

# **AXA Advisors, LLC**

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## ***2012 Firm Brochure***

*(Form ADV Part 2A)*

This Brochure provides information about the qualifications and business practices of AXA Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 554-1234. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

AXA Advisors is registered as an investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications investment advisers provide to you, including through brochures such as this one, provide you with important information you should use to determine whether to hire or retain an investment adviser.

Additional information about AXA Advisors is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

July 1, 2012

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

This Brochure dated July 1, 2012 (this “Brochure”) provides information containing material changes from our last annual update to this Brochure on March 30, 2012. This section discusses only material changes since the last update. This Brochure also constitutes the disclosure required to be provided to plan sponsors under Department of Labor (“DOL”) Rule 408(b)(2).

- This Brochure includes updated information regarding additional programs in which AXA Advisors shall have custody over client assets or securities to include Manning & Napier managed accounts.
- This Brochure includes updated information regarding additional payments received by AXA Advisors from investment product providers such as Real Estate Investment Trusts and Business Development Companies.

We may provide additional ongoing disclosure information about material changes to you, including a revised Brochure, as necessary based on material changes or new information related to us. Any such information will be provided to you free of charge. A current copy of the Brochure may be requested at any time by contacting us at (212) 554-1234.

Additional information about AXA Advisors is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with AXA Advisors who are registered, or are required to be registered, as investment adviser representatives of AXA Advisors.

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## **Item 4 – Advisory Business**

AXA Advisors, LLC, is a Delaware limited liability company that was incorporated in July 1999 and is an indirect subsidiary of the AXA Financial. AXA Advisors is registered with the SEC as an investment advisor. AXA Financial is a member of the AXA Global Group, a world-wide leader in financial protection and wealth management.

We offer two main types of investment advisory services: financial planning and asset management. We offer advisory services through associated persons of ours who are registered as investment advisory representatives, or “Financial Professionals.” Our Financial Professionals may be known as Financial Consultants, Associate Financial Planners, Financial Planners, Financial Advisors or Registered Representatives, and are collectively referred to as “Financial Professionals”.

Before discussing our advisory services in more detail, we would like to describe a few important points that apply to all of our advisory services:

- AXA Advisors and its Financial Professionals do not provide legal, accounting or tax advice or services. We recommend that the client's lawyer and accountant be consulted in connection with the implementation of a financial plan or advice.
- It is AXA Advisors policy as a SEC registered investment advisor to not provide investment advice as defined under the Investment Advisors Act of 1940 to federal or state governmental entities. Therefore, Financial Professionals are prohibited from providing investment advice to such entities.
- It is AXA Advisors policy that unless approved by AXA Advisors, no Financial Professional shall act as a fiduciary under Section 3(21) or 3(38) of the Employee Retirement Income Security Act of 1947, as amended, (“ERISA”) by providing investment advice to a qualified plan under Section 401(a) of the Internal Revenue Code of 1986, as amended, sponsor, responsible fiduciary, or its participants, or in any way assuming responsibilities for a plan that would make the Financial Professional a fiduciary under either of the foregoing sections of ERISA. No services provided to retirement plan participants are intended to constitute an “employee benefit” under ERISA or any other law. In addition, any materials provided to retirement plan participants will be educational in nature and limited to:
  - (i) general information regarding the plan itself and investment options available under the plan;
  - (ii) general financial and investment information;
  - (iii) general asset allocation models, which may include hypothetical asset allocation portfolios for hypothetical individuals with different time horizons and risk profiles; and
  - (iv) interactive investment materials, which may include questionnaires, worksheets, software and similar material that allow participants to independently estimate future retirement income needs and assess the impact of different asset allocations.

## **Tailoring Services to a Client's Need**

We strive to tailor our advisory services to the individual needs of our clients. Prior to providing a client with any financial planning services, the Financial Professional will work with the client to mutually define the scope of the services. This process will include an exploration of the client's values, attitudes, expectations and time horizons, as well as the client's financial goals, needs and priorities.

The Financial Professional will also work with the client to determine which "assumptions" should be used in developing financial planning advice, so that any projections included reflect the client's views on future conditions and events. These assumptions may include personal assumptions (e.g., retirement age, life expectancy and income needs) as well as economic assumptions (e.g., inflation rates, tax rates and investment returns). Assumptions and projections are described in more detail in our response to this Item 4 – Advisory Business below.

AXA Advisors and its Financial Professional provide portfolio management services in three of the wrap fee programs that are available to our clients - LPL's Strategic Asset Management ("SAM") and Strategic Asset Management II ("SAM II") programs and the Mutual Fund Asset Allocation Program through Charles Schwab & Co.

In these programs, the Financial Professional recommends a portfolio of securities for the client to invest in. In most cases, the portfolio management services are provided on a non-discretionary basis and the client must approve all transactions prior to execution. In some instances, Financial Professional may provide such services on a discretionary (see 16 – Investment Discretion) basis in SAM or SAM II accounts.

In all other wrap fee programs, any portfolio management services are provided by the program sponsor and/or its delegate. AXA Advisors receives a portion of the wrap fee for the services it provides in all wrap fee programs. This is described in more detail in Item 5 - Fees and Compensation.

As of May 31, 2012, AXA Advisors managed a total of \$10,037,769,856.25 in client assets. Of this amount, \$310,948,236.85 was managed by us on a discretionary basis, and \$9,726,821,619.40 was managed on a non-discretionary basis.

In the remainder of this section, we will provide more detail regarding the advisory services provided relative to financial planning and asset management.

## **Financial Planning Services**

### **1. Personal Financial Planning Services**

Our Financial Professional can provide personal financial planning services that include education, advice and, in most cases, the preparation and delivery of a written financial plan or advice that will include general recommendations to help the client achieve his or her personal financial goals. In some circumstances, affiliated representatives of AXA Advisors may also solicit clients for financial planning services and receive compensation for the solicitation.

Our personal financial planning services typically involve three steps:

- gathering information from the client and completing a client profile;
- developing the advice or plan; and
- delivering and presenting the plan or advice to the client.

A client may enter into a financial planning engagement with AXA Advisors by signing a financial services agreement and, in most cases, agreeing to pay a fee in exchange for those services. We offer both fee-based and non-fee financial planning programs, although in either case AXA Advisors and the Financial Professional generally will receive commissions in their insurance agent, broker-dealer and registered representative capacities if the client decides to purchase any products through the Financial Professional.

The agreement is cancelable at any time by either party for any reason. If an agreement is cancelled in writing within five business days after signing, we will refund all fees paid. In addition, except as described below with respect to ongoing advice models, we will refund the full financial planning fee paid to any client who is not satisfied with the services and requests a refund within ninety days after service delivery.

The financial plan or advice will not include investment advice, analysis or recommendations regarding specific securities, or investment or insurance products. Upon delivery of a financial plan or advice to a client, the client will review the plan or advice and, if it is acceptable, sign a delivery receipt. Signing the delivery receipt will end the financial planning advisory relationship between the client and us.

However, because our Financial Professionals are also registered representatives of AXA Advisors, a registered broker-dealer, and licensed insurance agents of AXA Network, they are able to identify products and securities offered by AXA Advisors, its affiliates and various carriers that may be suitable for implementing the plan or advice.

These product-specific implementation recommendations may be prepared in a separate written document, generally following plan delivery. Any document in which they may be set forth is not part of the plan or advice. AXA Advisors generally will receive commissions (or, in some cases, advisory fees) if the client decides to purchase any products through the Financial Professional, and the Financial Professional will receive a portion of any commissions received in his or her capacity as a registered representative of a broker-dealer or as an insurance agent. Clients have no obligation to purchase any products through AXA Advisors, its affiliates or other carriers.

The following is a description of the various personal financial planning services we offer. A fee schedule and additional information relating to how fees are determined and paid is included in Item 5 – Fees and Compensation.

### **Goals**

Based on the long term goals you have identified, your Financial Professional will analyze your particular situation and provide recommendations on the topics that align with your goals. Financial planning services may or may not also include those listed below.

### ***Financial Position***

The Financial Position topic is designed to ensure the foundation of your financial plan is secure. This area may also evaluate your current level of cash reserves to provide an assessment of your ability to cover expenses in the case of emergency.

### ***Insurance Needs***

This service is intended to prepare you for the unexpected needs or impact on cash flow or net worth in the event of death, disability and long-term care, or other circumstances specific to your personal financial situation. Your Financial Professional may provide advice regarding the level of survivor income protection and disability and disability insurance you may need in order to protect your financial goals to continue to have your lifestyle of choice. This service may include estimates of survivor income needs resulting from a lost pension or social security income due to a spouse passing away. Your plan may also include advice on the level of long-term care coverage you may need to protect assets from depletion and to maintain a desired retirement lifestyle.

### ***Asset Allocation and Investment Planning***

This service will provide you with an evaluation of your assets and potential strategies to help you optimize portfolio performance to reach your goals. An asset allocation report may be provided to help you develop an investment portfolio that is designed with a level of risk that is acceptable to you. (Please note that asset allocation is a long-term approach to investing, and that financial planning services generally do not include advice regarding “market timing,” i.e., short-term reallocations among asset classes.)

### ***Retirement and Distribution Planning***

Retirement Planning will help you plan for retirement. Your Financial Professional may provide you with a current estimate of future retirement income and expenses and can illustrate potential savings and investment combinations to help you meet your retirement needs.

Distribution Planning will help you understand actions required to transition into retirement. This may involve significant repositioning of assets, addressing timing issues and reviewing risk tolerance in order to provide adequate income and financial security during your retirement years. You may also receive analysis to help you understand and evaluate options for plan distributions, Social Security, work, leisure, health care and other decisions.

### ***Education***

This service will help you plan for funding sources and expenses related to education. Your financial professional can provide you with solutions for existing assets, income, savings and funding options that can be designated toward achieving your or your dependants' educational goals.

### ***Estate Planning***

This service will help you prepare for passing wealth to your beneficiaries in an efficient manner. It may include an analysis that provides an estimate of estate settlement costs and the possible remainder of your estate(s) that could be passed on to heirs. Your financial professional will propose options to help manage costs, leave a legacy and provide for others. In addition, your Financial Professional can assist your attorney in the settlement of an estate.

### ***Stock Options***

This service will provide you with multiple strategies for your consideration regarding exercising employment based non-qualified and incentive stock options. This may include portfolio analysis intended to help you determine the appropriate time to exercise options given risk and reward considerations, and illustrating the after-tax effects of exercise and sell strategies while considering tax and cash flow efficiency.

### ***Income Tax Planning***

This service is intended to address general tax considerations for financial services products, transactions and registrations (ownership). Your Financial Professional working with your tax professional can also help you identify options to consider related to financial planning strategies and goals.

This service may also analyze various strategies for tax efficient withdrawals from tax-deferred accounts and minimizing the taxation of social security income. AXA Advisors, LLC and your Financial Professional do not, nor does the Service, provide tax or legal advice under this planning service or any other financial planning service.

### ***Major Purchase Planning***

Major Purchase Planning seeks to identify annual and monthly savings needed for various goals such as making a large purchase (e.g., a second home) and/or other income sufficiency needs. This service may also analyze different personal financial choices such as spending less for the major purchase, saving more for the major purchase and adjusting the timing of the major purchase. This may include an analysis of your current financial position relative to a level of income sufficiency for various other major purchase goals you have identified.

### ***Divorce Planning***

This service is designed to propose strategies for one party to a divorce to arrange for his or her personal finances during a divorce. This service may include a divorce financial, which is designed to assist you and your attorney in evaluating the long-term financial consequences of proposed divorce or settlement options. This service will help you determine among other issues: if you should sell the house, refinance and live there, or move to an apartment. Do you need to go back to work? How can you cut back on expenses? How much alimony is fair? Who should pay for your children's educations? Who will get the most tax advantage by claiming the dependency exemptions? What is the

current value of your pensions? What happens when pension and Social Security payments kick in?

This service does not recommend a preferred divorce settlement option. Additionally, it does not include any recommendations regarding ownership of assets, division of assets and liabilities. Any documents, analyses and other reports and statements made by a financial professional in providing the divorce planning service, may be discoverable by another party to the proceeding. You should consult with your attorney regarding such issues. Your attorney, not your financial professional, is your advocate on your behalf.

### **Assumptions, Projections and Estimates are not Guaranteed**

Projections in financial plans or advice are based on numerous assumptions as to future conditions including interest rates, inflation rates, income tax rates, social security benefits and returns on investments. Such projections are intended to help the client:

- (i) estimate amounts needed to fund specific future goals (e.g., education funding, retirement, etc.) and
- (ii) develop appropriate strategies to meet these goals.

Since projections are dependent on future events which cannot now be known, there is no assurance that the projections or any estimates will be realized, or that, even if they are realized, they will be sufficient to meet future needs.

All projections and estimates are furnished for illustrative purposes only and are not predictions or guarantees of the return on any assets that the client owns or could purchase. The Financial Professional will work with the client to determine which “assumptions” should be used in developing financial planning advice, so that any projections or estimates reflect the client's views and perspective on future conditions and events. These assumptions may include the following:

- Personal assumptions such as: retirement age, life expectancy, income needs, risk factors, time horizon and special needs; and
- Economic assumptions such as: inflation rates, tax rates and investment returns.

The client's assumptions related to acceptable risk levels will also be measured through the completion of a risk tolerance questionnaire.

Clients are encouraged to review and update their plans or advice received periodically to take account of changing conditions including, among other things, changes in their own circumstances, goals or objectives.

## **2. Seminars**

Financial Professionals may conduct investment advisory seminars for employer-sponsored employee meetings, specific client groups or other types of group meetings. Seminars may cover many aspects of financial planning, including risk management, cash management, investment planning, income tax, retirement planning and estate conservation. The fees charged for seminars are described in our response to Item 5 – Fees and Compensation.

Seminars will be general in nature and limited to educational and impersonal advice. The information provided at a seminar is not intended to address any attendee's personal financial situation, and attendees will not be obligated to implement any advice, recommendation or information they receive through AXA Advisors or any other party.

The cost of a seminar does not include the cost of any products or services of AXA Advisors and/or its affiliates that attendees may choose at their sole discretion to purchase in the future. Financial Professionals will generally receive a portion of the fee for each seminar they offer and AXA Advisors will retain the remainder for seminar review and administrative services. In the event two or more Financial Professionals co-sponsor a seminar, they may choose to share the Financial Professional portion of the fee collected.

Seminars provided to groups of employees are not intended as "employee benefits" covered by ERISA or any other law. In addition, the limits on AXA Advisors activities described below under "Retirement Plan Investment Advisory Services" apply to any services provided to employees that participate in a qualified retirement plan that is subject to ERISA or an IRA subject to applicable provisions of the Code.

### **3. Corporate Financial Planning**

AXA Advisors may enter into written agreements with select corporate, institutional or membership organizations to provide planning services to their employees, partners, independent contractors or members. The fees, if any, in connection with these services, are subject to negotiation between AXA Advisors, and the organization. The negotiated fees may vary substantially from the fees described elsewhere in this document. Those receiving financial planning or other services under an institutional agreement typically pay lower fees than those clients who otherwise enroll in personal financial planning services.

The services provided by AXA Advisors pursuant to corporate agreements are not intended as "employee benefits" covered by ERISA or any other law. In addition, the limits on AXA Advisors activities described below under "Retirement Plan Investment Advisory Services" apply to any services provided to employees that participate in a qualified retirement plan that is subject to ERISA or an IRA subject to the Code.

### **4. Retirement Plan Investment Advisory Services**

AXA Advisors may enter into agreements with sponsors of retirement plans to provide general financial educational services (the "Retirement Services") to the plan sponsor and/or plan participants in exchange for a fee. The fee range charged for Retirement Services and other important information relating to the fees for Retirement Services and Optional Services is provided in Item 5 – Fees and Compensation. Only appropriately credentialed Financial Professionals are authorized by AXA Advisors to provide Retirement Services.

The plan sponsor will select the Retirement Services to be provided. The Retirement Services are for general educational purposes only and are intended to help plan sponsors discharge their fiduciary responsibilities to the qualified plan and plan participants. The plan sponsor may also select certain Retirement Services that will provide general education to plan participants to help in their understanding of the terms and provisions of the qualified plan.

The Retirement Services will not provide any direct guidance to any plan sponsor regarding specific investment options to select under a qualified plan or portfolio plan design; nor will the Retirement Services provide any direct guidance to any plan participant regarding (i) the allocation of their qualified plan account balance, (ii) contributions to investment options under the qualified plan, or (iii) the investment alternatives of their account balances at retirement or separation from services. Specific Retirement Services selected by the plan sponsor will be described in the written agreement entered into between AXA Advisors and the plan sponsor.

