

**SIGNATOR INVESTORS, INC.**  
**Member FINRA, SIPC**  
**A Registered Investment Adviser**

**Form ADV Part 2A**

**Investment Advisory Services Brochure**

**March 28, 2012**

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This Brochure provides information about the qualifications and business practices of Signator Investors, Inc. If you have any questions about the contents of this Brochure, please contact us at 1-888-333-3087. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Signator Investors, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provides you with information about which you determine to hire or retain an Adviser.

Additional information about Signator Investors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. Summary of Material Changes**

There have been no material changes since Signator Investors, Inc.'s annual update in March 2011.

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## **Item 4. Advisory Business**

### **Information about Signator Investors, Inc.**

Signator Investors, Inc. ("SII") is a registered investment adviser with the Securities and Exchange Commission ("SEC") that has been in existence since 1999. SII is also dually registered as a broker-dealer and is registered with the Financial Industry Regulatory Authority ("FINRA"), the SEC and various states.

SII is wholly owned by John Hancock Financial Network, Inc. John Hancock Financial Network is wholly owned by John Hancock Life Insurance Company (U.S.A), which is ultimately owned by Manulife Financial Corporation.

For more information about SII's affiliations, please see Item 10. Other Financial Industry Activities and Affiliations.

### **Firm Management**

The following individuals serve as officers and principals of the firm. In addition, these individuals are Principal Executive Officers of the investment adviser. Their responsibility is to direct and supervise the activities of SII:

**Christopher Maryanopolis**, born in 1964, is President, CEO and Chief Operating Officer of SII. He holds a BA from SUNY at StonyBrook University of StonyBrook, New York and a Masters of Business Administration from Fordham University of New York, New York.

**Thomas J. Horack**, born in 1953, is Chief Compliance Officer of SII. He holds a BS from Babson College of Wellesley, Massachusetts.

### **Services Offered**

SII and its Investment Adviser Representatives ("IARs") offer the following services:

- Managed Account Programs
- Money Management Seminars & Newsletters
- Financial Planning
- Consultative Services
- Defined Contribution Consulting

Please see below for a full description of the investment advisory services through SII and its IARs.

For information about the investment advisory process for each program, please see Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.

For information regarding the fees for each program, please see Item 5. Fees and Compensation.

### **Managed Account Programs**

SII has agreements with various third-party asset managers, acts as a discretionary investment manager, and makes those services available through its IARs. SII and the IAR will receive a portion of the management fees charged to the client. Below please find a description of the asset management programs offered through SII to the public.

## **Portfolio by Design Program**

### **Overview**

The Portfolio by Design (“PBD”) program offers mutual fund wrap programs, a unified managed account program and separate account programs. SII is the sponsor. Envestnet Portfolio Solutions, Inc. (“Envestnet Portfolio Solutions”) is the Registered Investment Adviser. The investment manager is Envestnet Portfolio Solutions. Envestnet Portfolio Solutions is located at 75 State Street, 6<sup>th</sup> Floor, Boston, MA 02110. Envestnet Portfolio Solutions’ Form ADV Part 2A is given to clients and prospective clients of the PBD program and contains specific details about Envestnet Portfolio Solutions and its investment advisory qualifications and services. For additional information about Envestnet Portfolio Solutions, please see Envestnet Portfolio Solutions’ Form ADV Part 2A.

### **Products**

Through the PBD program, SII IARs may offer five products:

- PBD Premier Manager (“Premier Manager”)
- PBD Premier Advisor (“Premier Advisor”)
- PBD Premier Manager Income Portfolios
- Unified Managed Account (“UMA”)
- ActivePassive Portfolios

SII also provides investment advisory services on PBD Premier Select and PBD Focus wrap accounts. Currently, the PBD Premier Select and PBD Focus programs are closed to new clients.

### **Premier Manager**

Premier Manager is an Envestnet Portfolio Solutions model driven mutual fund program that allows the client to invest in a broad range of funds from National Financial Services. This program is managed by Envestnet Portfolio Solutions. Therefore, Envestnet Portfolio Solutions is granted investment discretion and will continuously monitor each client portfolio. When deemed appropriate, Envestnet Portfolio Solutions will make changes in both asset class allocations and specific investment selections. Envestnet Portfolio Solutions will also periodically rebalance the portfolios.

### **Premier Advisor**

Premier Advisor is an IAR directed mutual fund and separately managed account program. Like Premier Manager, Premier Advisor offers a broad selection of funds from National Financial Services as well as a wide variety of separately managed account strategies. Through the Premier Advisor program, the client retains full discretion over the implementation of the IAR’s recommendations and the rebalancing of the account.

For clients in the Premier Advisor program, the IAR makes recommendations for changes in both asset class allocations and specific investment or manager selections. The client may accept these recommendations or decline to implement the recommendations.

### **UMA**

The UMA program allows the client access to an Envestnet Portfolio Solutions model driven program which can consist of separately managed accounts, mutual funds and exchange traded funds. The UMA models are constructed by Envestnet Portfolio Solutions, and investment discretion is granted to Envestnet Portfolio Solutions. Additionally, Envestnet Portfolio Solutions

in-house overlay portfolio management team supervises and aggregates the investment decisions of the multiple managers.

#### *ActivePassive Portfolios*

The ActivePassive Portfolios are Envestnet Portfolio Solutions models that combine passively managed investments with actively managed mutual funds. The portfolios consist of mutual funds and exchanged-traded funds. For this program, Envestnet Portfolio Solutions is the manager and monitors the securities selections and asset allocations. Envestnet Portfolio Solutions is granted investment discretion which allows Envestnet Portfolio Solutions to make securities changes and rebalance the portfolios when necessary.

#### *Income Portfolios*

Like the ActivePassive Portfolios, the Income Portfolios program is an Envestnet Portfolio Solutions model driven mutual fund program. However, unlike the ActivePassive Portfolios program, the Income Portfolios is made up solely of mutual funds. Envestnet Portfolio Solutions is the manager and is granted investment discretion for this program. Envestnet Portfolio Solutions monitors the account's securities selections and asset allocation. When necessary, Envestnet Portfolio Solutions will make securities selection changes and rebalance the portfolios.

See Appendix 1 Portfolio by Design Wrap Fee Brochure for more information on the program.

### **John Hancock Portfolio Solutions Program**

#### **Overview**

The John Hancock Portfolio Solutions ("JHPS") is a mutual fund and exchange-traded fund ("ETF") managed account program. The sponsor and discretionary investment manager of the JHPS program is Signator Investors, Inc. ("SII"). Manulife Asset Management ("MAM") is the model provider recommending mutual fund and ETF model portfolios to SII for the JHPS program. John Hancock Investment Management, LLC ("JHIM") provides research related to the mutual funds and ETFs SII includes in the model portfolios. SII's Form ADV Part 2A and Appendices are given to clients and prospective clients of the JHPS program.

#### **Products**

The JHPS Program consists of two components:

- JHPS Mutual Fund Solutions
- JHPS ETF Solutions

#### **JHPS Mutual Fund and ETF Solutions Program**

SII manages the JHPS Mutual Fund and ETF Solutions programs which offer individual clients actively managed portfolios comprised of mutual funds or ETFs. SII is granted investment discretion and will continuously monitor each client's portfolio. MAM, an affiliate of SII, provides SII with recommended model investment portfolios based on specific investment strategies and may, from time to time, recommend changes to asset class allocations and specific mutual fund and ETF selections. JHIM, an affiliate of SII, provides research related to the mutual funds and ETFs SII includes in the model portfolios. SII's Investment Committee uses a number of analytical tools and software applications in determining whether to follow those recommendations. Some of the factors considered are historical rates of risk and return for various asset classes, correlation across asset classes and risk premiums. SII will solely determine whether to follow those recommendations. SII will also periodically rebalance the portfolios. Once a rebalance is determined it will occur at the then current quarter end.

See Appendix 2 John Hancock Portfolio Solutions Wrap Fee Brochure for more information on the program.

### **Strategic Portfolio Solutions Program**

#### **Overview**

Currently, the Strategic Portfolio Solutions Program is closed to new clients.

