

ACCOUNT PACKET

MANAGER SELECT PROGRAM FORM BROCHURE

LPL Financial LLC

One Beacon Street, 22nd Floor, Boston, MA 02108-3106

www.lpl.com (617) 423-3644

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This wrap fee program brochure provides information about the qualifications and business practices of LPL Financial ("LPL"). If you have any questions about the contents of this brochure, please contact your LPL financial advisor or LPL at lplfinancial.adv@lpl.com. The information in this 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 LPL also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 1 COVER PAGE

ITEM 2 MATERIAL CHANGES

This Brochure contains changes from the last annual update of this Brochure dated March 31, 2011. The following is a summary of certain changes. The Brochure was updated to provide information about options as a type of security that may be purchased in a program account. The "Fee Schedule" section under Item 4 was updated to provide more information about the Account Fee as shared between LPL and its investment advisor representatives. The "Other Compensation" section of Item 9 was updated to provide further information regarding the types of reimbursement LPL may receive from product sponsors. This section of Item 9 was also updated to include information about benefits LPL receives on the short-term investment of cash in program accounts prior to the time the cash is invested for the account.

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ITEM 4 SERVICES, FEES AND COMPENSATION

Services

LPL offers various types of advisory services and programs, including wrap fee programs, mutual fund asset allocation programs, advisory programs offered by third party investment advisor firms, financial planning services, and retirement plan consulting services. This Brochure provides a description of the advisory services offered under LPL's Manager Select program. For more information about LPL's advisory services and programs other than Manager Select, please contact your IAR for a copy of a similar brochure that describes such service or program or go to www.adviserinfo.sec.gov.

In the Manager Select program, LPL, through its investment advisor representatives ("IARs"), makes available to clients the investment advisory services of third party portfolio management firms ("Portfolio Managers"). The IAR assists the client to determine the client's investment objectives and risk/return preferences, to identify any investment restrictions on the management of the account, and to select an investment strategy and Portfolio Manager. The IAR provides the client with ongoing advice and monitoring relating to the Portfolio Manager's

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services and serves as the point of contact between the client and the Portfolio Manager with regards to changes in the client's investment objective, financial situation and investment restrictions.

The Portfolio Manager selected by the client provides ongoing discretionary investment advice regarding the investment and reinvestment of account assets in accordance with the investment objective, restrictions and guidelines set forth in the Account Application. The Portfolio Manager independently determines whether to accept the client account based on the content of the Account Application, suitability and whatever other factors the Portfolio Manager deems appropriate. The Portfolio Manager has the sole authority to determine the securities to be purchased, sold or exchanged and which portion, if any, of the assets shall be held uninvested. The Portfolio Manager has discretion to invest among a broad variety of security types, including equities, fixed income securities, options, mutual funds and exchange-traded funds ("ETFs"). LPL and IAR do not play a role in the selection of particular securities to be purchased or sold. A Portfolio Manager may hire one or more sub-advisors to manage all or a portion of a client's account. The Portfolio Manager is responsible for voting proxies with respect to issuers held in a Manager Select account, unless a client directs otherwise in writing.

In connection with the program, LPL also acts as custodian to accounts, provides brokerage and execution services as a broker-dealer on transactions, and performs administrative services, such as quarterly performance reporting to clients.

Fee Schedule

In the Manager Select program, clients pay LPL, IAR and Portfolio Manager a single wrap fee ("Account Fee") for advisory services and execution of transactions. Clients do not pay LPL or IARs brokerage commissions, markups or transaction charges for execution of transactions in addition to the Account Fee. For more information regarding commissions and brokerage practices, see below under "Additional Information – Brokerage Practices."

The Account Fee is negotiable between the client and the IAR and is set out in the Account Application. The Account Fee is typically a straight percentage based on the value of all assets in the account, including cash holdings. The Account Fee also may be structured on a tiered basis, with a reduced percentage rate based on reaching certain thresholds. The maximum Account Fee is 3.00%. LPL, Portfolio Managers and IARs do not charge performance-based fees the program accounts. The Account Fee is paid to LPL and is shared among LPL, IAR and Portfolio Manager. LPL retains up to 0.70% for its administrative, custody and clearing services. LPL pays a portion of the Account Fee to the Portfolio Manager. LPL shares between 90% to 100% of the remaining portion of the Account Fee with the IAR based on the agreement between LPL and the IAR.

