in an illiquid (difficult to trade) security may restrict its ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities.
- **Fixed Income Risks:** Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her 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.
- **Foreign, Emerging Markets Equity and Fixed Income Risk:** Investments in these types of securities have considerable risks: investments in securities of foreign and emerging markets issuers involve different investment risks than those affecting obligations of U.S. issuers. Public information may be limited with respect to foreign and emerging markets issuers; foreign and emerging markets issuers may not be subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. There may also be less government supervision and regulation of foreign and emerging markets securities exchanges, and are less liquid and more volatile than securities of comparable domestic issuers. Brokerage commissions and other transaction costs on foreign and emerging markets securities exchanges are generally higher than in the U.S. Dividends and interest paid by foreign and emerging markets

issuers may be subject to withholding and other foreign taxes, which may decrease the net return on foreign investments as compared to dividends and interest paid by U.S. companies. Such markets often have different clearance and settlement procedures for securities transactions. Additional risks include future political and economic developments, the possibility that a foreign jurisdiction might impose or change withholding taxes on income payable with respect to foreign and emerging markets securities, and the possible adoption of foreign governmental restrictions such as exchange controls. Since the securities purchased in a foreign or emerging markets portfolio can be denominated or quoted in currencies other than the U.S. dollar, changes in foreign currency exchange rates may affect the value of securities in the portfolio.

- **High-Yield Fixed-Income Securities Risk:** Investments in high-yielding, non-investment grade bonds involve higher risk than investment grade bonds. Adverse conditions may affect the issuer's ability to make timely interest and principal payments on these securities.
- **Structured Products Risk:** These products often involve a significant amount of risk and should only be offered to clients who have carefully read and considered the product's offering documents, as they are often times based on derivatives. Structured products are intended to be "buy and hold" investments and are not liquid instruments.
- **Small/Mid Cap Risk:** Stocks of small or small, emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.
- **Diversification Risk:** Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.
- **Tactical Investment Strategy Risk:** Tactical investment strategies (such as those utilized in the TAG ETF Wrap Program) involve more frequent trading than traditional "buy-and-hold" investment strategies. Such trading can increase transactional costs and create more short-term tax gains than the client may see in other strategies.

Disciplinary Information

Legal and Disciplinary Actions Pertaining to Variable Annuity Sales and Related Matters

In July 2005, we agreed with the Commonwealth of Massachusetts to allow all customers over 75 from 2003-2004 to redeem their variable annuities without incurring surrender charges. We also agreed to retain an independent consultant in order to enhance our policies and procedures concerning variable annuity sales practices, gifts and gratuities, and books and records. In addition, we agreed to pay an administrative fine of \$3,000,000. This matter arose from allegations by the Commonwealth of Massachusetts, Securities Division, regarding violations of Massachusetts securities laws in connection with the sale of variable annuities in Massachusetts branch offices, a failure to supervise such activity, and a failure to maintain and preserve books and records relating to gifts, gratuities and business entertainment.

In April 2006, we also settled administrative matters with the State of Rhode Island and FINRA (formerly NASD) relating to the same or substantially similar issues raised by the Commonwealth of Massachusetts. We agreed to pay an administrative fine of \$800,000 to the State of Rhode Island for the same or similar issues previously identified by the Commonwealth of Massachusetts and to waive certain surrender charges for variable annuity clients.

In August 2006, we entered into a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA (formerly NASD) relating to allegations by FINRA that we had failed during the period beginning October 25, 2003 through March 29, 2005 to maintain and enforce a supervisory system including, but not limited to, written procedures concerning product suitability reviews, telemarketing, internal inspections, and correspondence review, registration of offices and review and approval of 529 plans. We agreed to a censure and a fine of \$850,000, and also agreed to conduct a review of certain supervisory systems and procedures.

In June 2007, the State of New Hampshire fined us \$375,000 in connection with the same pattern of alleged violations identified by Massachusetts, Rhode Island and FINRA. This included failure to adequately monitor variable annuity sales practices to customers 75 years and older as well as failure to retain e-mail communications under broker dealer rules.