SII IARs will provide advice to clients on the Strategic Portfolio Solutions (“SPS”) program, a mutual fund, separate account, and multi-manager separate account wrap fee program. SII is sponsor for this program. The investment manager and sub-adviser of the SPS program is Envestnet Asset Management, Inc. (“Envestnet”). Envestnet is located at 35 E. Wacker Drive, Suite 1600, Chicago, IL 60601. Envestnet’s Form ADV Part 2A is given to clients and prospective clients of the SPS program and contains specific details about Envestnet and its investment advisory qualifications and services. For additional information about Envestnet, please see Envestnet’s Form ADV Part 2A.

#### **Products**

The SPS program has four products:

- Separate Account Solutions
- The SIGMA™ Mutual Fund Solutions
- The SIGMA™ Multi Manager Account Solutions
- SPS Adviser Solutions

**Currently, the SPS program is closed to new clients.**

Current clients should see Appendix 3 Strategic Portfolio Solutions Wrap Fee Brochure for more information.

### **SEI Asset Management Program**

#### **Overview**

SII has an agreement with SEI Investments Management Corporation, SEI Investments Distribution Company and SEI Trust Company (collectively “SEI”) that allows SII’s IARs to offer SEI’s mutual fund asset allocation programs and separate account programs to SII clients.

SEI is located at 100 Cider Mill Road, Oaks, PA 19456. SEI’s Form ADV Part 2A is given to clients and prospective clients and contains specific details about SEI and its investment advisory qualifications and services. For additional information about SEI, please see SEI’s Form ADV Part 2A.

#### **Products**

Through SEI, SII IARs may offer four products:

- SEI Goal Link
- SEI Private Client Model
- SEI Managed Account Program (“MAP”)
- SEI Integrated Managed Accounts Program (“IMAP”)

When needed, SEI will rebalance the accounts in the programs to maintain the target allocation. If there is a proposed model, strategy or portfolio manager change, SEI will notify the IAR who will, in turn, discuss the reasons for the change with the client. If the client does not agree to the change, the model, strategy or portfolio manager change will not occur.

### SEI Goal Link

The SEI Goal Link is a fund of funds investment solution that focuses on the client's goals. Through SEI Goal Link, SII IARs assist clients with selecting investment strategies that aim to meet the client's investment objectives. The program is made of several SEI fund of funds that allow the client to invest in several SEI mutual funds while only owning one fund. The portfolios are constructed by SEI. SEI is granted investment discretion, and when necessary, SEI will rebalance the accounts to maintain the target allocation.

### SEI Private Client Model

Through SEI Private Client Models, SII IARs assist clients with selecting investment strategies that aim to meet the clients' investment objectives. The program is made up of models that are made of SEI mutual funds. SEI is granted investment discretion and, when necessary, SEI will rebalance the accounts to maintain the target allocation.

### SEI Managed Account Program (MAP)

The SEI MAP is a separately managed account program that uses style specific managers. SEI appoints portfolio managers to manage the assets in accordance with the guidelines of the managed account strategy mandates. SEI is granted investment discretion and, when necessary, SEI will rebalance the accounts to maintain the target asset allocation.

### SEI Integrated Managed Accounts Program (IMAP)

The SEI IMAP is a separately managed account program that uses multiple, style specific managers and an integration manager to administer a consolidated portfolio of individual equity securities and mutual funds. SEI appoints portfolio managers to manage the assets in accordance with the integrated managed account strategy mandates. SEI is granted investment discretion and, when necessary, SEI will rebalance the asset allocations in the consolidated portfolio to maintain the target asset allocation.

## **Solicitation Arrangements**

### **Brinker Capital**

#### **Overview**

SII acts as a solicitor on behalf of Brinker Capital. Brinker Capital is granted investment discretion for all of the programs offered through SII.

Brinker Capital is located at 1055 Westlakes Drive, Suite 250, Berwyn, PA 19312. Brinker Capital's Form ADV Part 2A is given to clients and prospective clients and contains specific details about Brinker Capital and its investment advisory qualifications and services. For additional information about Brinker Capital, please see Brinker Capital's Form ADV Part 2A.

#### **Products**

Through Brinker Capital, SII IARs may offer four investment solutions:

- Core Asset Manager Program
- Destinations Program
- Unified Managed Account Program
- Crystal Strategy I Program

For more information about the programs listed above, please see Brinker Capital's Form ADV Part 2A.



## **Signature Estate and Investment Advisors, LLC**

### **Overview**

SII acts as a solicitor on behalf of Signature Estate and Investment Advisors, LLC.

Signature Estate and Investment Advisors, LLC is located at 2121 Avenue of the Stars, Suite 1600, Los Angeles, CA 90067. Signature Estate and Investment Advisors, LLC's Form ADV Part 2A is given to clients and prospective clients and contains specific details about Signature Estate and Investment Advisors, LLC and its investment advisory qualifications and services. For additional information about Signature Estate and Investment Advisors, LLC, please see Signature Estate and Investment Advisors, LLC's Form ADV Part 2A.

### **Products**

Through Signature Estate and Investment Advisors, LLC, SII IARs may offer two investment solutions:

- Signature Allocation Series
- Signature Elite

Signature Estate and investment Advisors, LLC is granted discretion for the Signature Allocation Series, and the client retains discretion for the Signature Elite Program.

For more information about the programs listed above, please see the Signature Estate and Investment Advisors, LLC Form ADV Part 2A.

## **Curian Capital, LLC**

### **Overview**

SII acts as a solicitor on behalf of Curian Capital, LLC.

Curian Capital, LLC is located 7601 Technology Way, Denver, CO 80237. Curian Capital, LLC's Wrap Fee Program Brochure is given to clients and prospective clients and contains specific details about Curian Capital, LLC and its investment advisory qualifications and services. For additional information about Curian Capital, LLC, please see Curian Capital LLC's Wrap Fee Program Brochure.

### **Seminars & Newsletters**

SII IARs may offer generic financial education seminars to the public. Seminars are approved by the home office of SII. The seminars generally consist of generic discussion of financial strategies using a wide variety of investment and insurance products. There is no charge for attendance, but there may be a charge for materials provided. SII also allows its IARs to send newsletters to their clients or prospective clients. These newsletters may be prepared by an approved third party newsletter service. There is no charge for these newsletters. Aside from these newsletters, SII and its IARs do not issue proprietary reports, charts, graphs, formulas or other devices that clients may use to evaluate securities.

### **Financial Planning**

Qualified IARs, who are also part of SII's Financial Planning Program, can offer financial planning on a case by case basis for specific client needs. These financial plans may provide recommendations on the client's overall investment allocation, insurance needs as well as other financial matters.

SII defines financial planning in a broad sense as services that typically involve assisting clients in identifying long-term economic goals, analyzing their current financial situation, and recommending a comprehensive financial program to achieve those goals.

### **Consultative Services**

Certain IARs who are also part of SII's Financial Planning Program may offer clients consultative services and provide general investment advice or guidance to clients in accordance with a written service agreement. The consulting services may include one or more of the following financial planning topics:

- asset allocation
- estate planning
- retirement planning
- accumulation goal planning

### **Defined Contribution Consulting**

Certain IARs in SII's Defined Contribution Consulting ("DCC") program provide services to retirement plans ("Plans") and their participants on behalf of SII. The plan sponsor (or the responsible plan fiduciary if that person is not the plan sponsor) executes a DCC advisory agreement ("Advisory Agreement") on behalf of the Plan with SII to designate, among other things, the services ("Services") it will receive from SII. Services are composed of two types, Fiduciary Services and Non-Fiduciary Services.

To the extent it performs Fiduciary Services selected by the Plan, SII is providing non-discretionary investment advice only and acting as a fiduciary with respect to the Plan under the Employee Retirement Income Security Act of 1974 ("ERISA"), the federal law governing pension plans). The Plan retains the sole final decision making authority to accept or reject the non-discretionary advice or recommendations delivered by SII. Fiduciary Services are delivered with respect to the particular needs of each Plan and its participants, for the purpose of providing retirement income, based on generally accepted investment theories and prevailing investment industry standards.

For "non-fiduciary services" selected by the Plan, SII is not acting as an ERISA fiduciary.

Fiduciary Services include investment advice for the selection, monitoring, and replacement of investment options, and the development of an investment policy statement for the Plan. Non-fiduciary services include financial education of Plan participants about investments generally or Plan investment options, but are not rendered by SII as individualized investment advice for any particular participant. Non-fiduciary services also include general assistance with group enrollment meetings for employees, or plan-level consulting services such as fee and expense evaluation, vendor analysis or general support for plan design features. The Advisory Agreement will specify the Fiduciary Services and Non-Fiduciary Services selected by the Plan, and SII has no authority or responsibility to provide any other services.