The portion of the Account Fee paid to Portfolio Managers is negotiated between LPL and the Portfolio Manager and ranges from 0.25% to 1.50% of account assets per year. Because the fee rates charged by the Portfolio Managers vary, an IAR may have a financial incentive to recommend one Portfolio Manager over another. The fees paid to Portfolio Managers in the program are generally less than fees the Portfolio Manager would charge a client seeking to establish a direct relationship with the Portfolio Manager outside of a wrap program. This is principally due to the fact that LPL absorbs many of the billing, administrative, and marketing expenses that would otherwise be borne by the Portfolio Manager. Portfolio Managers generally have higher minimum account size requirements and fees for direct accounts because of such additional expenses.

How the Account Fee is Charged

LPL deducts the Account Fee and other fees and charges associated with a Manager Select account from the account. LPL calculates and deducts the Account Fee in the method described in the Account Agreement, unless other arrangements are made in writing. If a client wishes to be billed for the Account Fee, rather than a deduction directly from the account, the client needs to make a request to LPL through the IAR.

Payment in Advance and Refund of Pre-Paid Fees

LPL deducts the Account Fee quarterly in advance. If the Account Agreement is terminated before the end of the quarterly period, LPL will pay the client a pro rated refund of any pre-paid quarterly Account Fee based on the number of days remaining in the quarter after the termination date. However, if the account is closed within the first six months by the client or as a result of withdrawals that bring the account value below the required minimum, LPL reserves the right to retain the pre-paid quarterly Account Fee for the current quarter in order to cover the administrative costs of establishing the account (for example, the costs related to transferring positions in and out of the account, data entry in opening the account, reconciliation of positions in order to issue quarterly performance reports, and re-registration of positions). After the

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termination date, LPL may convert the account to a brokerage account. In a brokerage account, client is charged a commission for each transaction and the Portfolio Manager, LPL and the IAR have no responsibility to provide ongoing investment advice.

Other Types of Fees and Expenses of LPL

LPL charges fees related to a Manager Select account in addition to the Account Fee, such as miscellaneous administrative or custodial-related fees and charges. LPL notifies clients of these charges at account opening and makes available a list of these charges on its website at www.lpl.com. As described below under "Additional Information - Participation in Client Transactions," if LPL as broker-dealer executes a principal transaction in a Manager Select account, LPL may earn a markup or markdown in addition to the Account Fee.

Fees Charged by Third Parties

There are other fees and charges that are imposed by third parties other than LPL that may apply to investments in Manager Select accounts. As described below under "Additional Information – Brokerage Practices," if a Portfolio Manager chooses to execute a transaction through a broker-dealer other than LPL, the execution price to the client may include a commission, markup/markdown, or other fee imposed by the executing broker-dealer in addition to the Account Fee. If client holds an American Depositary Receipt ("ADR") in an account, there may be custodial fees or taxes related to the ADR.

If a client's assets are invested in mutual funds, ETFs or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay LPL, the Portfolio Manager and IAR the Account Fee with respect to those assets. Clients generally can purchase mutual funds directly. Therefore, clients could avoid the second layer of fees by not using the advisory services of LPL, Portfolio Manager and IAR and by making their own decisions regarding the investment.

The sweep money market fund used in the program may be managed by the same Portfolio Manager that client has appointed to manage its account. If that is the case, clients should understand that the Portfolio Manager and its affiliates may earn fees from the sweep money market fund for managing and performing other services for the fund which will be in addition to Account Fee charged to client.

Important Things to Consider About Fees on a Manager Select Account

- The Account Fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The Account Fee may cost the client more than purchasing the program services separately, for example, paying fees for the advisory services of each of Portfolio Manager and IAR, plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:
 - type and size of the account
 - historical and or expected size or number of trades for the account, and
 - number and range of supplementary advisory and client-related services provided to the client.
- It is important to note that a client may not be able to purchase advisory services directly from the Portfolio Managers. Portfolio Managers often do not offer such services for client accounts of the size typically associated with wrap programs. If they do offer such services to accounts the size of a Manager Select account, the Portfolio Managers often charge a higher fee as they do not enjoy the economies of scale related to providing services to clients of a wrap program.
- The Account Fee may be higher than the fees charged by other investment advisors for similar services. This is the case in particular if the Account Fee is at or near the maximum Account Fee set out above. The IAR is responsible for determining the Account Fee to charge each client based on factors such as total amount of assets involved in the relationship, type of securities to be held in the account (e.g., mutual funds vs. individual securities), the complexity and mix of the portfolio, and the number and range of supplementary advisory and client-related services to be provided to the account. Clients should consider the level and complexity of the advisory services to be provided when negotiating the Account Fee with IAR.
- The IAR recommending the program to the client receives compensation as a result of the client's participation in the program. This compensation includes a portion of the Account Fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to the IAR. In particular, LPL pays its IARs bonuses in different ways, for example, payments based on production, awards of stock options to purchase shares of LPL's parent company, LPL Investment Holdings Inc., reimbursement of fees that IARs pay to LPL for items such as administrative services, and other things of value such as free or reduced-cost marketing materials, payments in connection with the transition of my association from another broker-dealer or investment advisor firm to LPL, or attendance at LPL's