In certain instances, a Financial Professional providing Retirement Services to plan sponsors may provide reports and/or investment policy statement proposals created with software tools owned and operated by companies that are not affiliated with or under common ownership, control or operation with AXA Advisors, its affiliates or Financial Professional. Any such reports or proposals are not recommendations regarding any securities transactions, and are provided solely to assist plan sponsors in making informed decisions relative to the management of their qualified plans. It will remain the plan sponsor's responsibility to adopt a specific investment policy statement and to select specific investment options for the plan.

Arrangements for Retirement Services may also include the opportunity for participants to receive, at their sole discretion, Optional Services as described above in the section on Corporate Financial Planning.

The relationship created between AXA Advisors and a participant through Optional Services will not include the participant's employer or qualified plan sponsor. Neither the qualified plan nor any qualified plan participant will be obligated at any time to purchase any additional products or services (including Optional Services) through AXA Advisors or any other party. Further, neither the participant's employer nor any qualified plan fiduciary endorses or is sponsoring AXA Advisors or its Financial Professional with regard to the provision of Optional Services. The decision to receive Optional Services is solely the decision of the Qualified Plan participant.

Unless otherwise agreed to in writing, AXA Advisors and its Financial Professional will not act as ERISA fiduciary with respect to any qualified plan, and any participant investment materials provided will be general in nature and limited to educational information regarding the qualified plan and its available investment options, which may include:

- (i) Providing specifics about the qualified plan and its design;
- (ii) Providing a list, by asset class, of all available investment choices (such list will not include any specific investment recommendations);
- (iii) Providing Morningstar, Ibbotson or other investment profiles for all available investment choices including fund sheets, which include a general description of the investment objectives, identification of the corresponding asset class, the risk characteristics and the annualized net rates of return;
- (iv) Providing general financial and investment information, e.g., educational information and materials regarding general financial and investment concepts;
- (v) Providing general asset allocation models, including information and materials that provide participants with models of asset allocation portfolios of hypothetical individuals with different time horizons and risk profiles; or
- (vi) Providing interactive investment materials, which may include questionnaires, worksheets, software and similar material that provide the means for participants to estimate future retirement income needs and assess the impact of different asset allocations.

## **5. ERISA Fiduciary Services**

In limited circumstances, AXA Advisors may enter into an agreement with a retirement plan sponsor to provide services as an ERISA fiduciary pursuant to ERISA section 3(21)(A)(ii) (“ERISA Fiduciary Services”). Under ERISA section 3(21)(A)(ii), AXA Advisors will assist a plan’s fiduciary in determining the investment line-up available to the plan’s participants. Only appropriately credentialed Financial Professionals specifically approved by AXA Advisors are authorized to provide ERISA Fiduciary Services to plan sponsors. No services may be provided to qualified plan participants in an ERISA fiduciary capacity. A summary of the ERISA Fiduciary Services is provided below. Plan sponsors should refer to their written agreement with AXA Advisors for more details regarding the specific services to be provided and the fees to be paid.

### **a. Investment Option Selection**

AXA Advisors will analyze the list of available investment options for the qualified plan and provide the plan sponsor with a recommended list of core asset classes that, when combined, constitute a prudent investment lineup for a qualified plan seeking a basic level of complexity. AXA Advisors will also provide definitions of additional asset classes/categories that, when combined with core asset classes, will constitute prudent investment lineups for those plan sponsors seeking more sophisticated levels of complexity.

AXA Advisors will identify for the plan sponsor’s consideration one or more investment options from each asset class/category that are appropriate for long-term strategic asset allocations. AXA Advisors will evaluate the investment options, including comparing their performance to appropriate benchmarks and peer group(s). AXA Advisors will provide the plan sponsor with a “core list” of recommended investment options within each of the core asset class groups, as well as supplemental asset classes/categories. AXA Advisors will also provide some general guidelines as to how many and what management type (active or

passive) of investment options are appropriate to select with respect to each of the asset class groups to assist the plan sponsor in making its final investment option selections.

b. Monitoring of Investment Options

AXA Advisors reviews investment option performance on a quarterly basis or on such other agreed-to basis. Each investment option will be reviewed, and investment options that do not meet the criteria will be placed on a watch list. The placement of an investment option on the watch list does not mean that it will be removed from the investment options but rather triggers further due diligence on the investment option. The purpose of the due diligence is to determine if the original reasons for selecting the investment option are still valid. AXA Advisors shall provide the plan sponsor with a report summarizing its review.

Once an investment option is on the watch list, it will remain on there until further due diligence indicates that it should be removed from the watch list or removed as an investment option. To be removed from the watch list, certain qualitative and quantitative measures must be met. If, after further due diligence, AXA Advisors determines that the investment option no longer meets the criteria for remaining on the core list, AXA Advisors will, to the extent available on the platform, identify one or more suitable replacements.

c. Additional Provisions

AXA Advisors and its Financial Professional will not exercise any discretion or authority regarding the plan sponsor's selection of the specific securities, mutual funds, institutional funds or funds available through group annuity that may be eligible investment options under the qualified plan. It is the sole responsibility of the plan sponsor or named fiduciary to determine the investment policy statement for the qualified plan, to select and retain the service provider, to determine the appropriate mix and number of asset classes to be included in the investment options available under the qualified plan and to select the specific mutual funds, institutional funds or funds available through group annuity contracts that will be investment options under the qualified plan.

If a qualified plan contains a company stock or self-directed brokerage investment option, AXA Advisors shall not be required to take such investment options into account with respect to its determinations or recommendations. Plan sponsor shall retain sole fiduciary responsibility with respect to such company stock or self-directed brokerage option.

The ERISA Fiduciary Services provided will be based upon the information provided to AXA Advisors by the plan sponsor, including but not limited to, the investment options available under the qualified plan. [The plan sponsor will agree to review at least annually and to advise AXA Advisors of any changes in the investment options that may be available under the Qualified Plan or to the demographic or other information previously provided to AXA Advisors regarding the Qualified Plan.]

In providing the ERISA Fiduciary Services to Plan Sponsors, AXA Advisors and its Financial Professional may utilize software and other tools operated by the Retirement Plan Advisory Group ("RPAG"). AXA Advisors, its affiliates and Financial Professional are not affiliated with or under common ownership, control or operation with RPAG.

Arrangements for ERISA Fiduciary Services may include the opportunity for participants to receive, at their sole discretion, Optional Services as described above in the section on Corporate Financial Planning. No investment advisory relationship created through Optional Services shall include the participant's employer or Plan Sponsor. Neither the Qualified Plan nor any Qualified Plan participant will be obligated at any time to purchase any additional products or services (including Optional Services) through AXA Advisors, its affiliates or other carriers. Further, neither the participant's employer nor any fiduciary that is responsible for making decisions under the Qualified Plan endorses or is sponsoring AXA Advisors or its Financial Professional with regard to the provision of Optional Services to participants. The selection of an AXA Advisors' Financial Professional to provide Optional Services is solely the decision of the Qualified Plan participant.

This Brochure also constitutes the disclosure required to be provided to plan sponsors under DOL Rule 408(b)(2). The fee range charged for ERISA Fiduciary Services and other important information relating to the fees for ERISA Fiduciary Financial Services and Optional Services is provided in Item 5 – Fees and Compensation. Financial Professionals generally receive 50 – 90% of advisory fees received by AXA Advisors.

## **6. Blueprints For Tomorrow Program**

AXA Advisors may also allow certain credentialed Financial Professionals to utilize the Blueprints for Tomorrow Program ("Blueprints") to provide Business Strategies services, which include business exit planning and other business planning services. Business Strategies services shall include providing Blueprints educational modules to business owners ("the Client") by our financial professionals to assist them in accomplishing his or her objectives with regard to the realization and preservation of maximum business value and personal wealth. The Blueprints system utilizes a Client questionnaire that the financial professional may employ to determine which of the fifteen educational modules may be of value to the Client.

The fifteen available Blueprints educational modules consist of six (6) fee-based advisory modules and nine (9) non-fee based non-advisory modules. The Client will select one or more specific Blueprints modules in the educational process, which best fits their specific business planning needs, which may be memorialized (along with any fees to be paid in the case of fee-based modules), in the agreement and fee receipt between AXA Advisors and the Client.

The Blueprints for Tomorrow Program is owned and operated by Blueprints for Tomorrow, LLC. AXA Advisors, its affiliates and Financial Professionals are not affiliated with or under common ownership, control or operation with Blueprints for Tomorrow, LLC.

Blueprints services will not include advice, analysis, recommendations or the execution of any purchase or sale of specific securities or other investment or insurance products. However, our financial professional may make general recommendations, based on the assumptions provided by the Client, regarding securities and/or other investment or insurance products the Client may wish to consider in helping meet his or her financial or business goals.

Upon delivery of the Blueprints to the Client and the execution of a delivery receipt, the investment advisory relationship regarding the Blueprints terminates. However, a Client may

choose, at his or her sole discretion, to receive additional services after the termination of the initial advisory relationship, which would generally be subject to a separate fee and Investment Advisory Agreement.

In addition, after delivery of the Blueprints, the Client may, at his or her sole discretion, elect to receive Optional Services as described above in the section on Corporate Financial Planning. Clients will not be obligated at any time to purchase any additional products or services (including additional Blueprints or Optional Services) through AXA Advisors, its affiliates or other carriers.

### **Asset Management Programs**

Our involvement in asset management services is generally limited to serving as a “solicitor” for third party program sponsors. As a solicitor, we act in accordance with SEC rules to refer clients to third party unaffiliated investment advisors that sponsor wrap fee programs in exchange for a fee. A fee is paid to us from the program sponsor and is disclosed in more detail in Item 5 - Fees and Compensation, as well as in the third party investment advisor’s disclosure statement that the client will receive with the account opening paperwork. A few additional points regarding our role as solicitor for these programs:

- We will typically carry out various client interface activities in exchange for our fee, which may include assisting the client in completing account opening paperwork, conducting an annual meeting with the client to determine if the program remains a suitable investment, and facilitating communication between the program sponsor and the client.
- Generally the program sponsor, and not us, will be responsible for determining the specific investments and/or sub-managers that are used to populate a client’s account. Our responsibilities and those of the program sponsor will be described in the client agreement for the program and the program sponsor’s investment advisory or wrap program disclosure document, which we urge the client to read prior to investing in a wrap fee program.
- For several programs described below (Strategic Asset Management, Personal Wealth Portfolios, and Mutual Fund Asset Allocation Program), the client (with the assistance of their Financial Professional) is responsible for selecting the individual investments or managers.

### **Types of Advisory Programs offered through Program Sponsors**

- Mutual Fund Advisory Programs – a mutual fund program that allows investors to allocate their assets across multiple mutual funds. These programs typically include elements such as client profiling, fee-based pricing, and rebalancing.
- Exchange Traded Fund (ETF) Advisory Programs – managed account programs that allow investors to allocate their assets across multiple ETFs. These programs include elements such as client profiling, fee-based pricing, and rebalancing.
- Rep As Advisor Programs – non-discretionary fee-based advisory programs that enable investors to hold different types of securities (e.g., mutual funds, ETFs, equities, fixed income, etc.).

- Separately Managed Account (SMA) Advisory – managed programs that utilize separate accounts as the investment vehicle. These separate accounts are managed by a third party money manager and will contain individual securities such as equities and individual fixed income securities. These can be traditional, where a single account corresponds to a single investment strategy, or multi-discipline where the program offers multiple disciplines within the same separate account with an overlay manager responsible for coordinating the multiple disciplines into a unified portfolio.
- Unified Management Account – a single account that houses multiple investment products such as separately managed account managers, mutual funds and ETFs. The account utilizes a platform that provides the ability to manage an investor's assets in a comprehensive portfolio.

In some programs, clients may impose restrictions on investing in certain securities or types of securities. When clients invest in third party advisory programs it is typical that the program sponsor has the authority to place trades on their behalf without consent (this practice is known as “discretion”). Please refer to the ADV Part 2A of the program sponsor to determine the specifics of the particular program.

## **1A. Non-Proprietary Wrap Fee Programs – Representative As Portfolio Advisor**

### **LPL Financial**

AXA Advisors offers clients access to various investments advisory programs offered through LPL Financial (“LPL”).

Strategic Asset Management\* (“SAM” and “SAM II”) – A Representative as Portfolio Advisor Program where clients may purchase and sell securities on a non-discretionary basis (e.g., equities, fixed income, options, no-load and load waived mutual funds, variable annuities, and ETFs) pursuant to investment objectives chosen by the client, and to liquidate previously purchased load mutual funds. In some cases, the client may provide discretionary authorization to the Financial Professional, provided the Financial Professional is pre-approved by AXA Advisors to offer discretionary trading. Two SAM account types are offered: SAM, where the client pays applicable ticket charges for transactions in the account, and SAM II, where the Financial Professional pays the ticket charges. These ticket charges are not considered brokerage commissions.

Variable annuities offered in SAM and SAM II accounts are proprietary to AXA Equitable Life Insurance Company, an affiliate of AXA Advisors. Financial Professionals shall not receive up front commissions for sales of AXA Equitable proprietary variable annuity products in SAM or SAM II accounts but shall receive compensation commensurate with any SAM investment as described more fully below in Item 5 – Fees and Compensation. Financial Professionals may receive other compensation and benefits related to the sales of proprietary products. Accepting this type of compensation may present a conflict of interest in that there is an incentive to recommend investment products based on the compensation received, rather than on a client's needs. We disclose potential conflicts of interest to clients through documents such as this disclosure document, the prospectus, and other materials discussing the products and services offered. The client should consider these additional payments and the potential conflicts of interest they create carefully prior to investing in any

securities or asset management programs offered through AXA Advisors. The client is encouraged to ask his or her Financial Professional for additional information should he or she have any questions regarding these payments or the potential conflicts of interest they create. Furthermore, clients can refer to the prospectus or Statement of Additional Information for the specific variable annuity for more information regarding the additional compensation the Financial Professional may receive.

The advisory services carried out by the Financial Professionals are completed in their capacity as investment advisory representatives of AXA Advisors however, when offering and executing transactions for variable annuity products the Financial Professional acts in his or her capacity as an insurance agent of AXA Network, LLC (an affiliate of AXA Advisors) and/or its affiliates.

\*AXA Advisors clients whose Financial Professional is Max Haspel and who are invested (or considering investing) in the SAM program should note that investment models designed by Haspel Capital Management, LLC ("HCM"), an investment advisor for which Max Haspel serves as the principal, are available in the Model Wealth Portfolios ("MWP") program discussed below. Clients with SAM accounts may be invested in comparable securities as clients that are invested in a MWP model designed by HCM. Such clients should carefully review the description of each program and the related fees below and consider which program may be more appropriate. HCM is not owned or operated by AXA Advisors or any of its affiliates.

\*AXA Advisors clients whose Financial Professional is Gregory H. Wilson ("Wilson"), and who are invested (or considering investing) in the SAM program should note that investment models used in SAM accounts may be designed by Wilson and/or Portfolio Strategies Team ("PST"), and/or PST Advisors, LLC ("PST Advisors"). Wilson is the principal of PST, which is a trade name for Wilson's AXA Advisors business. He is also, separately, the principal of PST Advisors, an investment adviser registered with the state of Pennsylvania. PST Advisors is not owned or operated by AXA Advisors or any of its affiliates. Certain associated personnel of PST may also be associated persons of PST Advisors. Clients with SAM accounts may be invested in comparable securities and investment models as clients that are invested in a different program designed by Wilson, PST and/or PST Advisors, such as the Curian Custom PST Strategic Models available through Curian Capital, LLC. Such clients should carefully review the description of each program and the related fees and consider which program may be more appropriate for your needs.

## **1B. Non-Proprietary Wrap Fee Programs – Third Party Asset Managers**

The following is a list of the third party program sponsors we make available to our clients through AXA Advisors, and a brief description of the programs we offer through them. For more information on these programs, the applicable fees, expenses and potential conflicts of interest, please see investment advisory or wrap program disclosure document of the respective program sponsor, which will be provided to you prior to opening an account.

### **Advised Assets Group, LLC**

Advised Assets Group, LLC ("AAG") provides defined contribution plan sponsors and plan participants with range of personalized investment advisory tools and solutions designed to help both plan sponsors and their participants maximize their retirement plan options. AXA

Advisors offers clients access to choose from three different AAG advisory options including Online Investment Guidance, Online Investment Advice and Managed Accounts. AAG is only available to those clients who are participants in Great-West Life & Annuity Insurance Company qualified plans.

*AAG's Online Investment Guidance* - provides plan participants with personalized asset allocation and savings rate recommendations that reflect their unique financial information, retirement time frame, goals and financial situation. Based on the personalized recommendation participants can build their portfolios using the investment options available in their plan.