### **Assets Under Management**

As of 03/05/2012, Signator Investors, Inc. had \$1,469,224,253 in non-discretionary assets under management.

As of 03/05/2012, Signator Investors, Inc. had \$3,807,145, in discretionary assets under management.

## **Item 5. Fees & Compensation**

### **Signator Investors, Inc. ("SII")**

SII receives compensation through its Managed Account Programs, Financial Planning Program, Consultative Services Program and the Defined Contribution Consulting Program and occasionally receives additional administrative fees from third party program sponsors.

As a broker dealer SII effects securities transactions for compensation for clients. Commissions may be charged in addition to investment advisory services fees. SII and its investment advisor representatives ("IARs") may also receive brokerage commissions from the transactions they recommend to clients. Clients are not required to execute transactions through SII and its IARs. SII and its IARs do not suggest brokers to clients, therefore if a client asks an SII IAR to execute a transaction, the transaction will be executed through SII as a broker-dealer and a commission may be paid to the IAR/Registered Representative of SII. For additional information regarding SII's brokerage practices, please see Item 12. Brokerage Practices.

SII will solicit investment advisory services provided by other registered investment advisers. SII will receive compensation through the solicitation arrangements it has in place with the investment advisers.

SII is affiliated with a life insurance company and an investment company that sponsors various proprietary products such as variable life insurance, variable annuities and mutual funds. As a broker dealer SII sells these products to clients and receives compensation when a client makes a purchase.

### **Portfolio by Design**

SII charges an annual service fee (the "program fee") equal to a percentage of the assets invested in the client's account. The program fee includes the sponsor fee, the service fee as well as the advisory fee. The sponsor fee is the compensation paid to SII for services provided to the client's account and is not negotiable. The service fee is the compensation paid to Investnet Portfolio Solutions for services provided to the client's account and is not negotiable. The advisory fee is the compensation that is paid to the SII IAR, which is negotiable. SII or Investnet Portfolio Solutions may, in their sole discretion, pay all or a portion of their portion of the program fee to another party involved in providing services to the client's account. The program fee is based on the investment option(s) being used to manage the client's account.

Within the Premier Manager there are 4 programs: Mutual Fund Wrap Program, Income Portfolios, Active Passive Portfolios and Unified Managed Account Portfolios ("UMA"). Within the Mutual Fund Wrap Program, Income Portfolios and Active Passive Portfolios programs, a maximum program fee of 2.00% may be charged. For assets invested in the UMA the maximum fee is 2.5%. Premier Manager accounts are subject to a \$125.00 minimum quarterly fee.

Within the Premier Advisor there are 2 programs: Mutual Fund Wrap Program and Separately Managed Account Program. For assets invested in the Mutual Fund Wrap Program, a maximum program fee of 2.00% may be charged. For assets invested in the Separately Managed Account Program, the maximum program fee is 3.00% for equity and balanced strategies and 2.50% for fixed income strategies.

Program fees are generally billed quarterly, in advance, based on the average daily balance of the account during the prior quarter. Program fees are debited from the account at the start of

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each quarter. All unused, pre-paid program fees will be credited (refunded) to the client's account in the event of termination of the investment advisory agreement and/or account closing. The client account will only be charged for the actual days the account was managed. The client may terminate the investment advisory agreement for any reason. If the client wishes to terminate the agreement, he/she must deliver written notice to SII or Envestnet Portfolio Solutions.

Upon establishment of the account, the program fee will be charged the month following the date the account was established. The program fee will be pro-rated for the number of days during the first month the account was managed plus the remainder of days in the current quarter. The program does not charge set-up fees.

Additional fees may be assessed on certain securities transactions. In addition to fees charged by SII and Envestnet Portfolio Solutions, clients may be subject to fees charged by the mutual funds and ETFs in their portfolio. All investments in mutual funds are subject to the terms of each of the applicable prospectuses, including associated fees and underlying mutual fund expenses as fully described in the prospectus. 12b-1 fees are paid on certain offered mutual funds. SII retains the 12b-1 fee payments in non-retirement accounts while 12b-1 payments in retirement accounts are passed through to the accounts. There is no explicit incentive for SII IARs to choose mutual funds that pay 12b-1 fees over mutual funds that do not charge 12b-1 fees.

The program fee includes fees for investment management, clearing and custody. When the Separate Account manager is an affiliated Investment Manager, the portion of the program fee for portfolio management is paid to the affiliated Investment Manager and not to SII.

### **John Hancock Portfolio Solutions**

SII charges an annual account and service fee (the "Program Fee") equal to a percentage of the assets invested in the clients account. The Program Fee includes the "Sponsor Fee" and the "Advisor Fee". The Sponsor Fee is the compensation paid to SII for services provided to the client's account and is not negotiable. The Advisor Fee is the compensation that is paid to the IAR and is negotiable. The Program Fee is based on the investment option(s) being used to advise and administer the client's account. SII may, in its sole discretion, pay all or a portion of the Sponsor Fee to another party involved in providing services to the JHPS Program. The Program Fee may be discounted down to the Sponsor Fee. Should IARs opt to charge only the Sponsor Fee, he/she will forgo his/her compensation.

Manulife Asset Management ("MAM"), the model provider for the JHPS program, is an affiliate of Signator Investors, Inc. Any portion of the program fee paid to the model provider is paid to the affiliated model provider and not to SII. John Hancock Investment Management, LLC, the research provider, is an affiliate of SII. Any portion of the program fee paid to the research provider is paid to the affiliated research provider and not to SII. Additionally, Clients' accounts may be invested in certain affiliated mutual funds under the JHPS program. There are no 12b-1 fees associated with the mutual funds under the JHPS program and there is no explicit incentive for an SII IAR to recommend John Hancock Portfolio Solutions program over another program.

The maximum fee allowable for those assets invested under the JHPS Mutual Fund Solutions and ETF Solutions Programs is 2.40%. There is a \$150.00 annual account fee for accounts managed under the JHPS Mutual Fund Solutions Program and a \$250.00 annual account fee for accounts managed under the JHPS ETF Solutions Program. There are no 12b-1 fees associated with the mutual funds under the JHPS, but other underlying mutual fund fees will apply.

Program Fees are billed in advance based on the account value on the last business day of the previous calendar quarter. Program Fees are debited from the account at the start of each quarter. All unused, pre-paid program fees will be credited (refunded) to the client's account in the event of termination of the investment advisory agreement and/or account closing. The client account will only be charged for the actual days the account was managed.

Upon the establishment of an account, the initial fee is calculated and debited on the day after initial assets are placed in the program, for the first quarter or appropriate part thereof. If an account is opened during the last month of the calendar quarter, the fees assessed will include fees for the remaining days in the quarter plus fees for the next calendar quarter. The program does not charge set-up fees. Additional one-time investments of \$10,000 or more will cause the fee to be recalculated and pro-rated as of the day of the additional investment and will be billed in advance based on fair market value calculated on the last business day of the previous calendar quarter.

All investments in mutual funds are subject to the terms of each of the applicable prospectuses, including associated fees and underlying mutual fund expenses. Clients will be advised that fees associated with the JHPS are in addition to fees charged by the mutual funds in their portfolio.

### **Strategic Portfolio Solutions**

Each client in the Strategic Portfolio Solutions program will pay a program fee. The program fee includes the sponsor fee, the service fee as well as the advisory fee. The sponsor fee is the compensation paid to SII for services provided to the client's account and is not negotiable. The service fee is the compensation paid to Envestnet for services provided to the client's account and is not negotiable. The advisory fee is the compensation that is paid to the SII IAR, which is negotiable. Program fees are generally billed quarterly, in advance, based on the average daily balance of the account during the prior quarter. Program fees are debited from the account at the start of each quarter. All unused, pre-paid program fees will be credited (refunded) to the client's account in the event of termination of the investment advisory agreement and/or account closing. The client account will only be charged for the actual days the account was managed.