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national conference or top producer forums and events. LPL pays IARs this compensation based on the IAR's overall business production and/or on the amount of assets serviced in LPL advisory programs. Therefore, the amount of this compensation may be more than what the IAR would receive if the client participated in other LPL programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, the IAR may have a financial incentive to recommend a program account over other programs and services.

ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

A minimum account value of \$100,000 generally is required for Manager Select. In certain instances, the minimum account size may be lower or higher. The program is available for individuals, IRAs, banks and thrift institutions, pension and profit sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.

ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

In Manager Select, LPL and IAR are responsible for the investment advisory services related to the selection and retention of the Portfolio Manager. The client selects the IAR who services the account. LPL generally requires that individuals involved in determining or giving investment advice have at least two years financial planning, advisory or brokerage-related experience. Each IAR is also generally required to possess a FINRA Series 6, 7, 65, or 66 license. For more information about the IAR servicing the account, client should refer to the Brochure Supplement for the IAR, which client should have received along with this Brochure at the time client opened the account.

LPL makes available the advisory services of Portfolio Managers. LPL does not act as a Portfolio Manager for the Manager Select program.

Criteria for Participating and Recommended Managers

LPL's Research Department selects and reviews Portfolio Managers for the program based on quantitative, qualitative and infrastructure criteria, which may include the criteria listed below.

Quantitative Criteria

LPL Research evaluates quantitative criteria, including but not limited to:

- Rate of return
- Number of employees and accounts
- Years in the business
- Assets under management

Qualitative Criteria

LPL Research evaluates qualitative criteria, including but not limited to:

- Investment philosophy
- Risk controls
- Legal and compliance issues

Infrastructure Criteria

LPL Research reviews infrastructure criteria to assess whether a Portfolio Manager can handle operational requirements, including but not limited to:

- Composite calculation methodology
- Trade rotation policy
- Back office review
- Client servicing resources
- Firm-wide program commitment

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Additional Criteria for Recommended Managers

Portfolio Managers that are “Recommended” by LPL Research are subject to a more rigorous selection and review process than the criteria set out above that applies to all Portfolio Managers available in the program. In addition to the criteria noted above, additional evaluation criteria for Recommended Portfolio Managers include:

- Sound investment philosophy and process that drives performance
- Consistency of returns and risk
- Qualitative assessment of the investment manager and team

Clients should speak to the IAR regarding whether the Portfolio Manager being considered for selection or that has been selected by the client is a Recommended or Participating Portfolio Manager.

Removal of a Portfolio Manager

The Research Department may elect to remove or replace a Portfolio Manager should it determine that the Portfolio Manager has failed to meet one or more of the above selection criteria. In making a decision to remove or replace a Portfolio Manager, the Research Department takes into consideration all criteria; no one criteria is necessarily determinant in the decision. Short-term developments are monitored but are not necessarily sufficient for a decision to remove or replace a Portfolio Manager.

Portfolio Manager Performance

LPL’s Research Department uses information provided by the Portfolio Manager and may also use independent, third party databases when evaluating a Portfolio Manager. In order for a Portfolio Manager to be selected for the program, LPL Research generally requires a third party verification letter related to compliance of the Portfolio Manager’s performance information with Global Investment Performance Standards (GIPS) or a similar letter indicating that the performance information has been audited by an independent auditor. This requirement may be waived by LPL for various reasons including alternative methods of verifying the experience and/or performance of the Portfolio Manager. Portfolio Manager performance information is not calculated on a uniform and consistent basis.