*AAG's Online Investment Advice* - provides defined contribution plan participants with personalized asset allocation and savings rate recommendations, and creates a personal wealth forecast and recommended portfolio based on information drawn from the participant's account profile and from the funds available in their plan.

*AAG's Managed Accounts* - A discretionary managed account solution created by, and proprietary to Ibbotson Associates, Inc., a wholly owned subsidiary of Morningstar, Inc. AAG, based upon data resulting from the methodologies and software from Ibbotson, selects among available "core investment options" selected by the plan and manages plan participants retirement accounts for them.

#### **Advisors Capital Management**

AXA Advisors offers clients access to various investment advisory programs offered through Advisors Capital Management ("ACM"). For each of the ACM programs, the AXA Advisors Financial Professional works with you to complete the individual client questionnaire, which allows ACM to determine the appropriate investment strategy recommendations to meet your investment objectives.

*Model Global Balanced ETF Strategies* – an ETF advisory program that provides investors with diversified global portfolio.

*Model Separate Account Strategies* – a separately managed account model portfolio program

*Private Account Strategies* – a separately managed account platform that is generally allocated among different investment managers and invested in individual equity and fixed income securities.

#### **Boyd Watterson Asset Management**

Boyd Watterson Asset Management ("Boyd Watterson") specializes in managing fixed-income portfolios for individuals and institutions in a single strategy separately managed account program. Clients can choose to utilize one of Boyd Watterson's traditional investment options or a customized approach that better fits their needs. Your AXA Advisors' Financial Professional works with you to determine which of Boyd Watterson's portfolios will help you meet your investment objectives.

AXA Advisors offers clients access to portfolios managed by Boyd Watterson, a Titanium Asset Management Company (formerly Sovereign Advisers). While AXA Advisors offers

clients the ability to invest directly through Boyd Watterson, Boyd Watterson also provides separately managed accounts through specific investment options in different programs offered through AXA Advisors, such as Lockwood's Multi-Manager or LPL's Manager Select.

### **Brinker Capital, Inc.**

AXA Advisors offers clients access to various investment advisory programs offered through Brinker Capital. For each of the Brinker programs, the AXA Advisors Financial Professional works with you to complete the individual client questionnaire, which allows Brinker to determine the appropriate investment strategy recommendations to meet your investment objectives.

*Crystal Strategy I* – an absolute return portfolio offered within a separately managed account structure.

*Destinations* – a comprehensive mutual fund asset allocation program.

*Core Asset Manager* – a separately managed account platform that is generally allocated among different investment managers and invested in individual equity and fixed income securities.

*Unified Managed Account (“UMA”)* – provides investors with several multi-manager, multi-asset class strategies. The Brinker UMA program invests in mutual funds, ETFs and certain fixed income instruments.

*Retirement Plan Services Program (401k) and Retirement Plan Services Plus* – offers retirement plan advisory services utilizing Brinker's Destinations investment strategies to sponsors of retirement plans covered by ERISA. *Retirement Plan Services Plus* includes both ETF models and individual mutual fund options.

### **Clark Capital Management Group, Inc.**

AXA Advisors makes various Clark Capital advisory programs available to clients. These products, which are known as the “Navigator” series, offer clients access to a spectrum of investment solutions, including portfolios that concentrate on a single core strategy, or multi-asset portfolios that are strategically constructed with two or more complementary investment strategies. Clients work with their Financial Professional to determine their investment objectives and needs. Clark Capital works with the client and the Financial Professional to create an investment policy statement that is then used to create an investment plan for the client using one of the following Navigator programs:

*Navigator Master* – a separately managed account program offering select money managers with an institutional portfolio protection strategy.

*Navigator Premier* – a program of six customized portfolios, including equity, fixed income, global and tax-free strategies.

*Navigator Unified Solution* – a Unified Management Account program that follows a dynamic “Core and Explore” strategy that diversifies among multiple asset classes, investment managers and investment strategies.

*Navigator ETF* – an ETF advisory program focused on global diversification.

**Curian Capital, LLC\***

AXA Advisors provides clients with access to Curian Capital's ("Curian") Custom Style Portfolio program. Your AXA Advisors Financial Professional works with you to complete the individual client questionnaire, which allows Curian Capital to determine the appropriate investment strategy to meet your investment objectives.

Custom Style Portfolio – a separately managed account program that offers clients access to broad diversification across multiple asset classes, investment styles and institutional money managers. The underlying investments used by the model managers selected by Curian Capital may include equities, fixed income securities, mutual funds and ETFs.

See Item 14 – Client Referrals and Other Compensation for information regarding Curian Private Advisor Services.

\*Clients should note that a Financial Professional of AXA Advisors, Gregory H. Wilson ("Wilson"), serves in an institutional capacity as an outside strategist for Curian's Custom Style Portfolio program that are designated as Curian Custom PST Strategic Models. Wilson is the principal of the Portfolio Strategies Team ("PST"), a trade name for Wilson's AXA Advisors business. He is also, separately, the principal of PST Advisors, LLC ("PST Advisors"), an investment adviser registered with the state of Pennsylvania. PST Advisors is not owned or operated by AXA Advisors or any of its affiliates. Certain associated personnel of PST may also be associated persons of PST Advisors.

In this institutional role, Wilson and PST provide Curian Capital with model investment portfolios for AXA Advisors clients in the Curian Custom Style Portfolio. The models may be static or dynamic, and are labeled accordingly. AXA Advisors' clients that invest in Curian Custom Style Portfolios (including models designed by PST) will also be served by an AXA Advisors Financial Professional providing retail investment advisory services on the account. The Financial Professional may be Wilson and/or other associated persons of PST that are also Financial Professionals of AXA Advisors, in which case all such individuals will receive a portion of AXA Advisors Consulting Fee.

Further, Curian and AXA Advisors have entered into an agreement whereby Curian shall pay AXA Advisors an annual marketing support fee of 8 basis points (calculated and paid quarterly) on all assets in Curian Custom PST Strategic Model accounts. AXA Advisors may share all or part of such payments with its investment advisor representative(s) (including but not limited to Wilson) as AXA Advisors, in its sole discretion, shall determine. Payment of this fee shall not increase any customer's fee, and there is no differential in the amount charged by Curian to AXA Advisors customers depending upon whether this marketing support fee is paid to AXA Advisors and its representatives.

Clients considering investing in a Curian Custom Style Portfolios model designed by PST should carefully read the Curian Capital Wrap Fee Program Brochure. Clients with Curian Custom PST Strategic Model accounts may be invested in comparable securities and investment models as clients that are invested in a different program designed by Wilson, PST and/or PST Advisors, such as a SAM account available through LPL Financial. Such

clients should carefully review the description of each program and the related fees and consider which program may be more appropriate for your needs.

**Envestnet Asset Management, Inc. (“Envestnet”)**

AXA Advisors offers clients access to various investment advisory programs offered through Envestnet. For each of the Envestnet programs, the AXA Advisors Financial Professional works with you to complete the online proposal system which allows Envestnet to determine the appropriate investment strategy recommendations to meet your investment objectives.

*Separately Managed Account (SMA)* - Provides clients with a roster of asset managers reviewed, approved, and selected by Envestnet.

*Fund Service Provider (FSP)* – Provides clients with model portfolios of third-party mutual funds and ETF providers.

*Multi-Manager Account (MMA)* – Model portfolios of mutual funds and ETFs.

**Envestnet Portfolio Solutions, Inc. (“EPS” formerly FundQuest, Inc.)**

AXA Advisors offers clients access to various investment advisory programs offered through *Envestnet Portfolio Solutions, Inc. (“EPS”)*. For each of the EPS programs, the AXA Advisors Financial Professional works with you to complete the individual client questionnaire, which allows EPS to determine the appropriate investment strategy recommendations to meet your investment objectives.

*Classic Portfolios* – a mutual fund wrap program where EPS provides for ongoing investment monitoring, rebalancing, performance measurement and quarterly reporting.

*ActivePassive Portfolios* - a mutual fund wrap program that features both actively managed and passive (index-based) investments through combinations of the ActivePassive Mutual Funds.

*Income Portfolios* - a mutual fund wrap program that is designed to generate stable income from dividend distributions and interest.

*Russell LifePoints* – a mutual fund wrap program that uses the Russell LifePoint Funds for the investments.

*Russell Model Strategies Portfolios* - a mutual fund wrap program that uses the Russell Funds along with other mutual funds as the underlying investment for this mutual fund portfolio, with ten asset-allocated models, 5 core and five tax-managed, diversified across asset classes and styles.

*Unified Managed Accounts (UMA)* - a unified managed account program that offers multiple investment styles and multiple investment products within a single coordinated account. EPS acts as the overlay manager for the UMA product. Overlay management seeks to improve the communication between the separate managers, allowing for increases in transaction efficiency.

**Genworth Financial Wealth Management, Inc.**

Genworth Financial Wealth Management, Inc. (“Genworth” or “GFWM”) provides a variety of advisory programs to clients. For each Genworth program, a Financial Professional consults with clients to assess their financial situation and identify their investment objectives in order to implement and monitor investment portfolios designed to meet the client’s financial needs. Working with their financial professional, clients select advisory service(s) and investment objective(s) available within the program(s). Genworth manages the assets based on a client’s individual financial circumstances, investment needs and goals and level of risk tolerance.

Privately Managed Portfolios (PMP) – a separately managed account platform that provides wide flexibility to deliver comprehensive investment strategies based on individual stocks and/or mutual funds.

Multiple Strategy Portfolios – a separately managed account platform designed for the tax-sensitive investor. All holdings are purchased and held for a minimum of 366 days in order to qualify for lower capital gains tax rates.

Active Return Opportunities (“ARO”) – a unified managed account that invests in a combination of individual securities and commingled vehicles, such as mutual funds, closed-end funds and ETFs. Individual securities investments are made in accordance with securities recommended to Genworth by portfolio advisors that Genworth selects, retains and may remove at its discretion.

No-Load Mutual Fund Portfolios – a mutual fund advisory program that offers two sets of fund portfolios – one set developed using primarily GuideMark funds (previously AssetMark Funds”) and the other set developed using primarily outside mutual funds (the “Other Mutual Funds Strategy”). Genworth works with four outside portfolio strategists to provide asset allocation management for the portfolio models.

ETF Portfolios – an ETF advisory program that provides investors with the same services as the No-Load Mutual Fund Portfolios, but in which client assets are invested in ETFs instead of mutual funds. Genworth works with four portfolio strategists, who manage the ETF portfolios in similar fashion as the mutual fund portfolios. The portfolio strategists construct model portfolios using a combination of ETFs representing various asset classes, determined by the investor risk profile. Both strategic and tactical allocation approaches are available.

Privately Managed Account Solutions (“PMAS”) – consists of two main products, the Individually Managed Account (“IMA”) and Consolidated Managed Account (“CMA”), each of which is available through AXA Advisors. IMA is an UMA program for clients seeking style-specific investment managers to meet a particular investment objective. Clients select individual managers based upon their investment objectives. Clients can choose from any

investment manager in the program. The CMA is a unified managed account product that may be appropriate for clients seeking a complete, tax-efficient asset allocation solution in one account. Clients select from six model portfolios based on their individual risk profiles. CMA employs an overlay portfolio management strategy designed to provide coordination across multiple investment managers, enhance tax efficiencies, and diversify portfolio holdings in a single account.

Genworth's Preservation Strategy is part of the IMA program, and is a mutual fund managed account platform that specializes in asset allocation portfolios and focuses on capital preservation.

Genworth's Principal Return Exposure Strategy ("PRX") is also available to clients through the PMAS program. PRX uses equity-linked CDs issued by Goldman Sachs to provide a FDIC-insured return of principal with potential upside participation in the price increase of a global equity benchmark.

See Item 14 – Client Referrals and Other Compensation for information regarding the Genworth Gold Premier Consultant Business Development Allowance Program.

### **Lebenthal Asset Management**

AXA Advisors offers clients access to the customized investment advisory services of Lebenthal, a division of Alexandra & James Advisory Services, LLC.

Municipal Bond Asset Management Portfolios – a single strategy separately managed account program limited to fixed income securities, primarily municipal bonds.

### **Lockwood Advisors, Inc.**

AXA Advisors offers clients access to various investment advisory programs offered through Lockwood Advisors, Inc. For each of the Lockwood programs, the AXA Advisors Financial Professional works with you to complete a client questionnaire which allows Lockwood to determine the appropriate investment strategy recommendations to meet your investment objectives. These programs are discussed briefly below.

Lockwood Multi-Manager – a separately managed account where Financial Professionals provide their clients with access to Lockwood's investment managers and other advisory services. Clients have access to approximately 50 managers covering more than 90 investment styles. Portfolio recommendations that are based upon LIS (as defined below) include five multi-manager options for taxable accounts and five multi-manager options for non-taxable accounts.

Lockwood Investment Strategies (LIS) – a unified managed account program that provides professionally-managed, diversified portfolios to help meet investors' wealth management needs. The program is a fully discretionary, multi-discipline managed account product housed in a single portfolio. Lockwood determines the asset allocation strategy and selects money managers/investment vehicles based on proprietary modeling strategies

Lockwood Asset Allocation Portfolios (LAAP) – a multi-discipline unified managed account product housed in a single portfolio. It is similar to Lockwood's Investment Strategies

program, but is generally targeted to clients whose assets may be more appropriately allocated to mutual funds and ETFs, due to a smaller initial investment.

### **LPL Financial**

AXA Advisors offers clients access to various investment advisory programs offered through LPL Financial ("LPL"). These programs are discussed briefly below.

Optimum Market Portfolios ("OMP") – a professionally managed mutual fund advisory program using Optimum Funds Class I shares. The AXA Advisors Financial Professional works with you to complete a client questionnaire which allows LPL to determine the asset allocation to meet your investment objectives.

Personal Wealth Portfolios ("PWP") - is a unified management account in which LPL, with assistance from sub-advisors it has selected, directs and manages specified client assets on a discretionary basis. The AXA Advisors Financial Professional works with you to determine which of the sub-advisors will work with your individual investment objectives.

Manager Select – a separately managed account program where the client, with the assistance of their Financial Professional, will select the managers and develop an asset allocation.

Model Wealth Portfolios\* ("MWP") – a unified managed account program that provides clients with access to managed portfolios of securities (which may include mutual funds, ETFs, exchange traded notes or "ETNs" and closed end funds) created and designed by LPL Research or a third party investment strategist (an "Outside Strategist") with oversight from the LPL Financial Overlay Portfolio Management Group (the "LPL Overlay Manager"). For the MWP program, each model portfolio focuses on a specific theme, such as "socially responsible investing" or "tax aware investing." Within each theme, LPL Research has developed an asset allocation strategy that relates to the investment objective identified by the client. The AXA Advisors Financial Professional works with you to determine which of the allocation strategies will work with your individual investment objectives.

\*Clients should note that a Financial Professional of AXA Advisors, Max Haspel, is the principal of Haspel Capital Management, LLC ("HCM"), an investment advisor that serves in an institutional capacity as an Outside Strategist for the MWP program. In this role, HCM provides LPL with model investment portfolios in exchange for a portion of the fee LPL receives from the client. AXA Advisors' clients that invest in MWP (including models designed by HCM) will also have an AXA Advisors Financial Professional that provides retail investment advisory services on the account. The Financial Professional may be Max Haspel and/or other associated persons of HCM that are also Financial Professionals of AXA Advisors, in which case such individuals will receive a portion of AXA Advisors consulting fee in addition to the Outside Strategist fee paid to HCM. Clients should note that, in all instances, AXA Advisors consulting fee and HCM's Outside Strategist fee are separate from one another and paid for distinct services rendered. Clients considering investing in an MWP model designed by HCM should carefully read the LPL MWP Program Form. As is described in more detail in the LPL MWP Program Form, HCM has been permitted by LPL to serve as an Outside Strategist without establishing compliance with the program's general diligence requirements. HCM is not owned or operated by AXA Advisors or any of its affiliates.

### **Morningstar Investment Services, Inc. (“MIS”)**

AXA Advisors offers clients access to a variety of investment advisory products available under MIS’s Managed Portfolios program. For each of the MIS programs, the AXA Advisors Financial Professional works with you to complete the individual client questionnaire which allows MIS to determine the appropriate investment strategy recommendations to meet your investment objectives. The programs are described briefly below.

MIS Mutual Funds Portfolios – a mutual fund advisory program that invests in professionally managed portfolios designed to achieve specific return objectives within controlled risk parameters to match a spectrum of investment objectives. MIS will determine the appropriate asset allocation based on answers to the risk tolerance questionnaire, and will construct and manage the portfolios. The core of the program consists of three suites of actively managed portfolio strategies.