A maximum allowable program fee of 2.00% may be charged for those assets invested in the SIGMA™ Mutual Fund Solution and the Adviser Solutions program. For assets invested in the SIGMA™ Multi-Manager Account program, the maximum allowable program fee is 3.00%. For assets invested in the Separate Account Solutions program, the maximum allowable program fee is 3.00% for equity and balanced strategies and 2.50% for fixed income strategies and mutual funds. The separate account fee includes charges for investment management, custody and clearing. The program fee may be discounted, down to the sponsor and service fee. If the IAR opts to charge only the sponsor and service fee, the IAR will forgo his/her compensation.

Upon the establishment of an account, the initial fee is calculated and debited on the day after initial assets are placed in the program, for the first quarter or part thereof. If an account is opened during the last month of the calendar quarter, the fees assessed will include fees for the remaining days in the quarter plus fees for the next calendar quarter. The program does not charge set-up fees.

If certain account minimums are not met; a minimum annual platform fee will be assessed. The minimum annual platform fee for the SIGMA Mutual Fund Solutions program of \$115 will be applied to accounts less than \$50,000. The minimum annual platform fee for the Adviser Solutions of \$100 will be applied to accounts less than \$50,000.

In the SIGMA Multi-Manager Account program, a minimum annual custody fee of \$525 will be applied to accounts less than \$175,000.

In the Separate Account Solutions program, for fixed income separately managed accounts and mutual funds a minimum annual platform fee of \$200 will be applied to accounts less than \$100,000 and a minimum annual custody fee of \$375 will be applied to accounts less than \$250,000. For equity and balanced separately managed accounts within the Separate Account Solutions program a minimum annual platform fee of \$250 will be applied to accounts less than \$100,000 and a minimum annual custody fee of \$425 will be applied to accounts less than \$170,000.

Clients may be subject to fees charged by the mutual funds in their portfolio, which are in addition to the program fees discussed above. All investments in mutual funds are subject to the terms of each of the applicable prospectuses, including associated fees and underlying mutual fund expenses as fully described in the prospectus. 12b-1 fees are paid on certain offered mutual funds. SII retains the 12b-1 fee payments in non-retirement accounts while 12b-1 payments in retirement accounts are passed through to the accounts. There is no explicit incentive for SII IARs to choose mutual funds that pay 12b-1 fees over mutual funds that do not charge 12b-1 fees.

The Separate Account Solutions fee includes fees for investment management, clearing and custody. If the Separate Account Solutions portfolio manager is an affiliated Investment Manager, the investment management portion of the fee is paid to the affiliated Investment Manager and not to SII.

### **SEI Asset Management**

As a participant in the SEI Goal Link and Private Client Model, the client will pay an advisory fee to SII and the IAR. The advisory fee is the compensation that is paid to SII and the IAR for services provided to the account.

Clients in the SEI Managed Account Program and the SEI Integrated Managed Account Program will pay a program fee which consists of an advisory fee and a management fee. The advisory fee is the compensation paid to SII and the IAR for services provided to the account. SII's portion of the advisory fee is not negotiable. The IAR portion of the advisory fee is negotiable. The management fee is compensation paid to SEI for services provided to the account. SII or SEI may, in their sole discretion, pay all or a portion of the fees received to another party involved in providing services to the client's account.

Fees are charged quarterly, in arrears and are deducted directly from the account. The program and advisory fees are based on percentage of the market value of the assets in the client account.

The client may also incur certain charges imposed by SEI, in connection with investments made through a program account. These charges include:

- SEI Custodial fee
- SEI Fund management fees and administrative servicing fees
- SEI Account Maintenance Fees
- Other fees charged by SEI and IRA and Qualified Retirement Plan fees

SII does not determine, administer or retain any portion of the additional SEI fees listed above. Further information regarding charges and fees assessed by an SEI Fund are available in the

appropriate prospectus. A list of charges that may be imposed by SEI are described in the SEI Client Agreement.

A maximum allowable program fee of 2.00% may be charged for those assets in the Goal Link and Private Client Model programs. For assets in the SEI MAP program, the maximum allowable program fee is 3.12%. For assets in the SEI IMAP programs, the maximum allowable program fee is 3.27%.

Clients may be subject to fees charged by the mutual funds in their portfolio, which are in addition to the program fees discussed above. All investments in mutual funds are subject to the terms of each of the applicable prospectuses, including associated fees and underlying mutual fund expenses as fully described in the prospectus. Please see SEI's ADV Part 2A for more information.

### **Brinker Capital**

Clients in the Brinker Capital programs pay a program fee and a solicitor's fee. The program fee is charged by Brinker Capital for services provided to the account. The solicitor's fee is the compensation that is paid to SII and the IAR. SII's portion of the solicitor's fee is not negotiable. The IAR's portion of the solicitor's fee is negotiable. The program fee and solicitor's fee is equal to a percentage of the net asset value of the client's account. Fees are generally billed quarterly, in advance, based on the average daily balance of the account during the prior quarter and are debited from the account at the start of each quarter.

The program fee for accounts over \$100,000 for the Brinker Destinations Program is 0.25%. For accounts under \$100,000, the maximum program fee for the Brinker Destinations program is 0.75%. The mutual funds available in the Destinations program may incur management fees and other operating fees and expenses, which are in addition to the program fee paid to Brinker Capital by the client. For accounts with net asset values of less than \$100,000, Brinker Capital charges an additional annual fee of \$200 payable in four equal installments with the quarterly fee based on the net asset value of the account.

The program fee charged to clients in the Core Asset Manager program is a blended fee based upon asset allocation, portfolio manager selection and total account value. Fees may be discounted or negotiated at Brinker Capital's discretion. For assets in the Brinker Core Asset Manager program, the maximum program fee is 1.40% for equity and balanced portfolios and 0.88% for fixed income portfolios. Brinker Capital's fee does not include the management fee paid to portfolio managers for assets invested in privately placed hedge funds, real estate investment trusts or other pooled investment vehicles, publicly traded mutual funds or exchange traded funds or index-linked debt securities. Such alternative investments may also incur operating fees and expenses. These fees are disclosed in the prospectus or offering documents of the investments. Brinker Capital's fee is calculated quarterly based on the market value of a client's assets and is either paid through redemption of mutual fund shares or deducted from the client's separately managed accounts, based on the weighted average of the managed account market values.

Clients who participate in the Unified Managed Account ("UMA") program pay a program fee, which covers the investment advisory services provided by Brinker Capital and the portfolio manager(s), all custodial services and brokerage commissions, and the portfolio implementation and coordination services provided by the coordinating sub-adviser. Brinker Capital may also pay a portion of the program fee to solicitors who act as the liaison between the client and Brinker Capital. The program fee does not cover any fees charged by the Securities and Exchange Commission ("SEC") or U.S. or foreign stock exchanges based on the sale of a security, wire transfer fees, costs associated with temporary investment of client funds in a

money market account, transfers of assets upon termination of the account or any internal management or operating fees or expenses imposed or incurred by a mutual fund, ETF or other pooled investment vehicle in which the client's account may be invested or any special requests by the client.

Brinker Capital's program fee for the UMA program is based upon the investment strategy selected by the client (which reflects the allocation between equities and fixed income assets) and the size of client's account. The program fees range from 0.45% to 1.05% for the conservative capital preservation model and from 0.85% to 1.15% for moderately aggressive to aggressive models. The program fee is not negotiable. However, in certain circumstances, accounts with assets in excess of \$5 million, fees may be discounted. For accounts using the tax transition features, the fee ranges from 0.90% to 1.05% for the growth and income models and from 0.90% to 1.00% for an all equity growth model.

Clients who participate in the Crystal Strategy I program pay a program fee, which encompasses fees for investment advisory services provided by Brinker Capital, clearing and custody charges. The program fee for the Crystal Strategy I program is based upon the investment strategy selected by the client, the size of client's account and the portfolio manager selected. The program fees range from 0.65% to 0.83%. If the client's portfolio includes separate accounts, a portfolio manager's fee is charged in addition to the program fee. The portfolio manager's fee is based on the portfolio manager and the investment strategy selected, as well as the size of the account. For equity and balanced accounts the portfolio manager's fee may range from 0.40% to 1.00%. For fixed income accounts, the average portfolio manager's fee is 0.35%. The actual portfolio manager's fee for the fixed income accounts may be higher or lower than the average fee.

Brinker Capital may recommend the use of managed separate accounts, registered mutual funds or ETFs depending on their suitability and the overall benefits each may provide to the particular allocation. Mutual funds and ETFs incur management fees and other operating fees and expenses as disclosed in the prospectuses for such funds. These fees and expenses are in addition to Brinker Capital's program fee.