Miscellaneous Legal and Disciplinary Proceedings

In February 2008, the State of New York fined the firm \$1,500 for providing material incorrect information on its application of our insurance license and for failure to notify the State of New York within 30 days of matters concerning the Rhode Island and FINRA actions described above under “Legal and Disciplinary Actions Pertaining to Variable Annuity Sales and Related Matters.”

In January 2009, we concluded a Consent Order in the State of Florida related to an inadvertent failure to comply with Florida insurance licensing regulations and paid an administrative penalty of \$1,000.

In June 2009, we paid an administrative penalty of \$200 to the State of Delaware related to a failure to notify the insurance department within 30 days of an administrative matter in another jurisdiction.

In September 2011, we paid an administrative penalty of \$2,500 to the State of New Jersey related to a failure to notify the insurance department within 30 days of administrative matters in other jurisdictions.

Other Financial Industry Activities and Affiliations

Investment Adviser Activities

As an investment adviser, we are registered with the SEC under the Investment Advisers Act of 1940. Our FCs who provide investment advice on our behalf hold all securities licenses and pass the professional examinations required by the states where they do business. Our FCs are required to have a college degree and/or appropriate business experience. We emphasize the importance of continuing education to our FCs.

Insurance and Securities Activities

In addition to being a registered investment adviser, we are a broker-dealer and an insurance agency.

- As a broker-dealer, we are registered with the Securities and Exchange Commission ("SEC") and in the states where we provide brokerage services. We also are a member of the Financial Industry National Regulatory Authority ("FINRA"), the self-regulatory body for broker-dealers. We have a fully disclosed clearing agreement with National Financial under which National Financial provides clearing, custody and recordkeeping services for our brokerage client accounts. Our executive officers and associated persons who are engaged in broker and dealer activities are separately licensed as our registered principals or representatives and are not employees of, or licensed through, National Financial.
- As an insurance agency, we also are licensed as an insurance agency in each of the states in which we do business (other than Massachusetts) and offer insurance and insurance-related products and services in those states. Our affiliated company, Citizens Financial Services Insurance Agency, Inc. ("CFSIAI"), a Massachusetts corporation, has an insurance license with the Commonwealth of Massachusetts. CFSIAI offers and sells insurance and insurance-related products and services to our and Citizens Bank's clients in Massachusetts. Our FCs may also be licensed as our insurance agents and/or as insurance agents of CFSIAI and various national insurance companies.

Special Considerations Regarding Our Broker-Dealer Activities.

- Our FCs, in their separate capacities as broker-dealer representatives, may effect securities transactions for any client for separate and typical commission compensation.
- In connection with the Managed Account Program and subject to the Sub-Manager's best execution obligation, we will be the introducing broker-dealer for

all brokerage transactions originated by the Sub-Managers. We do not receive an additional fee for this service, but National Financial, as clearing broker and custodian, is compensated for these services out of the Program Fees paid by you.

- We may execute securities transactions on a principal basis in which we act on our own behalf and not solely as agent for our customer. These transactions are cleared by National Financial. All securities laws and regulations regarding principal trades will be adhered to when executing any principal transactions for advisory clients. If will not engage in a principal transaction involving your investment management account with us unless you have approved the transaction in writing.
- As our registered representatives, FCs will receive separate and typical compensation from any brokerage transaction they implement on behalf of our clients. No investment advisory client is obligated to use the FCs for brokerage services.

Special Considerations Regarding Our Insurance Agency Activities.

- FCs who are licensed as insurance agents may offer fixed annuities and other insurance products and services.
- Our FCs who are licensed as insurance agents also may recommend and sell life, accident, health, and variable annuity and variable life insurance products, including to our brokerage, investment management and/or financial planning.
- If you engage in an insurance transaction, those transactions will not be part of the investment management services we provide to you and you would pay compensation that is separate from our investment management, financial planning and consulting services. No client is obligated to use us, CFSIAI or our FCs to purchase fixed annuities or other insurance products.

Banking Activities

We are a wholly owned subsidiary of RBS Citizens Bank, N.A. We have various arrangements with RBS Citizens Bank, N.A. and its other affiliates under which they or their employees may refer certain of its clients to us for investment management services. Also, some of our employees are also employees of RBS Citizens Bank, N.A.