MIS ETF Portfolios – an actively managed ETF Advisory Program where the MIS investment team utilizes a “core and explore” investment process. This strategy combines “core” positions that provide exposure to broad asset classes with “explore” positions that seek to add incremental performance returns by taking advantage of relative opportunities identified by Morningstar’s proprietary ETF rating methodology.

MIS Select Stock Basket Portfolios – a SMA program that offers customized equity portfolios of U.S.-traded stocks tailored to suit an investor’s specific parameters, including sector and industry exposure, stock restrictions, existing holdings and personal tax situation. Using Morningstar’s proprietary research, MIS analysts determine a fair value estimate, which represents Morningstar’s analysts’ estimate of a firm’s intrinsic worth per share. MIS uses a customized sub-set of the most highly-rated stocks in Morningstar’s coverage universe within the Select Stock Basket Portfolios.

MIS Enhanced Portfolio Services (“EPS”) – an advisory program that is part of MIS’s overall Managed Portfolios program, but separate from the previously described strategies. EPS are intended for those that are seeking a portfolio strategy that is tailored around their total current holdings, not just the holdings in their MIS program account. A client’s EPS strategy will be designed specifically with a view toward his or her investment objectives, limitations, and/or guidelines and will consist, in most cases, of no-load or load-waived open-end mutual funds. If a client’s account is governed by an investment policy or restrictions that demand a specific asset allocation structure and composition, MIS can offer an investment solution tailored to that client’s particular needs.

### **Nationwide Investment Advisors (“NIA”)**

An overlay management service available for participants in certain Nationwide Resources Trust and Innovator as well as Nationwide Clear Advantage and Flex Advantage qualified retirement plans through NIA’s ProAccount program. The ProAccount program offers plan sponsors the opportunity to allow plan participants to elect to use NIA to allocate the assets within their Nationwide qualified plan based upon their investment objectives and risk tolerance. NIA is an affiliate of Nationwide Financial, which offers the Nationwide Resources Trust and Innovator Plans.

Financial Professionals who offer Nationwide qualified plans to their clients have the option of selecting from one of the approved investment advisers pre-selected by Nationwide to provide advisory services to plan participants.

### **SEI Investments Management Corporation (“SIMC”)**

AXA Advisors offers clients access to various investment advisory programs offered through SIMC. For each of the SIMC's programs, the AXA Advisors Financial Professional works with you to complete the individual client questionnaire which allows SIMC to determine the appropriate investment strategy recommendations to meet your investment objectives.

Managed Accounts Program (“MAP”) – a unified managed account where SIMC selects sub-advisors to manage individual portfolios of stocks and bonds based on a specific investment style. Mutual funds may be recommended for a portfolio, including SEI Funds, for which SIMC also serves as investment manager.

Integrated Managed Account Program (“IMAP”) – a variation of SIMC's traditional MAP, the IMAP program offers a feature through which SIMC selects one portfolio manager to serve as a tax manager for the entire account. Other portfolio managers recommend securities to buy and sell for the portion of the account they manage. The tax manager then executes these trades in a tax-efficient manner at its discretion, with the goal of attempting to enhance the tax efficiency of the portfolio.

Private Client Mutual Fund Asset Allocation Program – a mutual fund advisory program where the client selects an investment strategy and mutual fund asset allocation model that has been provided by SIMC and may elect to purchase individual mutual funds in lieu of funds in the SIMC model. The assets will be allocated by SIMC in accordance with the investment strategy or model selected by the client. SEI mutual funds are the exclusive funds for client investment.

### **Stadion Money Management (“Stadion”)**

AXA Advisors offers Stadion as an investment advisory option to certain ERISA plan sponsors and participants in Guardian, Lincoln Financial, and Mutual of Omaha qualified retirement plans. Through this program, ERISA plan sponsors may choose to include Stadion's 401k Toolbox program as an additional feature for their qualified plan. Stadion is not affiliated with any of the firms that use its money management services and plan sponsors are not obligated to choose Stadion as a money manager for assets within the qualified plans.

### **Symmetry Partners (“Symmetry”)**

AXA Advisors offers clients access to various investment advisory programs offered through Symmetry Partners. For each of the Symmetry programs, the AXA Advisors Financial Professional works with you to complete the individual client questionnaire which allows Symmetry to determine the appropriate investment strategy recommendations to meet your investment objectives.

*Symmetry Bond Portfolio* – a mutual fund advisory program that consists of two available fixed income allocation portfolios.

*Global Core ETF* – an ETF advisory program where the AXA Advisors Financial Professional works with you to select an asset allocation model that has been provided by Symmetry.

*Structured Portfolios* – a mutual fund advisory program comprised exclusively of open-ended mutual funds issued solely by Dimensional Fund Advisors.

### **Program Sponsors Offering ‘Service Only’ Services**

In addition to the above, AXA Advisors allows certain of its Financial Professionals to provide investment advisory services on a “service only” basis to clients with asset management accounts held through the program sponsors below. By “service only” we are not actively opening new accounts for new clients. The following is a brief description of products that are available on a limited basis (service only).

#### **CLS Investments, LLC (“Clarke, Lanzen and Skalla” or “CLS”)**

AXA Advisors offers clients access to a variety of CLS’s advisory programs on a service only basis. Each of these programs offer advisory services to clients and may include mutual fund investments, separate account management and ETFs. Variable annuities will not be offered, although CLS does use these products in some of their portfolios. The CLS programs offered are described briefly below.

CLS – Nationwide Qualified Plans – an advisory program that is utilized in conjunction with Nationwide qualified plans and offers plan sponsors the opportunity to provide additional benefits and services to plan participants. Specifically, through this program, plan participants may elect to use CLS services to allocate the assets within their Nationwide qualified plan based upon their investment objectives and risk tolerance.

Individualized Account Management (“IAM”) and IAM Hybrid – programs for clients with existing assets invested in a pre-existing portfolio. Through IAM, CLS makes the investment decisions as to when, where and how to invest the account. Although CLS offered these services to both variable annuity accounts and mutual fund accounts, AXA Advisors only offered the program to mutual fund accounts. CLS has closed this program to new investments, with the exception of those accounts utilizing American Funds within the portfolio.

AdvisorOne Portfolios (formerly CPM and CPM3) – a program that utilizes an adaptive risk allocation strategy, using risk budgeting, fundamental, statistical and relative strength analyses to diversify the client’s portfolio among AdvisorOne funds. AdvisorOne mutual funds are proprietary mutual funds managed by CLS, and the satellite assets are managed by other carefully screened third party money managers.

ETF Portfolios – a fee-based advisory program that combines mutual funds and ETFs in a single managed account. The ETF Portfolios are actively managed, utilizing the same investment methodology employed by CLS in each of its programs.

Master Manager Strategy Portfolio – a customized program under which client assets are invested in individual securities, mutual funds, and ETFs. Clients who seek to invest in a Master Manager Strategy Portfolio first complete a questionnaire that is used by CLS to

develop an investment policy statement. The investment policy statement is used by CLS as a guideline to determine account holdings.

#### **Manning & Napier Advisors, LLC (“MNA”)**

MNA offers a variety of investment alternatives including separately managed accounts, proprietary mutual funds, custody and trust services, and retirement plans. The spectrum of separately managed accounts ranges from aggressive equity portfolios, to conservative, low-risk fixed income portfolios. MNA offers these portfolios to those clients who seek a diversified portfolio managed on a discretionary basis. In addition there are “specialty managed” account solutions from MNA which include:

*Multiple Manager Coordination* - a multi-manager investment approach for high-net-worth and institutional clients at a \$1 million initial investment.

*Yield Dividend-Focus Portfolio* – For a minimum investment of \$1 million, this portfolio operates as an enhanced version of the Russell 3000 index.

*The Global Tactical Allocation Portfolio* – provides exposure to multiple asset classes, and is achieved through the utilization of externally managed, publicly traded ETFs or similar securities that fill clearly defined roles.

#### **Meeder Advisory Services, Inc. (“Meeder”)**

The Meeder program offered through AXA Advisors is designed for plan participants in qualified plans offered through Nationwide Financial, and is available for participants in the Nationwide Retirement Resource program. Meeder established the program to manage mutual fund portfolios with the investment disciplines that Meeder has been using with their retirement investors. Meeder has established eight model portfolios for the program designed around different risk profiles and investment objectives. In addition, they have established five target date portfolios that are designed around the anticipated retirement date of the participant.

## **2. Mutual Fund Asset Allocation Program**

On an extremely limited basis, AXA Advisors has offered certain clients the ability to invest in a professionally-managed mutual fund asset allocation program through Charles Schwab & Co., Inc.’s (“Schwab’s”) Institutional Platform (the “Schwab Platform”).

Clients authorize their Financial Professional to purchase and sell, on a non-discretionary basis, load and no-load mutual funds available on the Schwab Platform (and to liquidate previously-purchased mutual funds) according to investment objectives chosen by the client. The client directs AXA Advisors to direct trades and qualified custodial services in the client’s account to Schwab, a registered broker-dealer and member FINRA/SIPC, unless AXA Advisors deems it to be inconsistent with its duties of best execution.

## **3. Asset Management Referral Arrangements**

AXA Advisors may refer clients to the investment advisory and asset management services of an AXA Advisors affiliate, Bernstein Global Wealth Management (“BGWM”), a unit of

AllianceBernstein. AXA Advisors (and its Financial Professional(s)) are compensated for referrals to BGWM and do not provide any investment advisory services to the client regarding the BGWM account. All investment advisory services regarding the client's BGWM account will be provided by BGWM pursuant to an agreement between the client and BGWM. See the Form ADV Part 2A or brochure of BGWM for more information on their respective investment advisory practices.

AXA Advisors may also refer clients to the investment advisory and asset management services of various third party unaffiliated portfolio management programs including Jamison Eaton & Wood and SEI Global Institutional Group (collectively "Asset Management Companies"). AXA Advisors (and its Financial Professional(s)) are compensated for referrals to these Asset Management Companies and do not provide any investment advisory services to the client regarding their account. All investment advisory services regarding the client's account will be provided by the Asset Management Companies pursuant to an agreement between the client and the specific Asset Management Company. See the Form ADV Part 2A or brochure of the specific Asset Management Company for more information on their respective investment advisory practices.

#### **4. Alternative Investments**

AXA Advisors and select Financial Professionals have the option of offering certain alternative investments to advisory clients investing in SAM. These alternative investments include structured products, managed futures, business development companies ("BDCs") and real estate investment trusts ("REITs"), which are all considered to be alternative investment products due to their non-traditional composition.

Structured products typically come in the form of bonds and are called "Structured Notes," although some structured products come in the form of Certificates of Deposit ("CDs"). Managed futures are products in which professional money managers' direct investments in the global currency, interest rate, equity, metal, energy and agricultural markets. They do this through the use of futures, forwards and options. A BDC is a category of pooled Investment Company which facilitates the flow of capital to private companies. A BDC provides investors with exposure to the private equity and private debt investment markets. A REIT is a company that owns, and in most cases, operates income-producing real estate, such as apartments, shopping centers, offices, hotels, etc. Some REITs also engage in financing real estate.

These alternative investments sold within an advisory program such as SAM will not incur an up-front sales charge to the client for the sale. AXA Advisors and the Financial Professional(s) will, however, receive compensation from the advisory fees on all of the assets held within the client's SAM account, including the structured product, managed futures product, BDC or REIT.

The majority of structured products have a short to intermediate maturity – generally less than five years – although some may go as long as fifteen years. For structured products with a long time until maturity, purchasing this product within an advisory account may result in higher compensation to the Financial Professional than if the product was sold directly. Similarly, non-exchange traded REITs and BDCs are generally illiquid because there is no trading market for the shares. While REITs and BDCs may offer repurchase programs, ordinarily there are significant conditions and restrictions on these programs. The holding

periods on these investments vary and may require holding periods up to ten (10) years. Therefore, non-exchange traded REITs and BDCs may result in higher compensation to the Financial Professional than products that have a readily available market. Managed futures products involve significant risks as they are speculative and volatile in nature because they invest in derivative products such as futures and options.

AXA Advisors also may offer to qualified investors access to certain investment companies which are organized as limited partnerships including hedge fund and fund of hedge fund interests, primarily through LPL. AXA and its Financial Professionals may act as solicitors for certain of these hedge funds. Please review the Offering Memorandum or Prospectus of the hedge fund or fund of hedge funds for more information, as the terms of each offering may differ, as well as certain fees and charges that may be applicable. Hedge fund and fund of hedge fund interests are not available in SAM, SAM II or any LPL wrap-fee advisory programs.

Alternative investments may also be available in certain programs offered by third party managers. Please consult the program's Brochure for further information.

## **Item 5 – Fees and Compensation**

The specific manner in which advisory fees are charged by AXA Advisers is established in a client's written agreement with AXA Advisors. The following will describe how AXA Advisors and our Financial Professional are compensated for the advisory services provided to our clients

### **Financial Planning Services**

The amount and timing of the financial planning fee you pay will be determined by you and your financial professional and will be indicated on the fee receipt. Your financial professional will explain the fee and the factors considered in calculating the fee prior to asking you to sign the Client Agreement. The Agreement is cancelable at any time by you or your financial professional for any reason. If you cancel the Agreement by written notice within five business days after the signing of the Agreement, AXA Advisors will refund all fees paid.

In addition, except as described below with respect to ongoing advice models, AXA Advisors will generally refund the full financial planning fee paid if you are not satisfied with the financial planning services and request a refund within ninety days after the delivery of the services. Additional fee information is provided to you in the fee receipt(s) that you will receive as a financial planning client.

Fees may be paid in full at the time you sign the Agreement or may be paid in installments that are agreed to by you and your Financial Professional. Installment payments may continue up until final delivery of the services and will not result in a higher total fee or any additional charges to you. You will be provided with a separate Fee Receipt for each portion of a fee paid.

Fees are personalized in two ways. First, your financial professional has a fee schedule for his or her practice. That schedule may vary among Financial Professional based on among other factors, a particular financial professional's:

- Years of financial planning experience
- Professional credentials
- Other factors, such as local market considerations, professional staff and specialized expertise.

Second, your Financial Professional will consider the complexity of your plan in determining your fee. This will be based on your particular financial circumstances and needs. Your financial professional will assess the complexity of your case in the areas of fundamentals, goals to track over time and additional planning needs. In general your financial professional will consider these factors:

- Marital status, citizenship, net worth, asset ownership, income sources, debt, current protection and estate considerations.
- Time frame to achieve goals, number of goals that need to be addressed independently, number of scenarios that must be considered to address goals.

- Your financial situation including make-up of assets, liabilities, alternative compensation arrangements, business and/or real estate interests.

In addition, your financial professional may consider any current estate and tax documents, time frame to address the planning area, number of meetings with you and your other advisors or family members.

There is a minimum fee of \$250 per financial planning engagement. Your financial professional's minimum fee may be higher. A fixed, hourly or asset based fee is charged for the consultation services provided and specified in the Fee Receipt. The fee may be determined based upon an hourly fee, multiplied by an estimated number of hours. In some cases, the client's assets may also be considered. Typically, the fee is determined and billed when the client executes the agreement, although the client may elect to pay the fee in installments as described above. For new plans, fixed fees charged for these services may range from \$250 to \$25,000. From time to time fees may exceed this limit based on particular circumstances. For Periodic Review plans fees generally range from \$250 to \$12,500, and for Progress reports the range is from \$100 to \$2,500. Hourly fees generally range from \$100 to \$400 per hour. Fees are generally negotiable within the provided ranges.

Certain planning services do not require a fee. These services in general do not provide the breadth and depth of analysis that may be provided in a fee-based engagement.

For all fee-based financial planning services, Financial Professional(s) generally receive a portion of the total fee after services are rendered as compensation for:

- (i) gathering the information necessary to analyze a your financial situation,
- (ii) helping you establish objectives and evaluate financial planning alternatives,
- (iii) assisting in the development and presentation of the plan or advice.

AXA Advisors will retain the remainder of the fee for plan review and administrative services. If two or more Financial Professional assist a client with financial planning services, they may share the Financial Professional portion of the fee.

Should you decide to purchase products offered by your Financial Professional(s) to implement your financial plan, your Financial Professional will generally be acting in his or her capacity as a broker-dealer registered representative of AXA Advisors and/or as an insurance agent of AXA Network. (You continue as an investment advisory client of AXA Advisors if you decide to participate in an asset management program for which AXA Advisors is an adviser.)

In these capacities, your Financial Representative will be representing the issuing and distributing companies, which may be affiliated with AXA Advisors, and, in the event of a purchase, the Financial Professional and AXA Advisors (and/or its affiliates) will generally be entitled to commissions or other compensation in addition to the fee paid by the client for the financial planning services.