The fee schedule may be changed by Brinker Capital provided they inform the client of the changes 30 days prior to the change of the fee schedule. The above fees do not include the solicitor's fee, which is negotiable and is equal to a percentage of the net asset value of clients account. The solicitor's fee is determined by the soliciting SII IAR and fall generally within a range of 0.20% to 2.00%.

Fees are payable on the opening of the account, based on the market value of the client's account assets when the account is opened and prorated for the number of days remaining in the calendar quarter. From then on, the quarterly fee is paid in advance, based on the market value of the account as of the last business day of the previous calendar quarter, and is due the following business day. A pro-rata portion of any prepaid fees will be returned on termination of the client's Investment Advisory Agreement. The final fee amount will be based on the account value at the time the account is closed. The client will be entitled to a prorated refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after the termination date.

#### **Signature Estate and Investment Advisors, LLC**

Clients in Signature Estate and Investment Advisors, LLC ("SEIA") investment advisory services programs will pay a program fee and a solicitor's fee. The program fee is charged by SEIA for services provided to the account and is not negotiable. SII, in connection with the performance of its respective services, will receive a share of the program fees and is not negotiable. SII



may also receive administrative fees from the client. SII or SEIA may, in their sole discretion, pay all or a portion of the service fee to another party involved in providing services to the client's account. The solicitor's fees range from 0.35% to 1.50%. The minimum annual program fee is \$3,500. The solicitor's fee is the compensation that is paid to the SII IAR and is negotiable. Fees are generally billed quarterly, in arrears, based on the market value of the account on the last day of the quarter and are debited from the client account.

In addition to the program fees, clients will also be subject to client trading costs. Clients in the Signature Allocation Series may select asset based pricing or transaction based pricing for calculating trading costs. For clients that elect the asset based pricing structure, an annual rate of 0.012, charged pro-rata daily. For clients in Signature Elite, the client trading costs will be calculated using transaction based pricing. For clients that elect the transaction based pricing structure, equity trades are \$19.95 for the first 1,000 shares. For each share over 1,000, the client is charged \$.015. If the client is enrolled for eDelivery or the total household account value is over \$1,000,000 the fee is \$8.95 per trade. For mutual fund trades of less than \$15,000, the fee is 0.30% of the principal, with a minimum fee of \$22 and a maximum of \$45. For mutual fund trades greater than \$15,000, the fee is 0.15% of the principal, with a minimum of \$45 and a maximum of \$49.95. Prime Broker Trades are \$20 per trade for both the asset and transaction based pricing structure.

### **Curian Capital, LLC**

Clients in the Curian Capital, LLC's ("Curian") programs will pay an all inclusive fee ("total program fee") that consists of two parts, a program fee and the financial professional fee ("solicitor's fee"). The Curian fees are for certain program services, the Model Manager's services in managing their respective Model Manager Portfolios, and clearing costs associated with securities transaction execution, clearing and custody services on Program Account assets, except with respect to direct trades, and assets held in non-Program cash management account options. See below for a table that shows Curian's standard fee structure.

Tier	From	Up To	Moderate to Maximum Growth	Conservative to Moderate Conservative	Very Conservative
First \$99,000	-	\$99,999	1.25%	1.15%	0.70%
Next \$150,000	\$100,000	\$249,999	1.15%	1.05%	0.70%
Next \$250,000	\$250,000	\$499,999	1.05%	0.95%	0.55%
Next \$500,000	\$500,000	\$999,999	0.95%	0.90%	0.50%
Next \$1 Million	\$1,000,000	\$1,999,999	0.90%	0.85%	0.42%
Next \$3 Million	\$2,000,000	\$4,999,999	0.80%	0.75%	0.39%
Above \$5 Million	\$5,000,000	-	0.70%	0.65%	0.36%

**Curian may charge additional fees for other services associated with the Client's account. There may be other expenses associated with certain accounts in Curian's program. Please see Curian Capital's Wrap Fee Program Brochure for more specific information regarding the fees and expenses associated with Curian's programs.**

The solicitor's fee is the portion paid to SII and SII's IAR. SII's portion of the solicitor's fee is not negotiable. The SII IAR's portion of the solicitor's fee is negotiable and will not exceed 1.50% on an annual basis.

The total program fee is assessed monthly in arrears and is based on the average daily market value of the assets in the Client's account. This fee is due on the first day of the month following establishment of the Client's account and will be deducted from the Client's account after it becomes due. The day fees are deducted may vary to accommodate trading activity that may be occurring. If the client's account is closed during a month the total program fee will be adjusted on a pro rata basis to reflect only those days in which the Client's account was invested.

### **Financial Planning**

If there is compensation to SII for rendering the financial plan, clients will be charged a fee based on the complexity of the plan and the client's financial objectives and needs. The exact fees to be charged for the financial plan will be specifically listed, by the IAR, in the advisory agreement, which is presented to the client for his or her signature before the planning process begins. A maximum deposit of \$500.00 may be taken no more than six months in advance, with the balance due upon presentation of the plan.

The client may terminate the advisory agreement by written notice within five (5) business days following the date of the contract and receive a full refund of all amounts deposited. However, the client will be responsible for financial planning performed prior to termination, and the balance of the client's deposit, if any, will be properly refunded to the client.

### **Consultative Services**

For consultative services, clients will be charged a fee based on the complexity of the plan or services being provided. Fees may be charged hourly or the IAR may elect to charge a flat fee. Clients may be charged up to \$200 per hour, or by a flat fee, which typically does not exceed \$2,000. If a plan is unusually complex or requires a significant amount of time to complete, the total fees charged may exceed \$2,000. A maximum deposit of \$500.00 may be taken no more than six months in advance, with the balance due upon presentation of the written recommendation.

### **Defined Contribution Consulting**

SII charges an annual fee ("Fee") for Services calculated as either (i) a percentage of the market value of includable Plan assets, (ii) a flat dollar amount (iii) an hourly rate, or (iv) a flat dollar fee with an automatic annual increase, as mutually agreed among the Plan and SII. Fees are negotiable.

Fees are billed quarterly in advance, pro rata for any partial quarter, and any unearned fee following the early termination of the advisory agreement shall be returned by SII on a pro rated basis. The Plan may elect to have the Fees billed directly to the Plan sponsor, or deducted from Plan assets by the custodian/record keeper and remitted directly to SII.

SII will offset any other compensation it receives directly or indirectly for Services provided to a Plan.

In addition to the Fee charged by SII, Plans may also incur certain charges imposed by unaffiliated third parties. Such charges may include, but are not limited to, fees charged by other investment managers, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the Plan which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund

expenses), fees imposed by variable annuity providers and disclosed in the annuity contract, certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

The client may terminate the advisory agreement by written notice within five (5) business days following the date of the contract and receive a full refund of all amounts deposited.

#### **Item 6. Performance-Based Fees and Side-by-Side Management**

SII and its IARs do not charge performance-based fees for any of our investment advisory services. The fees are charged on the basis of a percentage of assets under management. Fees related to financial planning and consultative services are based on the complexity of the plan and the client's financial objectives and needs. Please refer to Section 5 Fees and Compensation for more information.

SII IARs are also Registered Representatives of SII, a registered broker dealer. SII advisory clients may also have brokerage accounts with an SII Registered Representative who recommends and executes securities trades on the client's behalf. Trades executed in the brokerage accounts may conflict with the trades recommended for the advisory accounts.

#### **Item 7. Types of Clients**

Signator Investors, Inc. ("SII") offers investment advisory services to individuals, pensions and profit sharing plans, trusts, estates, non-profit organizations, corporations, partnerships and other types of business entities.

#### **Requirements for Opening & Maintaining an Account**

To open an account, clients must complete an investor profile questionnaire. The questionnaire assists the IARs and/or the third-party asset management firms in determining the investment allocation for the portfolio. Additionally, clients must meet the minimum investment amount for the specific managed account program they select. Below please find a table which lists the account minimums for the programs offered through SII.

Exceptions to the account minimums listed below may be made at the discretion of SII.