RBS Citizens Bank, N.A., also provides investment management support and model portfolio recommendations to us for our use in the management of certain investment accounts.

Affiliate Arrangements

We may purchase certain goods and services or obtain administrative, custody, safekeeping and operational support from our direct parent company, RBS Citizens Bank, N.A. or other affiliates of The Royal Bank of Scotland plc by entering into agreements or arrangements with such affiliate. If deemed appropriate under the circumstances or required under banking laws, we will pay compensation to our affiliates for such goods, services or support. If RBS Citizens Bank, N.A., provides us with goods and services, banking laws generally require that we provide RBS Citizens Bank, N.A. compensation that is at least as favorable to RBS Citizens Bank, N.A. as the compensation we would pay an unaffiliated third party for similar goods and services in an arms-length transaction.

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

Code of Ethics

As required by law, we have adopted a Code of Ethics establishing policies and procedures to handle potential conflicts of interest that may arise from providing advisory services to you.

Our Code of Ethics recognizes that we are a fiduciary and is designed so that we meet our fiduciary obligation to you by setting forth standards of conduct for our directors, officers and employees and requiring compliance with federal securities laws.

Our Code of Ethics is based upon the principle that our employees owe a duty to you to conduct their affairs so as to avoid not only actual conflicts of interest with our clients but also that they refrain from conduct which could give rise to the appearance of a conflict of interest that may compromise the trust our clients have placed in us.

Our Code of Ethics:

- Prohibits our directors, officers and employees from preferring his or her own interest to that of any advisory client;
- Requires that we maintain the confidentiality of your information;
- Prohibits our employees from engaging in initial public offerings and certain types of limited offerings (for example private placement transactions under SEC Regulation D);
- Requires that our officers, directors and employees submit initial and annual personal securities holdings reports and report on a quarterly basis reports of their personal securities transactions (what we call “reportable securities” as mandated by regulation);
- Requires that all of our officers, directors and employees re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (that is, they “own” the account or have “authority” over the account), and identify securities held in certificate form and all securities .

Also, our Code of Ethics also provides that no director, officer or employee may trade securities, either personally or on behalf of others, while in possession of material, non-public information with respect to any such securities, or may communicate material, non-public information to others, other than as required and allowed by the Code of Ethics.

Our management may impose a number of sanctions which it feels is most appropriate for violations of the Code of Ethics.

To receive a copy of our Code of Ethics, you should contact your account representative or call us at 781-551-3972.

Participation or Interest in Client Transactions

We or individuals associated with us may buy or sell securities identical to or different than those recommended to our clients for their personal accounts. In addition, any our FCs or other related persons may have an interest or position in a certain securities which may also be recommended to our clients.

We participate in a TAMP sponsored by Envestnet and, through the TAMP, offer our clients access to our Managed Account Program. While there is no direct linkage between the investment advice given and participation in the Managed Account Program, we receive economic benefits from your participation in the Managed Account Program that we would not otherwise receive. The benefits we receive include receipt of duplicate client confirmations and bundled duplicate statements; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client account information; receipt of compliance publications; and access to mutual funds and separate account managers which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

In addition, we, our representatives and our affiliates will receive fees and other compensation in addition to the fees we charge to your account for investment management services. Our investment advisory services fees are not reduced by the amount of the additional fees and other compensation received by us, our representatives or our affiliates. This presents a conflict of interest and gives us or our representatives an incentive to recommend investment products based on the compensation received, rather than on a client's needs. The types of additional compensation we expect to receive are described below.