LPL does not calculate the Portfolio Manager’s performance. However, LPL provides clients with individual quarterly performance reports. Performance reports are distributed by LPL using third party performance reporting software. Client performance is reported on a time weighted basis. Performance reports are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices.

Investment Strategies

Portfolio Managers may provide advisory services based on the following types of investment strategies. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

EQUITY:			
GROWTH MARKET DRIVEN GLOBAL TECHNOLOGY	VALUE SMALL CAP LARGE CAP REAL ESTATE	MID CAP INTERNATIONAL CORE SOCIALLY RESPONSIBLE	BLEND MULTI-DISCIPLINE
BALANCED:			
EQUITY-ORIENTED (VALUE, INCOME, OR GROWTH)	FIXED-INCOME-ORIENTED (VALUE OR GROWTH)	GLOBAL SOCIALLY RESPONSIBLE	CORE MULTI-DISCIPLINE
FIXED INCOME:			
TOTAL RETURN U.S. GOVERNMENT	INTERMEDIATE-TERM MUNICIPAL	INTERNATIONAL HIGH YIELD	UTILITY

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Types of Investments and Risks

In Manager Select, Portfolio Managers may invest in many different types of securities, including equities, fixed income securities, options, mutual funds and ETFs. **Investing in securities involves the risk of loss that clients should be prepared to bear.** Described below are some particular risks associated with some types of investments available in the program.

- ***Exchange-Traded Funds (ETFs).*** ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread.” The spread varies over time based on the ETF’s trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.
- ***Exchange-Traded Notes (ETNs).*** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer’s ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer’s credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.
- ***Leveraged and Inverse ETFs, ETNs and Mutual Funds.*** Leveraged ETFs, ETNs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of the underlying index’s return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.
- ***High-Yield Debt.*** High-yield debt is issued by companies or municipalities that do not qualify for “investment grade” ratings by one or more rating agencies. The below investment grade designation is based on the rating agency’s opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer’s financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond’s market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.
- ***Options.*** Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.

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ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

When a client opens a Manager Select account, the IAR obtains the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. The IAR obtains this information by having the client complete an Account Application which is a part of the Account Agreement. LPL forwards this information to the Portfolio Manager. After the account opening, LPL asks clients quarterly to contact the IAR if there have been any changes in the client's financial situation or investment objectives or if the client wishes to impose any reasonable restrictions on the management of the account or modify existing restrictions. If client communicates to the IAR regarding material changes in the client's financial circumstances, investment objective or investment restrictions, such information is forwarded to the Portfolio Manager. Clients may communicate such information to the IAR or otherwise communicate directly with the Portfolio Manager, although clients are encouraged to direct communication through the IAR.

Client should be aware that the investment objective selected for the program in the Account Application is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Client should further be aware that achievement of the stated investment objective is a long-term goal for the account.

ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS

Portfolio Managers are reasonably available to consult with IARs and clients regarding accounts. Clients may consult directly with the Portfolio Manager, although clients are encouraged to direct contact with Portfolio Manager through the IAR.

ITEM 9 ADDITIONAL INFORMATION

Disciplinary Information

As an investment advisor and broker-dealer regulated by the SEC, LPL has been subject to the following SEC orders:

- The SEC found that LPL willfully violated Rule 30(a) of Regulation S-P, which requires broker-dealers and registered investment advisors to have written policies and procedures that are reasonably designed to safeguard customer records and information. The SEC ordered LPL to cease and desist from committing future violations of Rule 30(a), censured it for its conduct, and ordered it to pay the \$275,000 penalty (2008).
- The SEC found that LPL willfully violated Section 17(a)(2) of the Securities Act of 1933 and Rule 10b-10 under the Securities Exchange Act of 1934 in connection with the SEC's finding that LPL sold mutual fund shares as a broker-dealer without providing certain customers with breakpoint discounts. In connection with the SEC's order, LPL agreed to pay a fine of \$1,116,402 (2004).