In addition to fees and possible commissions received by Financial Professionals related to fee-based financial plans, Financial Professional(s) may receive other compensation and benefits related to the sales of fee-based financial plans. Additional compensation in

connection with the sale of fee-based financial plans may present a conflict of interest in that there is an incentive to recommend fee-based financial planning based on the compensation received, rather than on a client's needs. We disclose potential conflicts of interest to clients through documents such as this disclosure document and other materials discussing the products and services offered. The client should consider these additional payments and the potential conflicts of interest they create carefully prior to agreeing to a fee-based financial plan offered through AXA Advisors. The client is encouraged to ask his or her Financial Professional for additional information should he or she have any questions regarding these payments or the potential conflicts of interest they create.

Certain Financial Professionals who operate under AXA Advisor's "Private Markets" group may not receive commissions but rather may be compensated by AXA Advisors on a salary basis. These Financial Professionals may receive additional compensation from AXA Advisors in the form of an annual cash bonus that may be based in part on total products and services sold. The fees charged to the client for purchases of products and/or services from these Financial Professionals are the same as the fees charged for purchases from AXA Advisors' other Financial Professionals.

Although AXA Advisors does not maintain a formal recommended list, we leverage the LPL Research departments recommended mutual fund list. No-Load funds can be on this list. Clients always have the option to purchase investment products that AXA Advisors, LLC recommend through other brokers or agents that are not affiliated with AXA Advisors.

### **Asset Management Programs**

For asset management services, clients pay an annual fee based on a general percentage of their account value. The account fee is customarily negotiable (in whole or in part) and is usually payable quarterly in advance however some programs may allow payment in arrears. A percentage of this asset-based fee is paid to AXA Advisors, a portion of which is paid to your Financial Professional for services rendered and the remainder of which is retained by AXA Advisors for supervisory and administrative services. Generally, fees are deducted from client accounts. In a few cases, clients are able to elect to be billed their annual advisory fee.

Most investment advisory accounts offer additional services for part of the program fee including order execution, custody and clearing. An asset-based fee will be assessed on the holdings within the account, including the value of the no-load and load-waived mutual fund holdings. The method of calculating and applying the fee may vary (please consult your client agreement), but typically an annual fee is assessed as a percentage of the assets and applied on a quarterly basis. The Financial Professional and AXA Advisors usually receive a portion of this fee.

The following fee table details the range of fees paid to AXA Advisors applicable to the asset management programs described in Item 4 – Advisory Business. Your overall fee in most cases will be higher. Please see the ADV Part 2A of the program sponsor.

**AXA Advisors Asset Management Program Fee Rate Table**  
(represents minimum & maximum fees paid to AXA Advisors)

<b>Product</b>	<b>Min</b>	<b>Max</b>
AAG Online Investment Guidance	0.25%	0.25%
AAG Online Investment Advice	0.25%	0.25%
AAG Managed Accounts	0.25%	0.25% <sup>1</sup>
ACM Model Global Balanced ETF Strategies	0.30%	1.50%
ACM Model Separate Account Strategies	0.30%	1.35%
ACM Private Account Strategies	0.30%	1.65%
Boyd Watterson	0.30%	0.90%
Brinker Crystal Strategy I	0.30%	1.25%
Brinker Destinations	0.30%	1.50%
Brinker UMA	0.30%	1.25%
Brinker Retirement Plan Services (including Retirement Plan Services Plus)	0.30%	1.25%
Brinker Core Asset Manager	0.30%	1.25%
Charles Schwab & Co., Inc.	1.00%	1.00%
Clark Capital Navigator Unified Solutions	0.30%	1.25%
Clark Capital Navigator Premier	0.30%	1.25%
Clark Capital Navigator Master	0.30%	1.25%
Clark Capital Navigator ETF with Sentry	0.30%	1.25%
Clark Capital Navigator ETF Core and Explore	0.30%	1.25%
Clark Capital Navigator Global Opportunities	0.30%	1.25%
Clark Capital Navigator Asset Allocation	0.30%	1.25%
CLS – Nationwide Tactical Strategies	0.20%	0.20%
CLS – IAM Portfolio	0.30%	1.15%
CLS – IAM Hybrid Portfolio	0.30%	1.40%
CLS – ETF Portfolio	0.30%	1.40%
CLS – Advisor One Protection (formerly CPM 3)	0.30%	1.40%
CLS – Master Manager Strategy Portfolio	0.30%	1.00%
CLS – Wealth Accumulation – AdvisorOne Portfolio	0.30%	1.50%
Curian Capital Custom Style Portfolio	0.30%	1.50%
Investnet SMA	0.30%	2.77%
Investnet FSP	0.30%	2.81%
Investnet MMA	0.30%	2.35%
EPS Mutual Fund Models	0.30%	2.20%
EPS ActivePassive Portfolios	0.30%	2.50%
EPS Income Portfolios	0.30%	2.20%
EPS Russell LifePoints	0.30%	2.20%
EPS Russell Model Strategies Portfolios	0.30%	2.20%
EPS UMA	0.30%	2.10%
GFWM Multiple Strategies	0.30%	1.35%

<sup>1</sup> The AAG Platform fees paid to AXA Advisors, LLC are collected as a referral fee from AAG, however the actual arrangement is structured as more than a solicitor only relationship.

**AXA Advisors Asset Management Program Fee Rate Table**  
(represents minimum & maximum fees paid to AXA Advisors)

<b>Product</b>	<b>Min</b>	<b>Max</b>
GFWM Privately Managed Portfolios	0.30%	1.35%
GFWM Active Return Opportunities	0.30%	1.35%
GFWM PMAS (IMA)	0.30%	1.35%
GFWM PMAS (CMA)	0.30%	1.35%
GFWM PMAS (PRX)	0.30%	1.35%
GFWM ETF Portfolios	0.30%	1.35%
GFWM No-Load Mutual Funds – AssetMark Funds	0.30%	1.35%
GFWM No-Load Mutual Funds – Other Fund Strategies	0.30%	1.35%
Lebenthal (through A&J)	0.30%	0.50%
Lockwood Multi-Manager	0.30%	1.57%
Lockwood Investment Strategies	0.30%	2.25%
Lockwood Asset Allocation Portfolios	0.30%	2.10%
LPL Optimum Market Portfolios Advisory (OMP)	0.30%	2.50%
LPL Strategic Asset Management (SAM & SAM II)	0.30%	2.985%
LPL Manager Select	0.30%	2.965%
LPL Model Wealth Portfolios (MWP)	0.30%	2.42%
LPL Personal Wealth Portfolios (PWP)	0.30%	2.14%
Manning & Napier Multiple Manager Coordination	0.76%	3.00%
Manning & Napier Yield Dividend-Focus Portfolio	0.73%	2.00%
Manning & Napier Global Tactical Allocation Portfolio	0.83%	2.00%
Meeder Advisory Services	0.30%	0.45%
MIS Mutual Fund Portfolios	0.30%	1.10%
MIS ETF Portfolios	0.30%	1.10%
MIS Select Stock Basket Portfolios	0.30%	1.10%
MIS Enhanced Portfolio Service	0.30%	1.10%
Nationwide ProAccount	0.30%	0.45%
SIMC MAP	0.30%	1.35%
SIMC iMAP	0.30%	1.35%
SIMC MF Asset Allocation	0.30%	1.35%
Stadion Money Management	0.20%	0.20%
Symmetry Bond	0.30%	1.60%
Symmetry Global Core ETF	0.30%	1.60%
Symmetry Structured Portfolios	0.30%	1.60%

These fees may be higher than what you would pay in a traditional brokerage account. In investment advisory accounts, the Financial Professional does not get paid a sales commission or trail commission.

In some programs, custodial fees and transaction fees are separate from the annual fee and are paid directly to the broker/dealer on the account. In cases where there are mutual funds in the clients accounts, mutual fund expenses are in addition to any annual fee, transaction fees, or custodial fees. AXA Advisors is not compensated from these fees.

In general, commissions and other compensation payable to AXA Advisors in connection with the sale of investment or insurance products and services are comparable to those charged by other full service firms for the same products and services. In some cases, similar products or services may be available from other sources at a lower fee or commission or without a fee or commission (which may have the effect of lowering the cost to the customer and/or increasing the return on the product). Often, but not always, firms that offer such products and services (which include, among others, discount brokers and direct marketers) do not provide the same level of personalized advice and/or service as AXA Advisors seeks to provide.

For additional information on other compensation that AXA Advisors and its Financial Professionals may receive in connection with providing advice to clients, please see Items 10, 11 and 14 of this Disclosure Document. [Financial Professionals](#) generally receive 50 – 90% of advisory fees received by AXA Advisors. Please ask your Financial Professional if you would like additional details regarding the charges associated with any investment or insurance product presented to you by your Financial Professional.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

AXA Advisors does not charge any performance based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

AXA Advisors provides investment advice to individuals, trusts, estates, charitable organizations, banks or thrift institutions, corporations and other business entities, and pension and profit sharing plans.

Each program has its own minimum account size, but the minimums do not vary based on the type of client. The table below details the programs available to clients, and the particular platform minimum account size:

<b>Product</b>	<b>Minimum</b>
AAG Online Investment Guidance	N/A
AAG Online Investment Advice	N/A
AAG Managed Accounts	N/A
ACM Model Global Balanced ETF Strategies	\$50,000
ACM Model Separate Account Strategies	\$100,000
ACM Private Account Strategies	\$250,000
Boyd Watterson	\$250,000
Brinker Crystal Strategy I	\$100,000
Brinker Destinations	\$50,000
Brinker UMA	\$250,000
Brinker Retirement Plan Services (including Retirement Plan Services Plus)	N/A
Brinker Core Asset Manager	\$250,000
Charles Schwab & Co., Inc.	\$25,000
Clark Capital Navigator Unified Solutions	\$100,000
Clark Capital Navigator Premier	\$250,000
Clark Capital Navigator Master	\$250,000
Clark Capital Navigator ETF with Sentry	\$50,000
Clark Capital Navigator ETF Core and Explore	\$50,000
Clark Capital Navigator Global Opportunities	\$100,000
Clark Capital Navigator Asset Allocation	\$75,000
CLS – Nationwide Tactical Strategies	N/A
CLS – IAM Portfolio	\$50,000
CLS – IAM Hybrid Portfolio	\$50,000
CLS – ETF Portfolio	\$150,000
CLS – Advisor One Protection (formerly CPM3)	\$50,000
CLS – Master Manager Strategy Portfolio	\$500,000
CLS – Wealth Accumulation – AdvisorOne Portfolio (formerly CPM)	\$50,000
Curian Capital Custom Style Portfolio	\$25,000
Investnet SMA	\$275,000
Investnet FSP	\$25,000
Investnet MMA	\$250,000
EPS Mutual Fund Models	\$50,000
EPS ActivePassive Portfolios	\$25,000
EPS Income Portfolios	\$50,000
EPS Russell LifePoints	\$10,000
EPS Russell Model Strategies Portfolios	\$50,000

<b>Product</b>	<b>Minimum</b>
EPS UMA	\$250,000
GFWM Multiple Strategies	\$50,000
GFWM Privately Managed Portfolios	\$250,000
GFWM Active Return Opportunities	\$50,000
GFWM PMAS (IMA)	\$100,000
GFWM PMAS (CMA)	\$500,000
GFWM PMAS (PRX)	\$50,000
GFWM ETF Portfolios	\$100,000*
GFWM No-Load Mutual Funds – AssetMark Funds	\$50,000*
GFWM No-Load Mutual Funds – Other Fund Strategies	\$50,000*
Lebenthal (through A&J)	\$500,000
Lockwood Multi-Manager	\$250,000
Lockwood Investment Strategies	\$250,000
Lockwood Asset Allocation Portfolios	\$50,000
LPL Optimum Market Portfolios Advisory (OMP)	\$15,000
LPL Strategic Asset Management (SAM & SAM II)	\$25,000
LPL Manager Select	\$100,000
LPL Model Wealth Portfolios (MWP)	\$25,000 <sup>2</sup>
LPL Personal Wealth Portfolios (PWP)	\$250,000
Manning & Napier Multiple Manager Coordination	\$1,000,000
Manning & Napier Yield Dividend-Focus Portfolio	\$1,000,000
Manning & Napier Global Tactical Allocation Portfolio	\$250,000
Meeder Advisory Services	\$50,000
MIS Mutual Fund Portfolios	\$50,000
MIS ETF Portfolios	\$100,000
MIS Select Stock Basket Portfolios	\$100,000
MIS Enhanced Portfolio Service	\$1,000,000
Nationwide ProAccount	N/A
SIMC MAP	\$250,000
SIMC iMAP	\$250,000
SIMC MF Asset Allocation	\$0
Stadion Money Management	N/A
Symmetry Bond	\$10,000
Symmetry Global Core ETF	\$10,000
Symmetry Structured Portfolios	\$10,000

\* Genworth Reserves the right to accept accounts with a minimum investment of \$25,000 for the MF accounts, and \$50,000 for ETF accounts

For more information on the asset management programs identified above, please see the Form ADV Part 2A of the program sponsor and the applicable Client Agreement and Fee Disclosure.

<sup>2</sup> The minimum account size for the LPL Model Wealth Portfolio varies based on the strategist and model. Model minimums range from \$25,000 up to \$150,000.

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

Investing in securities involves the risk of loss that clients should be prepared to bear. Understanding the type of risk(s) exposure involved in securities and investment advisory services, as well as one's own tolerance for risk is a key component of the investment decision making process.

Depending on a client's particular situation, need and expectations, there are various methods of analysis and investment strategies that Financial Professionals may use when developing a financial plan, formulating investment advice, or managing assets.

The principal source of information used by AXA Advisors to prepare financial plans is the information provided by clients, including personal data, assets and liabilities, income expectations, assumed rate of inflation and return on assets, long term and short term financial goals, risk tolerance and other relevant data. Additionally, to prepare some financial plans, the staff at the AXA Planning Center may consult from time to time with other employees (some or all of whom may be employees of AXA Financial or its affiliates) having legal, accounting or actuarial training to help develop or review financial planning advice.

The staff may use services and subscriptions such as RIA, CCH, and Crescendo to review current federal laws on income, estate and gift taxes, regulations and rulings, in addition to financial planning publications and other research material such as the Wall Street Journal and federal websites such as the IRS. Financial Professionals may also use training and marketing materials, prospectuses and annual reports for the securities, investment and insurance products distributed by AXA Advisors or its affiliates in developing product recommendations.

AXA Advisors' Policy Advisory Committee (the "PAC") oversees AXA Advisors' financial planning policies, such as review of financial planning tools to help ensure the presentation of quality financial planning advice. For example, the PAC oversees decisions regarding reviewing and establishing standards for selecting projections, estimates and assumptions used to develop the general recommendations contained in the plan. The general recommendations in the plan typically address basic financial planning considerations such as income and expense management, risk management and asset management (including asset allocation based on principles of modern portfolio theory).

With regard to investment advisory services, AXA Advisors subscribes to various market and investment publications and services directly, or indirectly through LPL. AXA Advisors also analyzes the prospectuses and offering memoranda of mutual funds, unit investment trusts, direct participation programs, variable annuities, variable life insurance and other life insurance policies in developing and evaluating investment and/or planning recommendations. National conventions, professional meetings, membership in the International Association For Financial Planning and the Investment Company Institute also serve to provide AXA Advisors with continuing access to the practical experiences of others and current developments.

AXA Advisors and its Financial Professionals also have access to investment research compiled by LPL's in house research team ("LPL Research"). LPL Research provides AXA

Advisors and its Financial Professionals with access to investment research and advice, market and economic commentary, performance reporting and recommendations, and portfolio management tools and services, that cover topics including mutual funds, separate accounts, REITs, ETFs, fixed income, and certain alternative investments.

## **Discussion of Risk**

The primary risk involved in financial planning services stems from the possibility that the financial information and assumptions (such as assumptions regarding future market behavior) used in connection with developing the financial plan are or will prove to be inaccurate, which could result in the implementation of the plan in a manner so that the client's investment goals and financial needs will not be met. Furthermore, even if the financial plan is itself appropriate, the plan may not be implemented appropriately.

As discussed in Item 4 – Advisory Business, for asset management programs other than Strategic Asset Management Program (“SAM”) and the Optimum Market Portfolio (“OMP”), we do not recommend securities, rather, our Financial Professionals work with clients and recommend programs. Investments in the SAM and OMP programs are subject to market risk, will fluctuate and may lose value. Asset allocation does not guarantee a profit or protect against loss.