- We will receive Fund-Related Compensation (12b-1 distribution fees, shareholder servicing fees, administrative service fees and similar fees, and revenue-sharing payments, from certain of the Collective Investment Vehicles or in connection with the investment of client funds into the Collective Investment Vehicle). The availability to us of Fund-Related Compensation gives rise to conflicts of interest since some Collective Investment Vehicles pay Fund-Related Compensation, while others do not, and from the fact that the level of Fund-Related Compensation may vary based on the Collective Investment Vehicle chosen. In the case of Select Portfolio Managed Program accounts where the client is an individual retirement account or an ERISA plan, we either will not accept Fund-Related Compensation or will credit any Fund-Related Compensation received by us to the client account.
- Our FCs receive compensation as a result of our client's participation in the Select Portfolio Program that will vary based on the amount of managed account

compensation we receive over time. The managed account compensation will vary based on, among other things, the size of the account, changes in value over time, our and Envestnet's ability to negotiate fees or commissions, and the number of transactions. However, the compensation payable to an FC in connection with a client's participation in a Select Portfolios Program may be more than what the FC would receive if the client participated in other of our programs, or if the client paid separately for investment advice, brokerage and other services. Therefore, our FC may have an incentive to recommend the Select Portfolio Programs over other programs or services.

- Our FCs, in their separate capacities as broker-dealer representatives, may effect securities transactions for any client for separate and typical commission compensation.
- In connection with the Managed Account Program and subject to the Sub-Manager's best execution obligation, we will be the introducing broker-dealer for all brokerage transactions originated by the Sub-Managers. We do not receive an additional fee for this service, but National Financial, as clearing broker and custodian, is compensated for these services out of the Program Fees paid by you.
- We may execute securities transactions on a principal basis in which we act on our own behalf and not solely as agent for our customer. These transactions are cleared by National Financial. All securities laws and regulations regarding principal trades will be adhered to when executing any principal transactions for advisory clients. If will not engage in a principal transaction involving your investment management account with us unless you have approved the transaction in writing.
- Our principal executive officers, FCs and other associated persons will receive a portion of the Fund-Related Compensation received by us in connection with the investment of our client's assets into Collective Investment Vehicles. The availability of this compensation results in conflicts of interests for our principal executive officers, FCs and other associated persons. Conflicts of interest also arise for our principal executive officers, FCs and other associated persons because their individual compensation will vary based on the particular investment choice recommended to the client. These conflicts of interest may affect the judgment of those of our representatives who make investment recommendations to you.
- If you open your Managed Account Program account with securities previously purchased through us or one of our representatives, you will already have paid a brokerage commission on the purchase to us or our representative, or both. Similarly, if you open your account with cash proceeds from the sale of securities through us or our representative, we or our representative, or both, may have already received brokerage commissions of the sale.

We and FCs participate in client transactions in the following situations that are not directly related to the Managed Account Program:

- As our registered representatives, our FCs will receive separate and typical compensation from any brokerage transaction they implement on behalf of our clients. No investment advisory client is obligated to use the FCs for brokerage services.
- FCs who are licensed as insurance agents may offer fixed annuities and other insurance products and services.
- Our FCs who are licensed as insurance agents also may recommend and sell life, accident, health, and variable annuity and variable life insurance products, including to our brokerage, investment management and/or financial planning clients.
- If you engage in an insurance transaction, those transactions will not be part of the investment management services we provide to you and you would pay compensation that is separate from our investment management, financial planning and consulting services. No client is obligated to use us, CFSIAI or our FCs to purchase fixed annuities or other insurance products.

We are a wholly owned, direct subsidiary of RBS Citizens Bank, N.A., the lead bank subsidiary of Citizens Financial Group, Inc., a bank holding company and an indirect subsidiary of Royal Bank of Scotland plc ("RBS"), a bank organized under the laws of England qualified to engage in business in the United States as a bank holding company and foreign banking organization. RBS, RBS Citizens Bank, N.A. and their affiliates maintain a variety of banking, financial or service relationships with corporations or other business enterprises the securities of which may be purchased or sold by us for clients' accounts. RBS, RBS Citizens Bank, N.A. or their affiliates may receive compensation from such corporations or other business enterprises in the ordinary course of their business. Because of internal controls maintained by RBS, RBS Citizens Bank, N.A. and us, recommendations by us and our FCs to our investment management clients typically will be made without knowledge of other banking, financial or services relationships between RBS, RBS Citizens Bank, N.A. or their affiliates and the issuers of securities recommended by us.