LPL, as a broker-dealer, is a member of the Financial Industry Regulatory Authority ("FINRA") and has found to be in violation of FINRA's rules related to its brokerage activities. In particular, LPL consented to the following sanctions related to the following matters:

- LPL's procedures regarding its review of e-mail communications, resulting in a censure and fine of \$100,000 (2011).
- LPL's procedures on transmittals of cash and securities from customer accounts to third party accounts, resulting in a censure and fine of \$100,000 (2011).
- LPL's procedures on supervision of variable annuity exchanges, resulting in a censure and fine of \$175,000 (2010).
- Allegations that LPL failed to reasonably supervise a registered representative regarding his use of strategies and recommendations involving UITs, resulting in a censure and fine of \$125,000 (2008).
- LPL's procedures on supervision of variable annuity exchanges, resulting in a censure and fine of \$300,000 (2006).
- LPL's procedures regarding mutual fund Class B and Class C shares, resulting in a censure and fine of \$2,400,000 (2005).
- LPL's procedures on supervision activities of its registered representative in connection with wire transfers, resulting in a censure and fine of \$75,000 (2005).
- Allegations that LPL maintained revenue sharing programs in which mutual fund complexes paid a fee for preferential treatment, resulting in a censure and fine of \$3,602,398 (2005).
- Allegations regarding late filings to FINRA reporting obligations, resulting in a censure and fine of \$450,000 (2004).
- Allegations regarding failure to provide customers mutual fund breakpoint discounts, resulting in a censure and fine of \$2,232,805 (2004).

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LPL, as a broker-dealer, is regulated by each of the 50 states and has been the subject to orders related to the violation of state laws and regulations in connection with its brokerage activities. For more information about those state events and other disciplinary and legal events involving LPL and its IARs, client should refer to Investment Advisor Public Disclosure at www.adviserinfo.sec.gov or FINRA BrokerCheck at www.finra.org.

Other Financial Industry Activities and Affiliations

LPL is a broker-dealer registered with FINRA and the SEC. As a broker-dealer, LPL transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, real estate investment trusts, and other investment products. LPL is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and IARs dispersed throughout the United States. LPL has a small number of employee IARs whose services are limited to servicing certain small IRA accounts. IARs are registered representatives of LPL. If required for their positions with a registered broker-dealer, LPL's principal executive officers are securities licensed as registered representatives of LPL. LPL is also registered as a transfer agent with the SEC and as a futures commission merchant with the Commodity Futures Trading Commission. In addition, LPL is qualified to sell insurance products in all 50 states.

Associated persons of a Portfolio Manager may also be broker-dealer registered representatives of LPL. If an associated person of a Portfolio Manager is a broker-dealer registered representative of LPL, that person is providing advisory services to the program account on behalf of Portfolio Manager. That person is not acting in a brokerage capacity or on behalf of LPL with respect to the portfolio management services provided under this program.

LPL has an arrangement with Independent Advisers Group ("IAG"), a registered investment advisor and related person of LPL. LPL has been retained by IAG to provide research and model portfolio management services for certain accounts offered through IAG.

LPL and The Private Trust Company ("PTC"), a federally chartered non-depository bank licensed to provide trust services in all 50 states, are related persons. PTC serves as IRA custodian for program accounts set up as IRAs and receives an annual maintenance fee for this service. PTC also provides personal trustee services to clients for a variety of administrative fiduciary service, which services may relate to a program account. PTC's IRA custodian and trustee services and related fees are established under a separate engagement between the client and PTC.

Code of Ethics and Personal Trading

LPL has adopted a code of ethics that includes guidelines regarding personal securities transactions of its employees and IARs. The code of ethics permits LPL employees and IARs to invest for their own personal accounts in the same securities that LPL and IARs purchase for clients in program accounts. This presents a conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. LPL addresses this conflict of interest by requiring in its code of ethics that LPL employees and IARs report certain personal securities transactions and holdings to LPL. LPL has procedures to review personal trading accounts for front-running. In addition, employees in LPL's Research Department are required to obtain pre-clearance prior to purchasing certain securities for a personal account. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the code of ethics is available to clients or prospective clients upon request and is available on LPL's website www.lpl.com.

Participation or Interest in Client Transactions

LPL, as principal, buys securities from and sells securities to clients in Manager Select accounts. This practice could put LPL in a position where its own interests are in conflict with clients. However, LPL is not a market maker in securities and does not carry an inventory. In addition, it is the Portfolio Manager (and not LPL) who as investment advisor determines the securities to be traded in the account. It is also the Portfolio Manager who has a duty of best execution in negotiating transactions for Manager Select clients.

LPL's parent company, LPL Investment Holdings Inc., is a publicly traded company. Portfolio Managers are not prevented from purchasing LPL Investment Holdings Inc. stock in Manager Select accounts.