#### **Minimum Investment Amount**

<b>Program Name</b>	<b>Product Name</b>	<b>Account Minimum</b>
John Hancock Portfolio Solutions	<ul style="list-style-type: none"> <li>• Mutual Fund Solutions</li> <li>• ETF Solutions</li> </ul>	<b>\$50,000</b>
Portfolio by Design	Portfolio by Design Premier Advisor <ul style="list-style-type: none"> <li>• Mutual Fund Wrap Program</li> <li>• Separately Managed Account Program</li> </ul>	<b>Mutual Fund Wrap Program: \$100,000</b>  <b>SMA Program: Minimums are determined by the individual Investment Managers</b>
	Portfolio by Design Premier Manager <ul style="list-style-type: none"> <li>• Income Portfolios</li> <li>• Mutual Fund Wrap Program</li> </ul>	<b>Income Portfolios: \$100,000</b>  <b>Mutual Fund Wrap Program: \$25,000</b>
	Unified Managed Account Portfolios	<b>\$250,000</b>

	ActivePassive Portfolios ®	<b>\$100,000</b>
SEI	SEI Private Client Model - Mutual Fund Wrap Accounts	<b>\$50,000</b>
	Goal Link – Mutual Fund Wrap Accounts	<b>\$25,000</b>
	SEI Managed Accounts Program (MAP)	<b>MAP: Minimums are determined by the individual Investment Managers</b>
	SEI Integrated Managed Accounts Program (IMAP) – Separately Managed Accounts	<b>\$150,000</b>

SII acts as a solicitor on behalf of Brinker Capital and Signature Estate & Investment Advisors (“SEIA”). Exceptions to the account minimums listed below may be made at the discretion of Brinker Capital and SEIA.

Brinker Capital	Brinker Destinations – Mutual Fund Wrap Account Program	<b>\$50,000</b>
	Brinker Core Asset Manager – Separately Managed Account Program	<b>\$1,000,000</b>
	Brinker UMA – Unified Managed Account Program	<b>\$250,000</b>
	Brinker Crystal Strategy I – Unified Managed Account Program	<b>\$100,000</b>
Signature Estate & Investment Advisors, LLC	Signature Allocation Series	<b>Account Minimum: \$50,000 Household Minimum: \$250,000</b>
	Signature Elite	<b>Account Minimum: \$20,000 Household Minimum: \$500,000</b>
Curian Capital, LLC	Curian Custom Style Program	<b>\$25,000</b>

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

Below please find descriptions of the methods of analysis for investment advice that is furnished by SII investment adviser representatives (“IARs”). SII IARs may rely on research services of various money managers, corporate press releases and annual reports, SEC filings, corporate rating services, prospectuses and financial industry periodicals when making recommendations.

For additional specific information regarding the methods of analysis or investment strategies used by the third-party asset management firms mentioned below, please see the Form ADV Part 2A of the respective third party asset management firms.

### **Portfolio by Design**

In the Premier Manager, UMA, Active Passive and Income Portfolios programs, the client provides the IAR with information regarding investment objectives, investment time horizon, risk tolerance and other relevant information. The IAR then inputs this information into Envestnet Portfolio Solutions’ proprietary investment allocation system, which in turn provides the client and the IAR with a number of investment options that have been determined to be appropriate choices for the client. To make this determination, Envestnet Portfolio Solutions, evaluates available investments based on their proprietary criteria.

In the Premier Advisor program, the client provides the IAR with information regarding investment objectives, financial status, investment time horizon, risk tolerance and other relevant information. The IAR then inputs this information into a proprietary Envestnet Portfolio Solutions investment allocation system, which in turn provides the client and the IAR a number of proposed investment options which can be adjusted based on the IAR's recommendations and the client's acceptance of those recommendations.

Please see Envestnet Portfolio Solutions' Form ADV Part 2A for more information about Envestnet Portfolio Solutions' specific methods of analysis and investment strategies.

### **John Hancock Portfolio Solutions**

After the client fills out an investor profile questionnaire, SII's IAR utilizes technology to analyze the client information and recommend an appropriate strategy based on the client's needs and objectives, investment time horizon, risk tolerance and other pertinent factors. SII will then propose an overall strategy that includes asset allocation and investment style recommendations.

SII manages the JHPS Mutual Fund and ETF Solutions programs which offer individual clients actively managed portfolios comprised of mutual funds or ETFs. SII is granted investment discretion and will continuously monitor each client's portfolio. Manulife Asset Management provides SII with recommended model investment portfolios based on specific investment strategies and may, from time to time, recommend changes to asset class allocations and specific mutual fund and ETF selections. John Hancock Investment Management, LLC provides research related to the mutual funds and ETFs SII includes in the model portfolios. SII's Investment Committee uses a number of analytical tools and software applications in determining whether to follow those recommendations. Some of the factors considered are historical rates of risk and return for various asset classes, correlation across asset classes and risk premiums. SII will solely determine whether to follow those recommendations. SII will also periodically rebalance the portfolios. Once a rebalance is determined it will occur at the then current quarter end.

### **SEI Asset Management Program**

For the SEI Private Client Model and Goal Link programs, the IAR will assist the client in selecting a specific asset allocation portfolio appropriate for the client by discussing the various levels of risk and by helping the client complete a questionnaire. The questionnaire helps the IAR learn specific information about the client including but not limited to the client's annual income, net worth, long-term goals and investment objectives. This information is furnished to SEI who constructs and maintains asset allocation portfolios comprised of SEI mutual funds.

For the SEI Managed Account and Integrated Managed Account programs, the IAR will assist the client in completing a questionnaire that will identify specific information about the client's financial situation. The information including but not limited to the client's annual income net worth, long-term goals and investment objectives is provided to SEI. SEI then recommends one or more sub-advisers to manage individual portfolios of stocks and bonds based on a specific investment style. The SII IAR with the client then chooses the sub-adviser(s) from the SEI recommendations.

Please see SEI's Form ADV Part 2A for more information about SEI's specific methods of analysis and investment strategies.

### **Brinker Capital**

For the programs offered by Brinker Capital, the client provides SII with information about investment objectives, financial needs, investment time horizon, risk tolerance and other

relevant information. SII then furnishes the information to Brinker through Brinker's proprietary proposal system. Brinker will then propose an overall strategy that includes asset allocation and investment style recommendations.

Please see Brinker Capital's Form ADV Part 2A for more information about Brinker Capital's specific methods of analysis and investment strategies.

#### **Signature Estate & Investment Advisors, LLC**

For the programs offered through Signature Estate and Investment Advisors, LLC, the IAR will assist the client in completing a client profile form in addition to a risk tolerance questionnaire provided by SEIA. The IAR then furnishes this information to SEIA who will then propose an overall strategy that includes asset allocation and investment style recommendations.

Please see Signature Estate & Investment Advisors, LLC's Form ADV Part 2A for more information about Signature Estate & Investment Advisors, LLC's specific methods of analysis and investment strategies.

#### **Curian Capital, LLC**

For the programs offered by Curian Capital, LLC ("Curian"), the client provides SII with information about investment objectives, financial needs, investment time horizon, risk tolerance and other relevant information. SII then furnishes the information to Curian through Curian's proprietary proposal system. Curian will then propose an overall strategy that includes asset allocation and investment style recommendations.

Please see Curian Capital, LLC's Wrap Fee Program Brochure for more information about Brinker Capital's specific methods of analysis and investment strategies.

#### **Financial Planning and Consultative Services**

Pursuant to a written and executed advisory agreement, the IARs of SII will consult with the client to obtain information regarding the client's financial situation. The client is responsible for the accuracy and completeness of the information. With this information, the IAR will utilize third party Financial Planning software that has been approved by SII's Corporate Registered Investment Adviser Committee to create an appropriate financial plan or written consultative services recommendation, based upon the facts obtained by the IAR.

Subsequent to the information gathering period, SII, through its IARs, will deliver a written financial plan or written consultative services recommendation to the client and shall arrange to meet with the client to review the document. This plan or recommendation will be the product of a specific computer-generated program that is offered by an approved third party financial planning software vendor. The program draws on statistical samples and is designed to provide general guidance towards accomplishing stated goals. The third party software vendors who supply the programs are unaffiliated with SII.

Financial plans or written consultative services recommendations provided by SII will only offer generic recommendations and do not make recommendations for specifically named investment, advisory or insurance products. Any recommendations developed by an IAR are based upon the IAR's professional judgment and neither SII nor its IAR can guarantee the results of these recommendations. The clients may obtain legal, accounting and other investment services from any professional source to implement any recommendations made by SII IARs. SII does not provide legal or accounting services.