RBS Citizens Bank, N.A. may purchase or sell for trust, fiduciary, and investment management clients or recommend that such accounts purchase or sell securities of the same type as those purchased or sold by us for our clients' accounts.

Personal Trading

CCOISC and individuals associated with CCOISC may buy or sell securities identical to or different than those recommended to customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is our policy that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, and therefore, our employees are prohibited from benefiting from transactions placed on behalf of advisory accounts. In order to address the conflicts of interest that may arise from these situations, our Code of Ethics establishes the following restrictions:

- 1) Directors, officers and employees are not permitted to buy or sell securities for their personal account where their decision emanates from his or her employment unless the information is also available to the investing public on reasonable inquiry.
- 2) All advisory clients will be fully informed that certain individuals may receive separate compensation when effecting securities or insurance transactions during the implementation process.
- 3) We emphasize the unrestricted right of any advisory clients to decline to implement any advice rendered.
- 4) We require that all individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

As noted above, our Code of Ethics:

- Prohibits our employees from engaging in initial public offerings and certain types of limited offerings (for example private placement transactions under SEC Regulation D;
- Requires that our officers, directors and employees submit initial and annual personal securities holdings reports and report on a quarterly basis reports of their personal securities transactions (what we call “reportable securities” as mandated by regulation); and
- Requires that all of our officers, directors and employees re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (that is, they “own” the account or have “authority” over the account), and identify securities held in certificate form and all securities .

Brokerage Practices

Broker Selection

In connection with your participation in the Managed Account Program, you will authorize Envestnet and/or any applicable Sub-Manager to instruct brokers, dealers, and banks to purchase, sell, exchange, convert and otherwise trade in and deal with any security or cash in your account. You will bear the risk of such transactions. Also, you will authorize Envestnet and us to designate National Financial to provide trade execution and custodial services for your Managed Account Program account. National Financial does not provide investment advice or investment advisory services in connection with the Managed Account Program.

You should note the following in connection with your participation in the Managed Account Program:

- You authorize Envestnet to open broker-dealer accounts at applicable executing brokers, and Client authorizes Platform Manager as attorney-in-fact to give instructions to an appropriate broker. All transactions effected by Sub-Managers for Client's Accounts shall be cleared and settled with the NFS.
- By authorizing Envestnet, us or any Sub-Manager to direct brokerage, you may not receive the benefit of the lowest trade price then available for any particular transaction for your Managed Account Program account.
- In effecting brokerage transactions, Envestnet, the Sub-Manager or we may consider not only available prices and commission rates (including that some transaction effected through National Financial are included in the Program Fee), but also other relevant factors such as execution capabilities, research and other services provided by the broker-dealer.
- Envestnet, the Sub-Managers or we are authorized to use a broker, dealer or bank other than National Financial for a transaction if Envestnet, the Sub-Managers or we, as applicable, determine that "best execution" of the transaction may be obtained through such other broker, dealer or bank. The broker, dealer or bank used for execution may be a broker-dealer affiliated with us, Envestnet or the Sub-Manager. Client agrees to furnish any such broker, dealer or bank such authorizations as any of them or Advisor may request to implement the provisions of this Agreement.
- None of Envestnet, us or any Sub-Manager will be responsible for any action or inaction taken by any broker, dealer or bank or any loss incurred by reason of any action or inaction of any broker, dealer or bank.
- You authorize us, Envestnet and the Sub-Managers to instruct all brokers, dealers and banks executing securities transactions for your Managed Account Program

account to forward confirmations of transactions us, Envestnet or the Sub-Managers.

Research and Soft Dollar Benefits

Sub-Managers may execute transactions through brokers, dealers and banks that have arrangements with the Sub-Managers under which the Sub-Manager will receive “soft dollar” credit (toward acquisition of research products and services) for brokerage placed with the broker, dealer or bank.

Order Aggregation

When Envestnet or a Sub-Manager deems a transaction to be in your best interests as well as other our, Envestnet’s or the Sub-Manager’s, to the extent permitted by applicable law and regulation, Envestnet or the Sub-Manager will aggregate multiple client orders to obtain the most favorable price and/or lower execution costs at the time of execution.