Additional investment advisory programs are offered through third-party program sponsors that are unaffiliated with AXA Advisors and LPL Financial. AXA Advisors serves as an investment advisor in referring clients to these programs, and the third party serves as the principal sponsor and an investment advisor. These programs may clear through or retain broker/dealers other than AXA Advisors or LPL Financial and unaffiliated with either party.

As discussed, investing in securities involves the risk of loss that clients should be prepared to bear. The types of risk vary depending on the type of securities and investment advisory programs in which a client may participate. The following is a list of key risks that one may be exposed to depending on their particular investments, with definitions as provided by the Financial Industry Regulatory Authority, Inc. (FINRA).

**Interest-rate risk** describes the risk that the value of a security will go down because of changes in interest rates. For example, when interest rates overall increase, bond issuers must offer higher coupon rates on new bonds in order to attract investors. The consequence is that the prices of existing bonds drop because investors prefer the newer bonds paying the higher rate. On the other hand, there's also interest-rate risk when rates fall because maturing bonds or bonds that are paid off before maturity must be reinvested at a lower yield.

Inflation risk describes the risk that increases in the prices of goods and services, and therefore the cost of living, reduce your purchasing power. Let's say a can of soda increases from \$1 to \$2. In the past, \$2 would have bought two cans of soda, but now \$2 can buy only one can, resulting in a decline in the value of your money.

**Inflation risk** and interest rate risk are closely tied, as interest rates generally rise with inflation. Because of this, inflation risk can also reduce the value of your investments. For example, to keep pace with inflation and compensate for the loss of purchasing power, lenders will demand increased interest rates. This can lead to existing bonds losing value

because, as mentioned above, newly issued bonds will offer higher interest rates. Inflation can go in cycles, however. When interest rates are low, new bonds will likely offer lower interest rates.

**Currency risk** occurs because many world currencies float against each other. If money needs to be converted to a different currency to make an investment, any change in the exchange rate between that currency and yours can increase or reduce your investment return. You are usually only impacted by currency risk if you invest in international securities or funds that invest in international securities.

For example, assume that the current exchange rate of the U.S. dollar to British pound is \$1 = 0.53 British pounds. If you invest \$1,000 in a mutual fund that invests in the stock of British companies, this will equal 530 pounds ( $\$1,000 \times 0.53 \text{ pounds} = 530 \text{ pounds}$ ). Six months later, assume the dollar strengthens and the exchange rate becomes \$1=0.65 pounds. If the value of the fund does not change, converting the original investment of 530 pounds into dollars will return only \$815 ( $530 \text{ pounds}/0.65 \text{ pounds} = \$815$ ). Consequently, while the value of the mutual fund has not changed in the local currency, a change in the exchange rate has devalued the original investment of \$1,000 into \$815. On the other hand, if the dollar were to weaken, the value of the investment would go up. So if the exchange rate changes to \$1 = 0.43 pounds, the original investment of \$1,000 would increase to \$1,233 ( $530 \text{ pounds}/0.43 \text{ pounds} = \$1,233$ ).

As with most risks, currency risk can be managed to a certain extent by allocating only a limited portion of your portfolio to international investments and diversifying this portion across various countries and regions.

**Liquidity risk** is the risk that you might not be able to buy or sell investments quickly for a price that is close to the true underlying value of the asset. Sometimes you may not be able to sell the investment at all if there are no buyers for it. Liquidity risk is usually higher in over-the-counter markets and small-capitalization stocks. Foreign investments can pose liquidity risks as well. The size of foreign markets, the number of companies listed, and hours of trading may limit your ability to buy or sell a foreign investment.

**Sociopolitical risk** is the possibility that instability or unrest in one or more regions of the world will affect investment markets. Terrorist attacks, war, and pandemics are just examples of events, whether actual or anticipated, that impact investor attitudes toward the market in general and result in system-wide fluctuations in stock prices. Some events, such as the September 11, 2001, attacks on the World Trade Center and the Pentagon, can lead to wide-scale disruptions of financial markets, further exposing investments to risks. Similarly, if you are investing overseas, problems there may undermine those markets, or a new government in a particular country may restrict investment by non-citizens or nationalize businesses.

**Management risk**, also known as company risk, refers to the impact that bad management decisions, other internal missteps, or even external situations can have on a company's performance and, as a consequence, on the value of investments in that company. Even if you research a company carefully before investing and it appears to have solid management, there is probably no way to know that a competitor is about to bring a superior product to market. Nor is it easy to anticipate a financial or personal scandal that undermines a company's image, its stock price, or the rating of its bonds.

**Credit risk**, also called default risk, is the possibility that a bond issuer won't pay interest as scheduled or repay the principal at maturity. Credit risk may also be a problem with insurance companies that sell annuity contracts, where your ability to collect the interest and income you expect is dependent on the claims-paying ability of the issuing insurance company.

## **Item 9 – Disciplinary Information**

AXA Advisors, LLC, ("Firm") is dually registered as an investment adviser and broker-dealer. Following are summaries of regulatory actions involving the Firm during the past ten years. Additional details about the firm or these matters can be obtained through Financial Industry Regulatory Authority's (FINRA) broker/check:

<http://www.finra.org/Investors/ToolsCalculators/BrokerCheck> or the Securities and Exchange Commission (SEC) <http://www.adviserinfo.sec.gov>

- In an order dated on or about March 23, 2012, FINRA alleged that the Firm failed to reasonably supervise a registered representative the Firm had placed on heightened supervision. FINRA alleged that during the time the representative was on heightened supervision, between January and November 2008, he misappropriated approximately \$122,000 from a single customer account by sending requests for redemptions from money market funds held in the customer account directly to the mutual fund sponsor. Such redemptions were then sent directly to the representative's personal bank account. FINRA alleges that the Firm did not adequately review the activities in the customer account. In March 2009, the Firm via an audit of the representative discovered irregularities in the customer's file whereupon the representative admitted to the misappropriation of funds. The Firm immediately discharged the representative and reimbursed approximately \$122,000 to the customer.

The Firm, without admitting or denying the findings, consented to an Acceptance, Waiver & Consent and was fined \$50,000.

- In an order dated on or about March 13, 2012, FINRA alleged that the Firm failed to reasonably supervise a registered representative and failed to investigate adequately red flags concerning the representative's fraudulent scheme to misappropriate customer funds. FINRA alleged that while at previous firms and when with the Firm the representative engaged in a Ponzi scheme whereby he induced customers of the Firm and others to participate in a fictitious investment club and to invest in a fictitious real estate investment trust. FINRA further alleges that in April, 2008 the Firm became aware of red flags relating to the representatives activities and failed to adequately respond to these red flags.

The Firm, without admitting or denying the findings, consented to an Acceptance, Waiver & Consent and was fined \$100,000.

- In an order dated on or about January 20, 2012, the SEC alleged that the Firm failed to reasonably supervise a registered representative to help prevent and detect a fraudulent scheme that took place from December 2005 through December 2008.

During this time period, the SEC alleges the representative fraudulently induced customers to redeem securities held at AXA Advisors, including variable annuities and mutual funds, under the false representation that the proceeds from such redemptions would be invested in other securities through AXA Advisors. The SEC notes that instead, the representative caused customers to place those funds in a bank account controlled by the representative, from which he misappropriated the funds.

The Firm, without admitting or denying the findings, accepted a Settlement Offer, consented to pay a civil penalty of \$100,000, and implemented remedial measures to improve its supervisory system.

- In an order dated on or about June 2, 2011, the Oregon Division of Finance and Corporate Securities alleged that the Firm failed to adequately supervise a registered representative formerly affiliated with the Firm who engaged in dishonest and unethical business practices by offering and selling fictitious investments to clients between December 1989 through October 2006, and apportioned client funds for personal use.

The Firm, without admitting or denying the findings, accepted the Consent Order and paid a \$75,000 fine. The Firm also paid a contribution of \$5,000 to the DCBS Consumer Financial Education Account.

- In an order dated on or about October 28, 2010, the Missouri Securities Division alleged that the Firm was affiliated with a Missouri registered representative who engaged in dishonest and unethical business practices by offering and selling unregistered securities and failing to advise the Firm about these sales so that the Firm could record the securities on its books and records.

The Firm, without admitting or denying the findings, accepted the Consent Order and paid a \$25,000 fine and \$56,000 in restitution, plus \$7,515.41 in interest. The Firm also paid \$3,500 for the costs of the investigation.

- In an order dated on or about February 5, 2010, FINRA alleged that the Firm inaccurately reported municipal securities transactions to the Municipal Securities Rulemaking Board's (MSRB) real-time transaction reporting systems (RTRS) and corporate bond transactions to FINRA Trade Compliance Reporting Engine (TRACE), respectively, by reporting transactions with the firm acting in a Principal capacity when the firm actually acted as an Agent on the transactions. FINRA alleged that this caused inaccurate and incomplete confirmations to be sent to customers by incorrectly confirming transactions as Principal transactions when they should have been confirmed as Agency transactions.

Without admitting or denying the findings, the Firm consented to an Acceptance, Waiver & Consent and was fined \$20,000.

- In an order dated on or about November 19, 2009, FINRA alleged that the Firm did not keep accurate and complete records relating to its direct mutual funds business. FINRA further alleged that the Firm failed to have adequate systems, procedures and related written procedures to reasonably supervise the matching of records for its direct mutual funds business.

Without admitting or denying the findings, the Firm agreed to an Acceptance, Waiver & Consent and was fined \$250,000.

- In an order dated on or about August 11, 2009, the Securities and Exchange Commission ("SEC") alleged that the Firm failed to reasonably supervise a registered representative with a view to preventing and detecting his violations of Federal Securities Law during the period of 2004 to 2007 when the registered representative induced investors to roll over 401k accounts into existing 403(b) investment products.

The Firm, without admitting or denying the findings, accepted a Settlement Offer, consented to pay a civil penalty of \$50,000, and implemented an automated system for reviewing the suitability of all subsequent transactions.

- In an order dated on or about December 23, 2008, FINRA alleged that during the time period of 2002 to 2006, the Firm failed to retain business related e-mails or have adequate supervisory systems and procedures in place to detect and prevent certain malfunctions in the e-mail archive system used by the Firm. In 2004, a new system was installed to retain e-mails and employ archives that permitted searches for regulatory and other requests, but the system periodically failed to capture certain e-mail during 2004 and 2006.

Without admitting or denying the findings, the Firm signed an Acceptance, Waiver & Consent and was fined \$350,000. FINRA noted that despite the deficiencies alleged herein, the Firm did produce e-mails that were material to any regulatory investigation or other legal proceeding. FINRA also noted the Firm's self-reporting of this matter and the steps it took to remedy deficiencies.

- In an order dated on or about September 5, 2007, FINRA alleged that the Firm failed to establish and maintain a supervisory system reasonably designed to review and monitor its fee-based brokerage business by offering its customers a fee-based brokerage account in which they paid an annual fee based on the total value of assets rather than paying a commission on every trade made in the account. FINRA further alleged that the Firm distributed inaccurate or misleading sales literature, public communications, sales material, and internal communications.

Without admitting or denying the findings, the Firm agreed to an Acceptance, Waiver & Consent and was fined \$1,200,000. The Firm also paid remediation of \$1,391,427 plus interest and ceased its fee-based business. In addition, the Firm undertook voluntary remediation that goes beyond the remediation required in the AWC.

- In an order dated on or about June 8, 2005 the NASD (now known as FINRA) alleged that the Firm maintained a revenue sharing program in which a number of participating mutual funds complexes paid a fee in return for certain preferential treatment, which included enhanced access to the Firm's sales force, placement of sales material on the firm's internal website and promotion of funds' shares by the firm on a broader basis than was available for other funds. Participating fund complexes paid their fees, in whole or part, by directing brokerage commissions to the Firm.

Without admitting or denying the allegations, the Firm was censured and fined \$900,000.

- In an order dated on or about November 30, 2004, FINRA alleged that the Firm filed late amendments to Forms U4 and U5s and that the Firm's supervisory system and procedures were not reasonably designed to comply with FINRA's reporting obligations as set forth in the FINRA By-laws.

Without admitting or denying the allegations, the Firm agreed to an Acceptance, Waiver & Consent and was fined \$250,000. In addition, the Firm certified in writing to FINRA that an audit was conducted, recommendations were implemented, and the Firm reviewed and established a system and procedures to achieve compliance with FINRA's reporting requirements.

- In an order dated on or about February 25, 2004, the NASD (now known as FINRA) alleged that the Firm did not ensure that investors who qualified to purchase Class A shares of mutual funds at Net Asset Value (NAV) through the Funds' NAV Transfer Program received this benefit. Purchases of Class B shares were recommended and the Firm failed to establish and maintain a supervisory system designed to identify all categories of opportunities for investors to purchase mutual funds at NAV.

Without admitting or denying the allegations, the Firm agreed to an Acceptance, Waiver and Consent and was fined \$250,000, of which \$50,000 was joint and several. The Firm also retained an independent consultant to conduct a comprehensive review of, and make written recommendations for, the revisions of the Firm's supervisory and compliance procedures and systems in connection with the Firm's investment company securities business.

- On or about November 2003-February 2004 the NASD (now known as FINRA) alleged that the Firm allowed an individual, while not registered as a Principal, to act in that capacity by actively engaging in the management of the Firm.

Without admitting or denying the allegations, the Firm agreed to an Acceptance, Waiver & Consent and was fined \$15,000, of which \$7,500 was joint and several.

- On or about January 30, 2002 the Vermont Securities Division alleged that the Firm employed and supervised an Investment Adviser Representative (Financial Professional) who was not registered in Vermont nor exempt from registration, and failed to make a notice filing to the Vermont Securities Division that included information about its branch office.

The Firm paid a Monetary Fine of \$4,000.

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

AXA Advisors is also a broker/dealer, registered under the Securities Exchange Act of 1934, and a member of the Financial Industry Regulatory Authority, or FINRA. The principal business of AXA Advisors is acting as a broker/dealer to offer investment products and services (including variable insurance products) to its clients through its registered representatives. In that capacity, AXA Advisors distributes mutual funds, unit investment trusts, asset management accounts as well as variable life insurance and annuities, and offers brokerage and other services for general securities.

For execution and clearing of certain brokerage transactions, AXA Advisors maintains a clearing arrangement with LPL. Advisory associated persons may also be licensed in other areas such as insurance (life, health, casualty, annuities, variable life, etc.) and/or securities. AXA Advisors' investment advisory associated persons usually offer variable and traditional life insurance and annuity products of AXA Equitable, AXA Life and Annuity Company ("AXA L&A"), and over 100 other life insurance companies, and are licensed insurance agents associated with AXA Network, LLC, an insurance agency affiliate.

Should you decide to purchase products offered by your Financial Professional(s) to implement your financial plan, your Financial Professional will generally be acting in his or her capacity as a broker-dealer registered representative of AXA Advisors and/or as an insurance agent of AXA Network. (You will continue as an investment advisory client of AXA Advisors if you decide to participate in an asset management program for which AXA Advisors is an adviser.) Investment and other product recommendations made by AXA Advisors Financial Professional generally are limited to securities and other investment and insurance products and services made available by AXA Advisors, AXA Equitable Life Insurance Company ("AXA Equitable") (AXA Advisors' affiliate) and AXA Network, LLC ("AXA Network") (AXA Equitable affiliate). AXA Network is an insurance brokerage general agency through which Financial Professional can access insurance products from other companies. Please refer to Item 4 – Advisory Business above for a discussion of the compensation and conflict of interest implications of these various relationships.

Several related persons of AXA Advisors are also registered investment advisers. For information regarding their investment advisory business, please refer (where applicable) to each Form ADV on file with the Securities and Exchange Commission as follows:

- AllianceBernstein L.P., File No. 801-32361;
- AllianceBernstein Corporation, File No. 801-39910;
- AllianceBernstein Global Derivatives Corporation, File No. 801-40414;
- Alliance Corporate Finance Group Incorporated, File No. 801-43569;
- AllianceBernstein Holding L.P., File No. 801-32361;
- Sanford C. Bernstein & Co., LLC, File No. 801-57937;
- AXA Equitable Life Insurance Company, File No. 801-07000;

AXA Advisors has entered into written agreements with investment advisers who are related persons of AXA Advisors whereby certain registered representatives of AXA Advisors may solicit prospective investment advisory clients for the affiliated investment adviser.