LPL performs recordkeeping and administrative services on behalf of mutual funds and receives compensation for the services based on positions held by clients. These services include establishing and maintaining sub-account records reflecting the issuance, exchange or redemption of shares by each program account. The compensation LPL receives for these services may be paid based on client assets in the fund (up to 0.25%) or number of positions held by clients in the fund (up to \$20 per position). The Portfolio Manager does not share in this

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compensation, and therefore the Portfolio Managers have no financial incentive to select a fund that pays recordkeeping compensation to LPL over one that does not.

LPL makes available programs for cash in an account to be automatically swept to a money market fund or an interest-bearing Federal Deposit Insurance Corporation ("FDIC")-insured deposit account. For more information about which types of accounts are eligible to use the different sweep options, please speak to your IAR.

For accounts that are set up for cash to sweep to a money market fund – the available sweep money market funds typically pay higher 12b-1 fees than other money market funds. In addition, LPL receives compensation of up to 0.35% of the LPL client assets invested in the sweep money market funds for recordkeeping services it provides for the funds. LPL also receives up to 0.15% of the LPL client assets invested in the sweep money market funds in connection with marketing support services LPL provides to the money market fund sponsors.

For accounts that sweep to the multi-bank insured cash account program offered by LPL (the "ICA") – LPL receives a fee equal to a percentage of the average daily deposit balance in the ICA. The fee paid to LPL may be at an annual rate of up to an average of 200 basis points as applied across all ICA deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this amount. The compensation LPL receives with respect to the ICA may be higher than if a client invests in other sweep investment options.

LPL also makes available single-bank insured cash account programs. The banks sponsoring such programs may have an agreement with LPL for LPL IARs to offer advisory services on their premises. In the case of these single-bank programs, LPL may receive a fee from the bank of up to 0.50% of the LPL client assets deposited at the bank under the program for its sweep processing services. For additional information on the insured cash account program for your account, please see the applicable disclosure booklet available from IAR.

The compensation that LPL receives related to the insured cash account and the sweep money market funds is in addition to the Account Fee that LPL and IAR receive with respect to the assets in the sweep investment. This compensation related to the insured cash account and sweep money market funds presents a conflict of interest to LPL because LPL has a financial benefit if cash is invested in the insured cash account or the sweep funds. However, this compensation is retained by LPL and is not shared with Portfolio Managers. Therefore, this compensation does not cause a Portfolio Manager to have a financial incentive to recommend that cash be held in the account instead of holding securities. LPL does not share this compensation with IARs.

Client should understand that Portfolio Managers, LPL and IAR may perform advisory and/or brokerage services for various other clients, and that Portfolio Managers, LPL and IAR may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for the account may also be different.

Review of Accounts

LPL provides clients with regular written reports regarding their accounts. LPL provides detailed quarterly performance reports describing account performance and positions. In addition, LPL transmits to clients account statements showing transactions, positions, and deposits and withdrawals of principal and income. IARs review monthly or quarterly accounts statements as well as quarterly performance reports.

Other Compensation

Portfolio Managers may reimburse LPL for the costs associated with the use of technology necessary for a Portfolio Manager to perform its services under the Manager Select program. The IAR, LPL and LPL employees may receive additional compensation from product sponsors, including Portfolio Managers or firms affiliated with Portfolio Managers. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing, client events or advertising initiatives. Product sponsors may also pay for, or reimburse LPL for the costs associated with, education or training events that may be attended by LPL employees and IARs and for LPL-sponsored conferences and events. LPL also receives reimbursement from product sponsors for technology-related costs associated with investment proposal tools it makes available to its IARs for use with clients.

LPL as broker-dealer may receive compensation for directing orders in securities to particular broker-dealers or market centers for execution. The source and nature of compensation received in connection with trades for client accounts is available at www.lpl.com and can be furnished upon written request. LPL does not share this compensation with your IAR.

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LPL may receive compensation in the form of earnings on its short-term investment of cash in program accounts prior to the time the cash is invested for the account (typically, not more than a business day). These earnings are generally known as "float." Cash in the account would typically result from contributions to the account or sales of securities in the account. LPL does not share this compensation with your IAR.

Client Referrals

LPL compensates other persons for client referrals for program accounts. LPL enters into an agreement with such referral agents and pays them a portion of the ongoing Account Fee. The referral agent discloses to the client at the time of the solicitation the arrangement and the compensation to be received by the referral agent.