Review of Accounts

Account Review Procedures

We review our investment management accounts at least once annually. The annual review is used to determine whether the investment approach and asset mix being used is consistent with the client's investment objectives, risk tolerance, cash flow needs, and any other special guidelines that may impact the client's investment allocations.

Occasionally, we perform reviews of investment management accounts in-between scheduled annual reviews when we become aware of material market, economic or political events, or changes in the client's individual circumstances.

All account reviews are conducted by the FC who is assigned to the client's account.

As part of our annual account review process, we contact our investment management clients to obtain updated information from the client and to discuss any changes in investment approach deemed appropriate, including in light of any changes in the client's circumstances.

Performance Reports

National Financial, as clearing broker and Managed Account Program custodian, will provide regular monthly statements to you showing your securities positions and account activity. You will not receive a statement from the Program custodian during any month in which there is no account activity, but you will receive a statement at least quarterly in all events. You will not receive trade confirmations for each transaction unless you notify us that you wish to receive such confirmations.

All communications from us and/or Envestnet may be by electronic means.

In addition to the monthly statement you will receive from National Financial, we will provide you a quarterly statement containing a description of all activity in your during the previous quarter, including all of the following:

- An asset summary and performance section,
- Comparative indices,
- All transactions made on behalf of your Managed Account Program accounts,
- Your contributions and withdrawals,
- All fees charged to your accounts, the asset value of your accounts for Program Fee calculation purposes, and the Program Fee calculation, and
- Information indicating the market value of your accounts at the beginning and end of the period, as well as the cost, market value, estimated annual income of each of the Program Assets and the value of the Program Assets in aggregate.

Our quarterly statement will also include a statement to the effect that you should contact us if there have been any changes in your financial situation or investment objectives, if you wish to impose reasonable restrictions on the management of your account, or if you wish to reasonably modify existing restrictions.

You should promptly review and compare the statements provided by us and the statements provided by National Financial and notify us in writing of any errors or discrepancies.

Client Referrals and Other Compensation

From time to time we may compensate, either directly or indirectly, any person or company for referring investment management clients to us. In addition, under certain circumstances, our employees and employees of our affiliates may have the opportunity to refer clients to each other or to unaffiliated third parties. Such referrals may result in the receipt of a referral fee. We will comply with all applicable requirements of SEC Rule 206(4)-3 under the Investment Advisers Act of 1940 in connection with any referral arrangements, including appropriate disclosure of referral arrangements to our clients and maintenance of referral agreements.

Custody

Under the SEC's rules, an investment adviser who has the authority to deduct, or to cause the account custodian to deduct, the investment adviser's fee may be deemed to have custody of the account for certain purposes. We have the authority to calculate the Program Fee and to instruct National Financial to deduct the Program Fee from your account and to a portion of the Program Fee to us. As a result, we may be deemed to have custody of your accounts assets under the SEC's investment adviser custody rule (Rule 206(4)-2). Rule 206(4)-2 requires that we maintain the assets of our investment management clients with one or more "qualified custodians." Upon acceptance of your Managed Program Account by Envestnet, you will direct us to open one or more brokerage accounts with the National Financial, which will serve as qualified custodian of your accounts. National Financial, which is independent of us and Envestnet, generally will provide all custody, trade execution, clearing, trade confirmation and regular monthly statements of positions and account activity. We will act as introducing broker with respect to your account at National Financial.

National Financial, as clearing broker and Managed Account Program custodian, will provide regular written monthly statements to you showing your securities positions and account activity. You will not receive a statement from the Program custodian during any month in which there is no account activity, but you will receive a statement at least quarterly in all events. You will not receive trade confirmations for each transaction unless you notify us that you wish to receive such confirmations.

In addition to the monthly statement you will receive from National Financial, we will provide you a written quarterly statement containing a description of all activity in your account during the previous quarter, including all of the following:

- An asset summary and performance section,
- Comparative indices,
- All transactions made on behalf of your Managed Account Program accounts,
- Your contributions and withdrawals,
- All fees charged to your accounts, the asset value of your accounts for Program Fee calculation purposes, and the Program Fee calculation, and
- Information indicating the market value of your accounts at the beginning and end of the period, as well as the cost, market value, estimated annual income of each of the Program Assets and the value of the Program Assets in aggregate.