AXA Advisors has entered into solicitor's agreements with related persons who typically are registered representatives of AXA Advisors. These relationships involve: (1) referrals of investment advisory business to AXA Advisors, and (2) referrals to other advisors of AXA Advisors or investment advisory businesses maintained by registered representatives of AXA Advisors (such businesses are not affiliated with AXA Advisors, but rather are maintained by such representatives as an outside business activity). AXA Advisors may also enter into solicitor's agreements with unaffiliated third parties. In either case, in exchange for the referral fee (a percentage of the overall fee or a one-time payment), these related persons or unaffiliated third parties may solicit clients for advisory programs-with respect to which AXA Advisors provides services. In these cases, the soliciting person has an incentive to refer clients to a program because of the solicitation fee he or she receives, rather than based exclusively on the needs of the client.

The solicitation arrangements are structured and comply with Rule 206(4)-3 of the Investment Advisors Act of 1940. Certain registered representatives of AXA Advisors may refer broker-dealer business to qualified Financial Professional and receive referral fees.

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

### **Code of Ethics**

AXA Advisors maintains a Code of Ethics and written compliance policies and procedures that apply, among others, to all of our Financial Professionals. The Code of Ethics, and other policies and procedures, were written to assist Financial Professionals with proper activities designed to satisfy their fiduciary responsibilities and avoid conflicts of interest with AXA Advisors' clients and other practices that may be inappropriate, illegal, or improper. They also regulate the personal securities trading activities of those individuals we have deemed to be "access persons" (generally, our Financial Professionals who make specific securities recommendations to our clients). A copy of the Code of Ethics is available for your review. If you would like to receive a copy of the Code of Ethics, please request one from your Financial Professional.

### **Participation or Interest in Client Transactions and Personal Trading**

In most instances, AXA Advisors and our Financial Professionals do not recommend specific securities to clients in connection with our investment advisory services; rather, the specific securities are selected by the third party program sponsor that the client has chosen, with the help of his or her Financial Professional, to invest in. The client should refer to the program sponsor's investment advisory or wrap program disclosure document for more information on the program sponsor's code of ethics and relevant policies and procedures.

For the SAM, SAM II and Mutual Fund Asset Allocation programs described in our response to Item 4 – Advisory Business, the Financial Professional may recommend specific securities to clients, including funds managed by AllianceBernstein, an affiliate of AXA Advisors.

In addition, the Financial Professionals ability in SAM, SAM II and the Mutual Fund Asset Allocation program to recommend specific securities may result in situations where (i) a Financial Professional invests in the same securities that are recommended to clients; or (ii) a Financial Professional buys or sells securities for her own account at or about the same time as such securities are recommended to a client. Potential conflicts of interest could arise in such instances, including the possibility that the Financial Professional could "front run," or trade for her personal account ahead of a client, or otherwise attempt through client recommendations to influence the price of a security the Financial Professional is invested in or contemplating buying or selling for her own account.

We address the potential conflicts of interest created in a number of ways. As noted above, our Code of Ethics regulates the personal securities trading activities of our Financial Professionals that we have deemed to be access persons. Our Code of Ethics requires our access persons to direct their personal securities brokers to provide us with duplicate copies of confirmations for all of their personal securities transactions (focusing on personal trading activities relating to "reportable securities," which the SEC has defined to exclude shares in mutual funds that are not affiliated with us), and copies of their periodic statements.

These reports are utilized by our Personal Brokerage Accounts Group to compare a Financial Professionals personal trading to trading in client accounts of the Financial Professionals.

We will take appropriate action to remedy the situation, including by reversing the trades so that the client receives the more favorable price.

Our Code of Ethics also prohibits access persons from acquiring for their own account securities in any Initial Public Offering (IPO) and to obtain specific written approval prior to acquiring for their own account any securities in a limited offering. These prohibitions are intended to help address potential conflicts of interest that could arise relating to allocation of IPO and other limited securities to our clients.

## **Item 12 – Brokerage Practices**

AXA Advisors does not select or recommend broker-dealers for client transactions in the asset management programs that we offer. In certain programs, the client does not have a choice of broker dealer while other programs may permit such choice. Further, we do not utilize any soft dollar arrangements, use client brokerage commissions to obtain research or other products or services, or permit a client to direct brokerage through a specified broker-dealer. For more information regarding the selection of broker-dealers for client transactions, please refer to the respective program sponsor's ADV Part 2A.

## **Item 13 – Review of Accounts**

Financial Planning: Our financial planning services generally address the client's financial situation at the time the plan is prepared and terminate upon delivery of the plan. Thus, we do not typically initiate any periodic or other reviews of financial plans we deliver to clients. However, clients are encouraged to review and update their plans periodically to take account of changes to their financial circumstances or goals or market conditions. Although not obligated to do so, clients may engage AXA Advisors to assist in reviewing and updating a financial plan, in which case the client will enter into a new agreement with AXA Advisors and pay a fee for the services. The review may follow the same general format as the original plan or may focus only on specific issues of concern to the client. The review and fees charged will follow the same guidelines and procedures described throughout this brochure for our financial planning activities.

Asset Management Programs: All the Non-Proprietary Wrap Fee Programs and the Mutual Fund Asset Allocation Program described in Item 4 – Advisory Business are subject to an annual review, with the exception of accounts held at Nationwide, where AXA Advisors has been instructed by the program sponsor that they have an alternative method of completing an annual review. The review is conducted by the client's Financial Professional, who will meet with the client annually to discuss any updates to the client's personal or financial information that may affect their risk tolerance, time horizon and/or investment objectives.

### **Regular Reports**

Financial Planning: Aside from the written report or "plan" that is generally provided to the client, no additional regular reports are typically provided to financial planning clients.

Asset Management Programs: Most of the asset management programs we make available to our clients provide, at a minimum, quarterly reports to the client. However, since the vast majority of the programs are sponsored by third party investment advisers, the reports will be produced and delivered by the program sponsor. Clients should review the program sponsor's response to this Item 13 – Review of Accounts in the sponsor's Form ADV Part 2A for details regarding the regularity of such reports.

### **Important Note on Consolidated and Performance Reports:**

Our associates may provide clients with consolidated financial and/or performance reports created using tools owned and operated by third parties including Investigo, a division of Broadridge, and eMoney Advisors, LLC. These reports are provided for information purposes only and as a courtesy to the client accuracy of the information contained in a consolidated or performance report is not guaranteed. Clients are encouraged to review and maintain official account statements ("source documents") provided by their account custodian. Source documents may contain notices, disclosures and other important information and may also serve as a reference should questions arise regarding the accuracy of a consolidated or performance report. Differences in reporting times for various assets (including those held away) may result in differences between an AXA Advisors report and a source document. Clients should compare source documents to any reports received and contact their financial professional immediately if discrepancies occur. In addition, clients should carefully read the disclosures included on any report they receive.

An AXA Advisors report may, with the client's authorization, include assets that we do not hold on a client's behalf ("held away" assets) and which are not included on our books and records. In most instances, held away assets may be non-verifiable by us and may not be covered by SIPC. These reports may also include assets that are difficult to value accurately, such as closely held business or partnership interests or collectibles, and which may also be held away. We have no obligations with respect to these assets and no independent effort has been made to validate their values. Nothing in a report should be construed as evidencing any opinion or guarantee of the accuracy or reasonableness of any such values.

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

### **Client Referrals**

From time to time, we enter into solicitors' agreements with third parties through which those parties provide us with client referrals in exchange for a fee. Solicitor arrangements are conducted in accordance with all applicable laws, including the SEC's "Solicitor's Rule" (Rule 206(4)-3) and applicable state laws. Referred clients will receive a "Solicitor's Disclosure Statement" that will describe the compensation we pay to the referring party and the relationship (if any) between the third party and us. Often, an individual(s) that is a registered representative of AXA Advisors will be associated with the third party that provides the referral through an outside business activity.

Certain registered representatives of AXA Advisors may act as co-advisers to other investment advisers and receive fees in that capacity.

### **Additional Payments from Investment Product Providers**

In the case of a variable product, mutual fund or 529 plans, we urge you to carefully read the applicable prospectus/offering statement, which provides details on the product features and any charges or costs associated with the product. AXA Advisors provides enhanced marketing and support opportunities to certain fund families and in return such fund families pay financial support to AXA Advisors that is in addition to any commissions AXA Advisors and its Financial Professionals may receive for the sale of such funds.

Financial support payments received by AXA Advisors from mutual funds will generally be structured as either: (i) an annualized percentage of assets placed by AXA Advisors into the fund (generally ranging from 3 bps (0.03%) through 5 bps (0.05%)), subject to an alternative annual minimum payment generally ranging from \$10,000 through \$250,000; or (ii) an annual flat fee payment (up to \$2 million) irrespective of assets placed by AXA Advisors into the fund. Financial support payments are generally not assessed with respect to assets held in mutual funds through qualified retirement or other accounts or plans subject to the Employee Retirement Income Security Act of 1974, as amended.

Please refer to AXA Advisors' Guide to Mutual Fund Investing and/or Guide to 529 Plans, which are available from your Financial Professional or at **[www.axa-equitable.com](http://www.axa-equitable.com)**, to view a list of fund families who provide AXA Advisors with additional financial support compensation.

AXA Advisors may also receive financial support payments for assets placed by AXA Advisors in certain REITs and BDCs.

Financial support payments in connection with these securities are intended to compensate AXA Advisors for certain marketing and other services. Financial support payments from each company generally range from 100 basis points (1.0%) to 150 basis points (1.5%) based upon total sales of the offering sold by AXA Advisors. Financial support payments are re-allowed to AXA Advisors from the broker-dealer managing the sales syndicate.

AXA Advisors may also receive financial support payments from sponsors of asset management programs in addition to its advisory fees under such programs. AXA Advisors

currently receives financial support payments from the following program sponsors: Brinker, Curian, Genworth, SIMC and Boyd Watterson.

Financial support payments in connection with these programs are intended to compensate AXA Advisors for certain marketing and other services and are based upon total client assets placed in the sponsor's programs through AXA Advisors. Financial support payments from each program sponsor generally range from 3 basis points ("bps") (0.03%) to 10 bps (0.10%) of client assets and may be subject to a minimum payment amount. Financial support payments are paid by the program sponsor from each sponsor's revenues, profits or retained earnings.

AXA Advisors may retain portions of financial support payments for any valid corporate purpose, and these amounts may contribute to the overall profits of AXA Advisors. Financial support payments are generally not assessed with respect to assets held in asset management programs through qualified retirement or other accounts or plans subject to the Employee Retirement Income Security Act of 1974, as amended. The financial support payments (if any) are disclosed more fully in the Client Agreement and the Fee Disclosure that are provided to clients.

AXA Advisors may also receive financial support payments from certain mutual fund companies for assets placed by AXA Advisors in the funds through asset management programs. Currently, the only such asset management programs offered by AXA Advisors are LPL's SAM and SAM II, which are described in more detail below.

The financial support payments described above will not result in a higher payment to a clients' Financial Professional. However, the additional payments will contribute to AXA Advisors' profits and may indirectly benefit the Financial Professional insofar as the payments are used by AXA Advisors to support costs related to marketing or training.

AXA Advisors may receive 12b-1 fees with respect to money market positions in non-retirement accounts, other transaction charges and service fees, IRA and Qualified Retirement Plan fees, administrative servicing fees for trust accounts, other charges required by law and marketing support from certain mutual funds held in investment advisory accounts. In IRA and Qualified Plan advisor accounts, 12b-1 fees are returned to the client.

In addition, in certain instances AXA Advisors or its Financial Professional may receive a "finder's fee" from a mutual fund company for placing a client's assets into the fund. A finder's fee is generally triggered by an asset placement equal to or in excess of \$1 million, and generally ranges from 25 bps (0.25%) to 100 bps (1.00%) and will be disclosed in the prospectus or Statement of Additional Information ("SAI") of the mutual fund.

AXA Advisors and its Financial Professional may receive non-cash compensation from investment advisory asset management program sponsors. Such compensation may include such items as gifts of nominal value, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Such sponsors may also pay for education or training events that may be attended by Financial Professional and AXA Advisors' employees.

Financial Professional and their managers may receive higher levels of cash compensation or other incentives for selling products issued by AXA Advisors and/or its affiliates (“proprietary products”) rather than products issued by third parties. Among other things, they may qualify for certain benefits, such as health and retirement benefits, based solely on sales of these proprietary products. Certain components of the compensation of Financial Professional who are managers may be based on the sale of proprietary products. Managers may also earn higher compensation (and credits towards awards and bonuses) if those they manage sell more proprietary products.

In addition to commissions, Financial Professional and their managers may receive other compensation related to the sales of proprietary products. For example, they may receive, among other things, AXA stock options and/or stock appreciation rights, allowances and other assistance with marketing and related activities, training and education, trips, prizes, entertainment, awards and other merchandise.

Accepting compensation in connection with the sale of securities or other investment products, including financial support payments and asset-based sales charges or service fees from the sale of mutual funds, may present a conflict of interest in that there is an incentive to recommend investment products based on the compensation received, rather than on a client’s needs. We disclose potential conflicts of interest to clients through documents such as this disclosure document, the prospectus, and other materials discussing the products and services offered. The client should consider these additional payments and the potential conflicts of interest they create carefully prior to investing in any securities or asset management programs offered through AXA Advisors. The client is encouraged to ask his or her Financial Professional for additional information should he or she have any questions regarding these payments or the potential conflicts of interest they create.

AXA Advisors Financial Professionals may also accept compensation pursuant to third party loyalty programs as referenced below as well as other loyalty programs AXA Advisors may enter into in the future. These loyalty programs offer additional levels of service, support and rewards to AXA Advisors Financial Professionals as the assets placed in these programs increase which could cause a conflict of interest.

### **Genworth Gold Premier Consultant Business Development Allowance Program**

Genworth Gold Premier Consultant Business Development Allowance Program - AXA Advisors’ Financial Professionals who have placed a total of \$25 million or greater in client assets into Genworth programs will qualify to receive reimbursement payments from Genworth for certain qualified marketing and practice management expenses incurred by the Financial Professional’s pursuant to Genworth’s “Gold Premier Consultant Business Development Allowance Program.” AXA Advisors does not retain any portion of payments received by the Financial Professional.

The amount of such reimbursement is based on the total assets invested at the end of each calendar quarter in Genworth programs and ranges from \$1,250 to \$26,250.

Clients considering an investment in a Genworth program should consider whether the potential receipt by an AXA Advisors’ Financial Professional of Gold Premier Consultant

Business Development Allowance Program payments results in a conflict of interest. Clients are encouraged to speak with their Financial Professional's if they have any questions regarding the Gold Premier Consultant Business Development Allowance Program.

### **Curian Private Advisor Services**

Curian Private Advisor Services ("PAS") - AXA Advisors' Financial Professionals who have placed a total of \$5 million or greater in client assets into Curian Capital programs will qualify to receive certain business expense reimbursements by Curian. The amount of such reimbursement is based on the Financial Professional's assets under management with Curian; and ranges from 0.02% to 0.08% of assets under management at the end of each quarter.

The PAS program provides for the reimbursement of qualified client/prospecting events, marketing and practice management expenses. Reimbursement is limited to actual expenses incurred by the financial professional and supported by original receipts submitted to Curian. AXA Advisors will not retain any portion of payments received by a Financial Professional's pursuant to Curian's PAS Program. Clients considering an investment in a Curian program should consider whether the potential receipt by an AXA Advisors' Financial Professional of PAS Program payments results in a conflict of interest. Clients are encouraged to speak with their Financial Professional's if they have any questions regarding the PAS Program.

## **Item 15 – Custody**

As a general policy and practice, we do not have or accept custody over client assets. For the asset management programs we offer, the custodian of the client's investment assets will be agreed to by the client and the third party program sponsor in the account agreement or other account opening documentation.

### **There are currently three exceptions to the above general policy:**

**Genworth.** Although we do not directly maintain client assets, certain clients have granted us (through our Financial Professional) written authority to direct withdrawals out of the client's account to the client's address of record and to open additional accounts on behalf of the client. In these instances, AXA Advisors is considered to have custody over the account.

**Mutual Fund Asset Allocation Program.** Although we do not directly maintain client assets, clients have granted us (through our Financial Professional) written authority to direct the custodian (Charles Schwab) to disburse assets out of a client's account for investment purposes or to the client. In addition, in this program we send invoices for our management fee directly to Charles Schwab, which the client authorizes Schwab to pay from account assets. As a result of these activities, we are considered to have custody over the accounts.

**Manning & Napier.** For those legacy customers invested in the Manning & Napier managed account product AXA Advisors is also considered to have custody as the agreement allows AXA to have independent authority to deduct fees from client accounts. The Manning & Napier managed account program is service only, therefore while additional contributions for current clients in the program can be made no new clients are accepted.