Based on the plan or written recommendation presented, the client may implement solutions with non-advisory products leveraging the SII representative's capacity as broker-dealer

representative or insurance agent. Clients will not be obligated to use SII as their broker-dealer to purchase securities or John Hancock Life Insurance Company (U.S.A) or John Hancock Life Insurance Company of New York as agency of record to purchase insurance. Clients are made aware, in writing, that the IAR is also a registered representative of SII and insurance agent of John Hancock Life Insurance Company (U.S.A.) or John Hancock Life Insurance Company of New York. The client is informed that the registered representative may give more specific recommendations regarding investments in his or her separate role as a registered representative of SII. The client is informed that the insurance agent may give more specific recommendations regarding investments in his or her separate role as an insurance agent. Clients will not be obligated to use SII to purchase specific advisory products. If the client chooses to purchase advisory products, a separate investment advisory agreement with the client will be executed.

After the plan or recommendation is delivered, any updates to the plan or written recommendation, or execution of the recommendations made in the plan or written recommendation is at the sole discretion of the client. The client is not obligated to implement any part of the plan or written recommendation. SII and its IAR are not obligated to update the plan.

### **Defined Contribution Consulting**

SII delivers Fiduciary Services in its capacity as an ERISA fiduciary. This means in part that the overriding objective of its non-discretionary advice is to act exclusively for the benefit of participants and their beneficiaries in order to provide retirement income, and to consider only factors relevant to such purpose. Fiduciary Services are based on generally accepted investment theories, including concepts such as modern portfolio theory.

SII relies on information provided by the Plan and its service providers without independent verification concerning the demographics of the participants and other information that is applicable to the particular needs of the Plan and the employee workforce. If requested, SII will help the Plan establish a written investment policy that will govern the selection and removal of investment options. Both quantitative factors (performance history, expense ratio, standard deviation, for example) and qualitative factors (management style and continuity, investment style, turnover ratio, for example) are incorporated into the investment policy. If requested, SII will then use the written investment criteria to identify appropriate investment options within the platform selected by the Plan. SII will recommend investment options to the Plan, and monitor them on a periodic basis and report its findings to the Plan.

### **Risk of Loss**

Investments are subject to various market, political, currency, economic, business and other risks, and may not always be profitable. All investment programs carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. Certain strategies, methods of analysis and underlying securities may carry more risk than others. SII does not develop the investment strategies offered by the third-party asset management firms.

The material risks associated with the financial plans are (1) that the generic recommendations are derived from historical data and forward looking assumptions that may not continue in the future or may not completely or accurately capture all the possible scenarios of future financial markets, and (2) asset allocations may not be optimal as market environments continue to evolve.

The projections and simulations are based on a variety of assumptions that may prove, in the future, to be erroneous. The results that clients obtain may vary significantly from the

projections. In addition, the results of the simulation may under-compensate or over-compensate for the impact, if any, of certain market factors and may underestimate the impact of market extremes and the related risk of loss.

For additional specific information regarding the risk of loss associated with investment strategies, methods of analysis and underlying securities used by the third-party asset management firms mentioned above please see the Form ADV Part 2A of the respective third party asset management firm.

### **Item 9. Disciplinary Information**

During the preceding ten (10) years, Signator Investors, Inc. ("SII") has had one (1) material disciplinary event:

- On October 22, 2003, FINRA filed a complaint against SII for violations of its rules. Specifically, FINRA sanctioned SII for failure to establish adequate written supervisory procedures regarding the processing of certain mutual fund and variable life insurance business. SII was fined \$35,000 which was paid on or around November 10, 2003.

### **Item 10. Other Financial Industry Activities and Affiliations**

#### **Other Financial Activities**

Signator Investors, Inc. ("SII") is a registered investment adviser with the SEC. SII is also a broker-dealer registered with FINRA, the SEC and various states. Certain SII home office personnel are registered representatives of the broker-dealer. As a broker-dealer, SII transacts business in mutual funds, stocks, bonds, options, variable and fixed annuities, unit investment trusts, limited partnerships and variable life insurance. SII has its clearing relationship with National Financial Services, LLC. SII is licensed to operate in all 50 states plus the District of Columbia and Puerto Rico. John Hancock Financial Network, Inc. wholly owns Signator Investors, Inc.

#### **Affiliations**

The Portfolio by Design and Strategic Portfolio Solutions programs include an approved list of Investment Managers as well as strategies managed by Manulife Asset Management (US) LLC ("MAM"), an affiliate of Signator Investors, Inc. MAM, an affiliate of Signator Investors, Inc, is the model provider to SII for the John Hancock Portfolio Solutions program. These programs also offer certain affiliated mutual funds. There is no explicit incentive for an SII IAR to recommend an affiliated model provider, investment manager or affiliated mutual fund over another model provider, investment manager or other offered mutual funds.

#### **Other Related Parties**

Manulife Asset Management (US) LLC  
101 Huntington Avenue  
Boston, MA 02199

John Hancock Investment Management Services, LLC  
601 Congress Street, 11<sup>th</sup> Floor  
Boston, MA 02210-2805

Hancock Capital Investment Management, LLC  
197 Clarendon Street, C-2-03  
Boston, MA 02116



John Hancock Distributors LLC  
197 Clarendon Street  
Boston, MA 02117

## **Item 11. Code of Ethics and Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

SII is responsible for ensuring compliance with Rule 204A-1 of the Advisers Act, which requires a registered investment adviser to establish, maintain and enforce a written code of ethics. Consistent with this obligation, SII has adopted a Code of Ethics that, at a minimum, seeks to promote compliance with fiduciary standards and the means to address conflicts of interest arising from the personal securities transactions of its employees and its IARs. The Code of Ethics describes the standards of conduct that is expected of its employees and IARs. A copy of SII's Code of Ethics is available to clients upon request.

Among other things, the Code limits and monitors the personal ETF trading activity of certain employees, including certain members of employees' households. These limitations seek to further SII's efforts to prevent employees from personally benefitting from SII's investment decisions for its clients. The Code requires certain employees and certain household members to "pre-clear" their personal ETF transactions with SII's Compliance Department prior to execution.

## **Item 12. Brokerage Practices**

### **Portfolio by Design**

Portfolio by Design accounts are established with National Financial Services, LLC for custody and trade execution services. Certain trades for the Portfolio by Design Advisor accounts are entered by SII's IARs and routed through SII's trade desk for execution at National Financial Services, LLC. The trades executed through SII's trade desk are not aggregated so each client account will receive an individual execution price that may be lower or higher than other clients trading the same security. SII acknowledges that by directing brokerage, clients may not receive best execution on transactions for their accounts. SII does not receive client referrals from any of its directed brokerage arrangements. Sub-Managers of the separately managed accounts will have the authority to effect transactions for SII's accounts with or through another broker, dealer or bank if the Sub-Manager believes that "best execution" of transactions may be obtained through such other broker, dealer or bank, including any broker-dealer that is affiliated with the Advisor or Sub-Manager. Please see Envestnet Portfolio Solutions' Form ADV Part 2A for more information regarding Envestnet Portfolio Solutions' brokerage practices.

### **John Hancock Portfolio Solutions**

Trade execution and custodial services are provided by National Financial Services, LLC pursuant to an agreement between SII, Envestnet and National Financial Services, LLC. SII acknowledges that by directing brokerage, Clients may not receive best execution on transactions for their accounts and the cost of the transactions may be more or less than if executed with another brokerage firm. SII does not receive client referrals from any of its directed brokerage arrangements.

### **Strategic Portfolio Solutions**

Trade execution and custodial services are provided by National Financial Services, LLC pursuant to an agreement between SII and National Financial Services, LLC. SII acknowledges that by directing brokerage, Clients may not receive best execution on transactions for their Accounts. SII does not receive client referrals from any of its directed brokerage arrangements.

Sub-Managers will have the authority to effect transactions for SII's Accounts with or through another broker, dealer or bank if the Sub-Manager believes that "best execution" of transactions may be obtained through such other broker, dealer or bank, including any broker-dealer that is affiliated with the Sub-Manager. Please see Envestnet's Form ADV Part 2A for more information regarding Envestnet's brokerage practices.