Our quarterly statement will also include a statement to the effect that you should contact us if there have been any changes in your financial situation or investment objectives, if you wish to impose reasonable restrictions on the management of your account, or if you wish to reasonably modify existing restrictions.

All communications from us, National Financial and/or Envestnet may be by electronic means.

You should promptly review and compare the statements provided by us and the statements provided by National Financial and notify us in writing of any errors or discrepancies.

Investment Discretion

We do not exercise investment discretion under the Managed Account Program. Based on the information you provide to us regarding your financial circumstances, investment objectives and risk tolerance, we will provide you with a recommendation concerning whether one or more of the Select Portfolio Programs is appropriate for you. As described below, under some of the Select Portfolio Programs you will grant investment discretion to Envestnet and Sub-Managers and we will provide you with additional recommendations.

Separate Account Program, Multi-Manager Account Program and Mutual Fund Wrap Program: You grant Envestnet full investment discretion and full discretionary trading authority. Under the Separate Account Program and Multi-Manager Account Program, you also grant each of the selected Sub-Managers discretionary authority over the portion of your account's assets allocated to the Sub-Manager.

Unified Managed Account Program: We provide you with recommendations regarding the appropriate model and underlying investment vehicles to meet your needs. However, you direct the investments within your account and you are responsible for the selection of the appropriate model and the underlying investment vehicles. Envestnet trades your account based on the instructions received from the independent asset managers and, in connection with such trading, exercises full discretionary trading authority.

TAG ETF Wrap Program: The client grants Envestnet the authority to engage the ETF Model Provider and to trade and rebalance the client's account based on the identified model portfolio provided by the ETF Model Provider. The ETF Model Provider has the discretion to determine the securities comprising the model portfolios, but the ETF Model Provider does not act as investment manager to the client or provide discretionary investment advice to the client. We provide you with a recommended ETF-based wrap strategy taking into account the risk appropriate profile for the ETF Model Provider's strategies provided by Envestnet. We do not exercise investment discretion or discretionary trading authority.

HOMM Program: We create a set of model portfolios utilizing certain model management tools provided by Envestnet and assist you in selecting an appropriate model portfolio. We also establish a menu of mutual funds, ETFs and other investment vehicles available under the HOMM Program and assist you in selecting mutual funds, ETFs or other investment vehicles appropriate for your portfolio. However, you are responsible for directing the investments within your account. Neither Envestnet nor we exercise any investment discretion.

Voting Client Securities (i.e., Proxy Voting)

We do not exercise voting authority over the securities held in our clients' investment management accounts.

- If you have a Unified Managed Program Account or a HOMM Program account, you will be solely responsible for determining whether and how to vote proxies or act on similar actions in connection with the securities held in your account. National Financial will send proxies or similar action requests directly to you.
- Under the TAG ETF Wrap Program, Envestnet is responsible for voting proxies relating to securities held in client accounts.
- In the case of other Select Portfolio Programs, Envestnet or the Sub-Manager, as applicable, will determine whether and how to vote or otherwise act on all matters requiring a vote, consent, election or similar action by the holders of securities held in your Managed Account Program account. You may revoke the voting authority given to Envestnet or the Sub-Manager at any time.
- Periodically, we will review Envestnet's proxy voting policies and procedures. If you would like a copy of Envestnet's proxy voting guidelines, please contact the FC for your account.

Financial Information

We do not serve as a custodian of client funds or securities, and do not require prepayment of fees of more than \$1,200 per client, and six months or more in advance. Accordingly, a balance sheet is not required to be provided with this Disclosure Brochure.

We do not have any financial impairment that will preclude us from meeting our contractual commitments to clients.

We have not been the subject of any bankruptcy petition at any time, including any time during the past ten years.

Requirements for State-Registered Advisers

We are an SEC-Registered Adviser, rather than a State-Registered Adviser. As a result, this item is not applicable to us.