For the above programs, clients should receive at least quarterly statements from the qualified custodian that maintains the client's investment assets. For tax and other purposes, the custodial statements are the official records of the client's account and assets. We may provide additional statements or reports to you regarding your account, including consolidated or performance reports. Any additional statements provided by us are provided for informational purposes only. We urge you to carefully compare the official custodial statements you receive to any statements we provide. Comparing statements may allow you to determine if the account transactions, including deductions to pay advisory fees, are accurate. Please report any discrepancies you identify to your Financial Professional.

Please see our response to Item 13 – Review of Accounts above for more information on the consolidated or performance reports we may provide.

Clients in all other asset management programs should refer to Item 15 - Custody in the program sponsor's Form ADV Part 2A for more information on the sponsor's custodial practices, including information regarding the frequency of statements the account custodian will provide.

## **Item 16 – Investment Discretion**

We generally do not accept discretionary authority to manage securities accounts on behalf of our clients. (Discretionary accounts are those in which the client grants an investment adviser authorization to trade securities without obtaining specific client consent for each transaction.) As described in Item 4 – Advisory Business, we offer clients a range of wrap fee programs sponsored by third party investment advisors. Many of these programs involve a discretionary asset manager or managers (not AXA Advisors) determining the investments to be purchased and sold for the client's account, as set forth in the applicable investment advisory or wrap program disclosure document of the program sponsor.

In a limited number of cases, our Financial Professionals may be permitted to have discretion to buy and sell securities on behalf of select clients in LPL's SAM and SAM II programs. A client will sign a Limited Power of Attorney, providing the Financial Professional with the authorization to place mutual fund trades on their behalf.

Discretionary accounts offered through AXA Advisors are limited to non-ERISA accounts unless the Financial Professional has been given authority by AXA Advisors to act as an ERISA fiduciary. Financial Professionals will qualify to manage discretionary accounts based upon experience and training. Such Financial Professionals will be fully credentialed to offer all of the products eligible to be held within a discretionary account and will undergo additional training to become familiar with our guidelines for offering and managing discretionary accounts.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, we do not have and will not accept authority to vote proxies on behalf of advisory clients. For the non-proprietary wrap fee programs we offer, the client should refer to Item 17 in the program sponsor's Form ADV Part 2A, to determine the program sponsor's policy on voting client securities. In certain instances, the program sponsor may vote proxies on behalf of the client, while in others clients will retain the responsibility for receiving and voting proxies.

## **Item 18 – Financial Information**

# **AXA Advisors, LLC**

(A wholly owned subsidiary of AXA Distribution Holding Corporation)

## **Statement of Financial Condition**

**December 31, 2011**

# **AXA Advisors, LLC**

(A wholly owned subsidiary of AXA Distribution Holding Corporation)

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**December 31, 2011**

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## Report of Independent Auditors

To the Board of Directors and Member of  
AXA Advisors, LLC

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of AXA Advisors, LLC (the "Company") at December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

A handwritten signature in dark ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

February 24, 2012

**AXA Advisors, LLC****(A wholly owned subsidiary of AXA Distribution Holding Corporation)****Statement of Financial Condition****December 31, 2011**

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**Assets**

Cash and cash equivalents	\$ 53,543,096
Receivable from affiliates	2,719,807
Receivable from sponsors and broker-dealers	5,697,838
Securities owned, at fair value	640,496
Deferred acquisition costs, net of accumulated amortization and impairment of \$2,375,292	912,038
Income tax-related assets	5,064,566
Prepays and other assets, net	<u>1,645,464</u>
Total assets	<u>\$ 70,223,305</u>

**Liabilities and Member's Capital****Liabilities**

Payable to affiliates	\$ 2,169,140
Payable for concessions, commissions and fees	9,328,778
Income tax-related liabilities	7,759,058
Other liabilities	<u>1,843,533</u>
Total liabilities	<u>21,100,509</u>

**Member's capital**

Total member's capital	<u>49,122,796</u>
Total liabilities and member's capital	<u>\$ 70,223,305</u>

The accompanying notes are an integral part of this statement of financial condition

## **AXA Advisors, LLC**

(A wholly owned subsidiary of AXA Distribution Holding Corporation)

### **Notes to Statement of Financial Condition**

**December 31, 2011**

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#### **1. Organization**

AXA Advisors, LLC (the "Company"), a Delaware limited liability company, is a wholly owned subsidiary of AXA Distribution Holding Corporation ("Holding"), and an indirect subsidiary of AXA Equitable Financial Services, LLC, whose parent is AXA Financial, Inc. ("AXF"). AXF is a wholly owned subsidiary of AXA, a French holding company for an international group of insurance and related financial services companies.

The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is also a registered investment advisor under the Investment Advisors Act of 1940. Its principal businesses are the distribution of shares of investment products, primarily mutual funds offered by affiliates and third parties, as well as the sale of brokerage products and variable life insurance and annuity contracts issued by AXA Equitable Life Insurance Company ("AXA Equitable"), MONY Life Insurance Company ("MONY Life"), and MONY Life Insurance Company of America ("MLOA"), wholly owned indirect subsidiaries of AXF. The Company focuses on the development and management of retail customers and currently offers a variety of asset management accounts with related services, as well as money management products such as asset allocation programs and advisory accounts. Retail distribution of products and services is accomplished by financial professionals ("FP's") registered with AXA Network, LLC ("AXN"), an affiliate, and the Company.

LPL Financial Corporation ("LPL"), an independent brokerage firm, provides clearing and certain back-office brokerage services to the Company. The current agreement between LPL and the Company, as amended January 1, 2012, is in effect through December 15, 2019. The agreement will renew automatically for additional twenty-four month terms unless terminated under the conditions of the agreement.

#### **2. Significant Accounting Policies**

##### **Basis of Presentation**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions (including normal, recurring accruals) that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

The Company estimates that the fair value of financial instruments recognized on the Statement of Financial Condition (including receivables and payables) approximates their carrying value, as these instruments are short-term in nature.

##### **Revenue Recognition**

Securities transactions and related commission revenues and expenses and receivables and payables are recorded on a trade date basis. Securities transactions executed but not yet due for settlement as of December 31, 2011 are reflected in the Statement of Financial Condition and were subsequently settled after December 31, 2011. Fee revenue on advisory accounts is charged to customers quarterly based on their assets under management.

## **AXA Advisors, LLC**

(A wholly owned subsidiary of AXA Distribution Holding Corporation)

### **Notes to Statement of Financial Condition**

**December 31, 2011**

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#### **Cash and Cash Equivalents**

The company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2011 the cash held at banks exceeded the Federal Deposit Insurance Company ("FDIC") insurance limits.

Investments in money market funds are considered cash equivalents. The carrying amount of such cash equivalents approximates their fair value due to the short-term nature of these instruments. Cash equivalents at December 31, 2011 include investments in two money market funds totaling \$47,968,357 that are held at two major U.S. financial institutions. Interest income is accrued as earned.

Given the concentration of cash and cash equivalents, the Company may be exposed to certain credit risk.

#### **Securities Owned**

Securities owned are reported in the Statement of Financial Condition at fair value. Refer to Note 3 for policies on fair value measurement.

#### **Prepays and Other Assets**

Prepays and other assets include \$1,165,100 of technology cost chargebacks to FP's, net of an allowance for doubtful accounts of \$526,800. The allowance is maintained at a level that the Company estimates to be sufficient to absorb potential losses and is based on several factors, including a continuous assessment of the aging of each account based on the historical collectability of these receivables.

#### **Income Taxes**

The Company is included in the consolidated federal income tax return filed by AXF and the consolidated state and local income tax returns filed by Holding. Federal income taxes are calculated as if the Company filed on a separate return basis, and the amount of current taxes or benefit calculated is either remitted to or received from Holding. The amounts of current and deferred income tax-related assets and liabilities are recognized as of the date of the financial statements utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years. Under the state tax sharing agreement with Holding, the Company computes its state tax liability as if the Company filed state tax returns on a separate-return basis; if the Company's tax attributes are utilized by Holding to reduce Holding's state tax liability, the Company will be reimbursed.

#### **Deferred Acquisition Costs**

Deferred acquisition costs are carried at amortized cost and are evaluated for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Deferred acquisition costs relate to estimated future revenues that arose out of AXF's acquisition of The MONY Group Inc. ("MONY"). No events or changes in circumstances occurred during 2011 that would require an impairment charge.

#### **Insurance Recoveries**

Recoveries of legal settlements through the Company's fidelity bond policy are recorded in the period received or determined to be assured.

## **AXA Advisors, LLC**

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### **Notes to Statement of Financial Condition**

**December 31, 2011**

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#### **New Accounting Pronouncements**

In January 2010, the Financial Accounting Standards Board ("FASB") issued new guidance for improving disclosures about fair value measurements. This guidance requires a reporting entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and to describe the reasons for the transfers. In addition, for Level 3 fair value measurements, a reporting entity should present separately information about purchases, sales, issuances and settlements. This guidance was effective for reporting periods beginning after December 15, 2009 except for disclosures for Level 3 fair value measurements which was effective for reporting periods beginning after December 15, 2010. The new disclosures regarding purchases, sales, issuances and settlements in the roll-forward of activity of Level 3 financial instruments have been included in Note 3 - Fair Value.

In May 2011, the FASB amended its guidance on fair value measurements and disclosure requirements to enhance comparability between U.S. GAAP and International Financial Reporting Standards ("IFRS"). The changes to the existing guidance include how and when the valuation premise of highest and best use applies, the application of premiums and discounts, as well as new required disclosures. This guidance is effective for reporting periods beginning after December 15, 2011, with early adoption prohibited. Management does not expect that implementation of this guidance will have a material impact on the Company's financial statements.

#### **Subsequent Events**

Events and transactions subsequent to the balance sheet date have been evaluated by management, for purpose of recognition or disclosure in this financial statement, through February 24, 2012, the date that this financial statement was available to be issued.

### **3. Fair Value Disclosures**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and to minimize the use of unobservable inputs when measuring fair value, and identifies three levels of inputs that may be used to measure fair value:

- Level 1      Unadjusted quoted prices for identical assets or liabilities in active markets. Valuations of Level 1 assets or liabilities are generally supported by market transactions that occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2      Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and inputs to model-derived valuations that are directly observable or can be corroborated by observable market data.
- Level 3      Unobservable inputs supported by little or no market activity and often requiring significant management judgment or estimation, such as an entity's own assumptions about the cash flows or other significant components of value that market participants would use in pricing the asset or liability.

## AXA Advisors, LLC

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### Notes to Statement of Financial Condition

December 31, 2011

	Financial Instruments Measured at Fair Value on a Recurring Basis			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 47,968,357 <sup>1</sup>	\$ -	\$ -	\$ 47,968,357
Securities owned, at fair value	3,444 <sup>2</sup>	-	637,052 <sup>3</sup>	640,496
	<u>\$ 47,971,801</u>	<u>\$ -</u>	<u>\$ 637,052</u>	<u>\$ 48,608,853</u>

<sup>1</sup> Consists of investments in money market funds.

<sup>2</sup> Consists of investments in mutual funds.

<sup>3</sup> Consists of investments in auction rate securities for which quoted prices are not available. In order to estimate fair value, the Company used a third-party pricing service.

The following table includes changes in fair value for financial instruments classified within Level 3 of the fair value hierarchy as of December 31, 2011.

	Level 3
Fair value at January 1, 2011	\$ 1,326,269
Purchases	-
Settlements	(800,000)
Realized gains	94,786
Net change in unrealized gains relating to instruments held at year-end	15,997
Transfers in and/or (out) of level 3	-
Fair value at December 31, 2011	<u>\$ 637,052</u>

#### 4. Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (the "Rule"), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined in the Rule, shall not exceed 15 to 1. As of December 31, 2011, the Company had net capital of \$30,966,302 which exceeded required net capital of \$1,285,669 by \$29,680,633, and the Company's ratio of aggregate indebtedness to net capital was 0.62 to 1.

#### 5. Transactions With Affiliates

On December 16, 2011, the Company made a \$15,000,000 cash distribution to Holding.

On July 8, 2004, AXF acquired MONY and its subsidiaries, including MONY Securities Corporation ("MSC"), a broker-dealer. Effective June 6, 2005, MSC's FP's were re-registered to become registered representatives of the Company, and MSC's retail clientele became customers of the Company. On that date, the Company purchased from MSC the estimated future renewal revenues of MSC client accounts for \$3,287,330. The amount, classified as Deferred acquisition costs in the Statement of Financial Condition, was deferred and amortized over the expected future benefit period.

## AXA Advisors, LLC

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### Notes to Statement of Financial Condition

December 31, 2011

In 2011, the Company earned concessions and fees for products offered by its affiliate, Alliance Bernstein LP ("Alliance"). A receivable due from Alliance of \$1,815,900 is included in Receivable from affiliates as of December 31, 2011.

Pursuant to the Agreement for Cooperative and Joint Use of Personnel, Property and Services, and the Distribution and Servicing Agreement, AXA Equitable provides the Company with personnel to perform management, administrative, clerical and sales services and makes available the use of certain property and facilities. At December 31, 2011, the Company had a receivable of \$903,907 due from AXA Equitable classified within Receivable from affiliates representing the overpayment of the allocation of operating expenses. At December 31, 2011, the Company also had a payable classified within Payable to affiliates of \$2,169,140 of which \$2,124,022 is to reimburse AXN for commissions paid on behalf of the Company, \$31,410 represents gross receipts payable to the Parent and \$13,708 relates to payable to AXA Equitable for pass-through 12b-1 fees.

#### 6. Income Taxes

As a single member limited liability company, the Company is treated as a division of Holding for Federal and State income tax purposes, not as a separate taxable entity. Tax sharing arrangements between the Company and Holding provide that the amount the Company will either remit to or receive from Holding for its share of Federal and State income taxes is calculated as though the Company was filing separate Federal and State income tax returns. Under the Federal income tax sharing agreement, the Company is reimbursed for the use of its separate company losses or tax credits to the extent there is an aggregate reduction in the consolidated federal tax liability of the AXF affiliated group and it is reasonable to expect the group's liability to be reduced. The Company is reimbursed for the use of such items under the State income tax sharing agreement in the years they actually reduce the consolidated state income tax liability of Holding.

The Company had the following gross deferred tax assets and liabilities as of December 31, 2011.

	Assets	Liabilities
State net operating loss	\$ 5,365,600	\$ -
Deferred acquisition costs	-	319,213
State income taxes	-	1,772,598
Other	348,269	-
	<u>5,713,869</u>	<u>2,091,811</u>
Valuation allowance	(286,100)	-
	<u>\$ 5,427,769</u>	<u>\$ 2,091,811</u>

The Company has determined that it is more likely than not that the federal, state and local deferred tax assets will be realized. A valuation allowance has been provided against certain state net operating losses that are expected to expire unused.

As of December 31, 2011, the Company had total current taxes payable of \$6,030,450 comprised of a federal income tax liability of \$5,943,650 and a state income tax liability of \$86,800.

As of December 31, 2011, the Company had no liability for uncertain tax positions.

## **AXA Advisors, LLC**

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### **Notes to Statement of Financial Condition**

**December 31, 2011**

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The IRS completed its examination of the 2004 and 2005 Federal corporate income tax returns and issued its Revenue Agent's Report during the third quarter of 2011 with no impact to the Company. Additionally, it is expected that the examination of tax years 2006 and 2007 will begin during 2012.

#### **7. Off-Balance Sheet Risk**

In the normal course of business, the Company may enter into contracts that contain various representations and indemnities including a contract where it executes, as agent, transactions on behalf of customers through a clearing broker on a fully disclosed basis. If the agency transactions do not settle because of failure to perform by either the customer or the counterparty, the Company may be required to discharge the obligation of the nonperforming party and, as a result, may incur a loss if the market value of the underlying security is different from the contract amount of the transaction. The Company has the right to pursue collection or performance from the counterparties who do not perform under the contractual obligations. Although the right of the clearing broker to charge the Company applies to all trades executed through the clearing broker, the Company believes there is no estimable amount assignable to this right or rights under other contracts as any obligation would be based on the future nonperformance by the counterparties. At December 31, 2011, the Company has recorded no liabilities with regards to these rights.

The Company is subject to credit risk to the extent the sponsors and the clearing broker may be unable to repay the amounts owed.

The Company is also subject to business environment risk as its financial performance is highly dependent on the environment in which the business operates.

#### **8. Commitments and Contingencies**

The Company is involved in various regulatory matters, legal actions and proceedings in connection with its business. Some of the actions and proceedings have been brought on behalf of various claimants and certain of those claimants seek damages of unspecified amounts. For certain specific matters, the Company estimates a liability of \$650,000, included in Other liabilities in the Statement of Financial Condition. While the ultimate outcome of these matters cannot be predicted with certainty, the Company does not currently believe that potential losses would materially exceed amounts accrued.