LPL and its IARs may offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. LPL has entered into agreements with the financial institutions pursuant to which LPL shares compensation, including a portion of the Account Fee, with the financial institution for the use of the financial institution's facilities and for client referrals. In such case, instead of paying the IAR the portion of the Account Fee as described above, LPL may share such portion with the financial institution pursuant to the agreement between LPL and the financial institution, and the financial institution will pay part of that amount to IAR.

Financial Information and Custody

LPL is a qualified custodian as defined in Rule 206(4)-2 and maintains custody of Manager Select client funds and securities in a separate account for each client under the client's name. LPL as a qualified custodian sends account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. LPL sends account statements monthly when the account has had activity or quarterly if there has been no activity. Clients should carefully review those account statements.

Brokerage Practices

In Manager Select, the Portfolio Manager, in its capacity as an investment advisor, generally will execute transactions through LPL. Portfolio Manager will seek to obtain the best execution possible given the direction to trade through LPL. In some cases, Portfolio Manager, in connection with the Portfolio Manager's duty to seek to achieve best execution, may choose to execute transactions through a broker-dealer other than LPL.

When securities transactions are effected through LPL, there are no brokerage commissions charged to the account. If the Portfolio Manager chooses to execute a transaction through a broker-dealer other than LPL, the execution price may include a commission or fee imposed by the executing broker-dealer. In evaluating whether to execute a trade through a broker-dealer other than LPL, the Portfolio Manager will consider the fact that the account will not be charged a commission if it is effected through LPL.

Clients should consider whether or not the appointment of LPL as the broker-dealer may or may not result in certain costs or disadvantages as a result of possibly less favorable executions. Clients should understand that not all wrap program sponsors require brokerage to be directed to the sponsor. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. In particular, a client's Manager Select account may not be able to participate in block trades effected by a Portfolio Manager for its other accounts, which may result in a difference between prices charged to a Manager Select account and Portfolio Manager's other accounts. For these reasons, directed brokerage may cost clients more money.

Portfolio Managers may aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. Clients should read and understand the brokerage practices disclosed in the Firm Brochure of each Portfolio Manager selected by the client.

Brochure Supplements

Accompanying this Brochure are Brochure Supplements for individual employees of LPL. Note that although these individuals are responsible for investment advice provided by LPL and may meet with clients from time to time, they are not responsible for the ongoing individualized investment advice provided to a particular client. For more information about the Portfolio Manager managing the account, client should review the Brochure of the Portfolio Manager. For more information about the LPL IAR servicing the account, client should refer to the Brochure Supplement for the IAR, which should have been provided by the IAR along with this Brochure at the time client opened the account. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or LPL at lpifinancial.adv@lpl.com.

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Brochure Supplements for Certain LPL Financial Employees:

George Burton White	LPL Financial LLC
Jeffrey Kleintop	One Beacon Street, 22nd Floor, Boston, MA 02108-3106
John J. Canally, Jr.	(617) 423-3644
Derek Schug	www.lpl.com
John Guthery	
Christopher Arthur	

Anthony Valeri	LPL Financial LLC
	9785 Towne Centre Drive, San Diego, CA 92121
	(800) 558-7567

March 31, 2012

This Brochure Supplement provides information about certain LPL employees that supplements the LPL Financial Brochure that is attached to this Brochure Supplement. Please contact LPL Financial at the number above if you did not receive the LPL Financial Brochure or if you have any questions about the contents of this Brochure Supplement. You may also contact your LPL investment advisor representative with questions.

Additional information about these LPL employees is available on the SEC's website at www.adviserinfo.sec.gov.

Note that although these LPL employees included in this Brochure Supplement are responsible for investment advice provided by LPL, they are not the individuals responsible for the ongoing individualized investment advice provided to a particular client. For more information about the Portfolio Manager managing the account, client should refer to the Portfolio Manager's Firm Brochure and the Brochure Supplements for the associated persons of the Portfolio Manager managing the account. For more information about the LPL IAR servicing the account, client should refer to the Brochure Supplement for the IAR. These documents should have been provided at the time client opened the account. If client did not receive these documents related to IAR, Portfolio Manager or the Portfolio Manager's associated persons, client should contact the IAR.

GEORGE BURTON WHITE

Educational Background and Business Experience

George Burton White was born in 1969. He has a BBA from the College of William and Mary. He is a Managing Director and Chief Investment Officer of LPL, and has served in that position since 2009. He joined LPL in 2007 as a Managing Director and Director of Research. Prior to joining LPL, he was Managing Director and Director of Research at Wachovia Securities from 2000 to 2007.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. White is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. White is a registered representative, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

Additional Compensation

As an employee of LPL, Mr. White receives a regular salary and bonus.