#### **SEI**

SEI accounts are established with SEI's Private Trust Company for custody and trade execution. Please see SEI's Form ADV Part 2A for more information regarding SEI's brokerage practices.

#### **Brinker Capital**

Please see Brinker Capital's Form ADV Part 2A for information regarding Brinker Capital's brokerage practices.

#### **Signature Estate & Investment Advisors, LLC**

Please see Signature Estate & Investment Advisors, LLC's Form ADV Part 2A for information regarding Signature Estate & Investment Advisors, LLC's brokerage practices.

#### **Curian Capital, LLC**

Please see Curian Capital, LLC's Wrap Fee Program Brochure for information regarding Curian Capital, LLC's brokerage practices.

#### **Soft Dollar Arrangements**

SII does not engage in soft dollar arrangements with its service providers.

### **Item 13. Review of Accounts**

#### **Review of Managed Client Accounts**

Signator Investors, Inc. ("SII") reviews a sample of its managed client accounts on a quarterly basis. The managed client accounts are reviewed to proactively identify any potential account irregularities.

To conduct its review of accounts, SII selects a sample of accounts and acquires specific account information and documentation that is examined during the review. After the review is completed the Director of Due Diligence creates and distributes a report of findings to various member of the SII management team. Findings are reviewed and addressed to make certain that issues are addressed in a timely manner. These reports are not issued to the respective account owners. If SII becomes aware of a matter that requires the client's attention in order to resolve, SII will promptly notify the client.

SII IARs meet at least annually with the clients to determine if there have been any changes to stated needs and objectives, or if there have been any significant changes in their financial situation that would warrant a change to the way their account is invested. Clients are encouraged to contact the IAR when these changes occur.

Clients invested under the SII managed account programs receive monthly written custodial statements. Quarterly performance reports are printed and sent from the respective programs.

#### **Review of Financial Plans and Consultative Services**

Financial plans and consultative services written recommendations generated by SII Investment Adviser Representatives ("IARs") are reviewed by SII's Regional Supervision Consultants prior to the presentation of the financial plan and consultative services written recommendation to the

client. The financial plans and consultative services written recommendations are reviewed to verify that:

- they meet the client's stated needs and objectives
- the plans and recommendations are delivered in a timely manner
- the IAR used SII-approved financial planning software
- the appropriate fee is assessed by the IAR

#### **Review of Defined Contribution Consulting Accounts**

SII reviews a sample of its DC Consulting accounts on a quarterly basis. The accounts are reviewed to proactively identify any potential account irregularities.

To conduct its review of accounts SII selects a sample of accounts and reviews fee calculations based on the submission of the plan statements. After the review is complete the Director, DC Product Platform creates and distributes a report of findings to various members of the SII management team. Findings are reviewed and addressed to make certain issues are addressed in a timely manner. These reports are not issued to respective account owners. If SII becomes aware of a matter that requires the client's attention in order to resolve, SII will promptly notify the client.

SII IARs meet at least annually with the clients to determine if there have been any changes to stated needs and objectives, or if there have been any significant changes to their business situation that would warrant a change to the way their account is managed. Clients are encouraged to contact the IAR when these changes occur.

#### **Item 14. Client Referrals and Other Compensation**

SII IARs may receive client referrals from non-registered Certified Public Accountants ("CPA") for advisory services. These CPAs may reside in a state where registration for solicitation is not a requirement. Each client receives a solicitor fee disclosure document that outlines the referral arrangement and any compensation to the individual making the referral.

#### **Item 15. Custody**

##### **Portfolio by Design Program**

Neither SII nor Envestnet Portfolio Solutions will maintain custody of the account holdings owned by each client. Clearing and custody services are performed by National Financial Services, LLC ("NFS"), a Fidelity Investments company. Each client will be the registered owner of his or her shares held by NFS. SII and Envestnet Portfolio Solutions have a type of custody because they may instruct National Financial Services, LLC to directly charge quarterly and pro-rated quarterly fees, as needed, and may deduct funds to cover such fees without separate authorization from the client. Monthly custodial statements are prepared and delivered to the client by NFS. The Portfolio by Design quarterly statements are prepared and delivered to the client by Envestnet Portfolio Solutions. Clients are encouraged to carefully review the information contained in the statements and to promptly report any discrepancies.

##### **John Hancock Portfolio Solutions**

SII will not maintain custody of the account holdings owned by each client. Clearing and custody services are performed by National Financial Services, LLC ("NFS"), a Fidelity Investments company. Each client will be the registered owner of his or her shares held by NFS. However, SII is considered legally to have custody since it may instruct NFS to directly charge quarterly and pro-rated quarterly fees, as needed, and may deduct funds to cover such

fees without separate authorization from the client. Monthly custodial statements are prepared and delivered to the client by NFS. The John Hancock Portfolio Solutions quarterly statements are prepared and delivered to the client by Envestnet. Clients are encouraged to carefully review the information contained in the statements and to promptly report any discrepancies.

#### **Strategic Portfolio Solutions Program**

Neither SII nor Envestnet will maintain custody of the account holdings owned by each client. Clearing and custody services are performed by National Financial Services, LLC ("NFS"), a Fidelity Investments company. Each client will be the registered owner of his or her shares held by NFS. SII and Envestnet have a type of custody because they may instruct National Financial Services, LLC to directly charge quarterly and pro-rated quarterly fees, as needed, and may deduct funds to cover such fees without separate authorization from the client. Monthly custodial statements are prepared and delivered to the client by NFS. The Strategic Portfolio Solutions quarterly statements are prepared and delivered to the client by Envestnet. Clients are encouraged to carefully review the information contained in the statements and to promptly report any discrepancies.

#### **SEI Asset Management Program**

SII will not maintain custody of the client account holdings. Custody services will be performed by SEI. Each client will be the registered owner of his or her shares held by SEI. SII has a type of custody because SII may instruct SEI to directly charge quarterly and pro-rated quarterly fees, as needed, and may deduct funds to cover such fees without separate authorization from the client. Monthly custodial and quarterly statements are produced and delivered to the clients by SEI Private Trust. Clients are encouraged to carefully review the information contained in the statements and to promptly report any discrepancies.

#### **Brinker Capital**

SII acts as a solicitor on behalf of Brinker Capital and does not have an advisory relationship with Brinker Capital.

Please refer to Brinker Capital's Form ADV Part 2A for more information regarding Brinker Capital's current custody arrangements.

#### **Signature Estate and Investment Advisors, LLC**

SII acts as a solicitor on behalf of Signature Estate and Investment Advisors, LLC and does not have an advisory relationship with Signature Estate and Investment Advisors, LLC.

Please refer to Signature Estate and Investment Advisors, LLC's Form ADV Part 2A for more information regarding Signature Estate and Investment Advisors, LLC's current custody arrangements.

#### **Curian Capital, LLC**

SII acts as a solicitor on behalf of Curian Capital, LLC and does not have an advisory relationship with Curian Capital, LLC.

Please refer to Curian Capital, LLC's Wrap Fee Program Brochure for more information regarding Curian Capital, LLC's current custody arrangements.

#### **Item 16. Investment Discretion**

SII has discretionary authority to manage the accounts in the John Hancock Portfolio Solutions program. Clients may impose limitations on their individual accounts. Clients grant SII discretionary authority upon executing the Statement of Investment Selection and incorporated Terms and Conditions of the John Hancock Portfolio Solutions program.

SII is contractually granted limited discretionary authority in some managed programs described in this Form ADV Part 2A. However, SII does not have discretionary management of accounts in the PBD, SPS, SEI, Brinker, Signature Estate and Investment Advisors, LLC, and Curian Capital, LLC's programs. A description of the investment discretion granted in these programs is detailed in Item. 4. Advisory Business.

Investment advisory services provided by SII IARs are conducted on a non-discretionary basis. Individual IARs of SII are not granted discretion over client accounts. SII IARs must receive authorization from the client prior to completing transactions in any account.

#### **Item 17. Voting Client Securities**

Signator Investors, Inc. does not vote client proxies. Each third party asset manager has its own proxy voting policies. Clients should refer to the Form ADV Part 2A of the individual manager or asset allocation program for more information on proxy voting practices. Please see Item 4. Advisory Business for more information on Signator Investors, Inc.'s advisory business relationships.

#### **Item 18. Financial Information**

This item is not applicable to SII.