Supervision

As Chief Investment Officer of LPL, Mr. White is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The LPL Investment Policy Committee is responsible for general oversight of LPL's advisory programs, including review of certain services and products offered through the programs. The advice provided by Mr. White also is subject to LPL's policies and procedures and to

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any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

JEFFREY NELSON KLEINTOP

Educational Background and Business Experience

Jeffrey Nelson Kleintop was born in 1969. He has a BS in Business Administration from the University of Delaware and an MBA from Pennsylvania State University. He is the Chief Market Strategist of LPL, and has served in that position since 2007. Prior to joining LPL, Mr. Kleintop was the Chief Investment Strategist at PNC Capital Markets.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. Kleintop is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Kleintop is a registered representative, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products. Mr. Kleintop is the author of the book *Market Evolution: How to Profit in Today's Changing Financial Markets*, which was published in 2006.

Additional Compensation

As an employee of LPL, Mr. Kleintop receives a regular salary and bonus.

Supervision

Mr. Kleintop's advisory activities primarily relate to the financial markets in general. He reports to Mr. White, the Chief Investment Officer of LPL. Any advice he provides to clients is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

ANTHONY VALERI

Educational Background and Business Experience

Anthony Valeri was born in 1969. He has a BA from the University of California at San Diego. He is Senior Vice President, Market Strategist, at LPL and joined the LPL Research Department in 2002. He has been employed by LPL since 1994.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. Valeri is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Valeri is a registered representative, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

Additional Compensation

As an employee of LPL, Mr. Valeri receives a regular salary and bonus.

Supervision

Mr. Valeri reports up to Mr. White, the Chief Investment Officer of LPL. Any advice provided to clients by Mr. Valeri is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

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JOHN J. CANALLY, JR.

Educational Background and Business Experience

John J. Canally, Jr. was born in 1964. He has a BA from Villanova University. He is Senior Vice President and Economist at LPL and joined the LPL Research Department in 2007. Prior to joining LPL, he was a Senior Investment Strategist at PNC Wealth Management.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. Canally is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Canally is a registered representative, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

Additional Compensation

As an employee of LPL, Mr. Canally receives a regular salary and bonus.

Supervision

Mr. Canally reports up to Mr. White, the Chief Investment Officer of LPL. Any advice provided to clients by Mr. Canally is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

DEREK SCHUG

Educational Background and Business Experience

Derek Schug was born in 1970. He has a BS in Economics from Vanderbilt University. He is a Vice President at LPL and joined the LPL Research Department in 2005. Prior to joining LPL, he worked at Columbia Management.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. Schug is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Schug is a registered representative, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

Additional Compensation

As an employee of LPL, Mr. Schug receives a regular salary and bonus.

Supervision

Mr. Schug reports up to Mr. White, the Chief Investment Officer of LPL. Any advice provided to clients by Mr. Schug is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

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JOHN GUTHERY

Educational Background and Business Experience

John Guthery was born in 1968. He has a BA from Georgetown University and a MBA from Babson College. He is a Senior Vice President at LPL and joined the LPL Research Department in 1996. Prior to joining LPL, he worked at Liberty Financial.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. Guthery is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Guthery is a registered representative, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

Additional Compensation

As an employee of LPL, Mr. Guthery receives a regular salary and bonus.

Supervision

Mr. Guthery reports up to Mr. White, the Chief Investment Officer of LPL. Any advice provided to clients by Mr. Guthery is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

CHRISTOPHER ARTHUR

Educational Background and Business Experience

Christopher Arthur was born in 1976. He has a BS in Finance and Marketing from Susquehanna University and a MBA from Boston University. He is a Vice President at LPL and joined the LPL Research Department in 2005. Prior to joining LPL, he worked on the portfolio management team on State Street Global Advisor's passive international products.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. Arthur is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Arthur is a registered representative, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

Additional Compensation

As an employee of LPL, Mr. Arthur receives a regular salary and bonus.

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Supervision

Mr. Arthur reports up to Mr. White, the Chief Investment Officer of LPL. Any advice provided to clients by Mr. Arthur is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

One Beacon Street, 22nd Floor, Boston, Massachusetts 02108-3106
9785 Towne Centre Drive, San Diego, California 92121

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