



## **FIRM BROCHURE AND BROCHURE SUPPLEMENT**

### **UNITED ASSET STRATEGIES, INC.**

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This brochure provides information about the qualifications and business practices of United Asset Strategies, Inc. If you have any questions about the contents of this brochure, please contact Lee DeLorenzo by telephone at 516.222.0021 or by electronic mail at [leed@unitedasset.com](mailto:leed@unitedasset.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about United Asset Strategies, Inc. is available on the website maintained by the Securities and Exchange Commission at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**March 2012**

## **Material Changes**

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### **Annual Update**

The material changes section of this brochure will be updated annually and when material changes occur.

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### **Material Changes Since Last Update**

This firm brochure and brochure supplement was initially prepared in March 2011 and was last updated in May 2011. This version is the 2012 annual updating amendment. It updates the assets under management and clarifies how fees are calculated.

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### **Full Brochure Available**

If at any time you would like to receive a copy of the current firm brochure, please contact Lee DeLorenzo by telephone at 516.222.0021 or by electronic mail at [leed@unitedasset.com](mailto:leed@unitedasset.com).

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## Advisory Business

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### Firm Description

United Asset Strategies, Inc. (“UAS”) was organized as a corporation under the laws of the State of New York in 1992 and has offices in Garden City, New York. UAS is registered as an investment advisor with the Securities and Exchange Commission (the “SEC”). Lee DeLorenzo principally owns UAS.

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### Types of Advisory Services

We provide the following investment management services:

- Supervising the investment and reinvestment of client assets on a continuing and discretionary basis (our “Discretionary Money-Management Services”);
  - Supervising the investment and reinvestment of client assets on a continuing and non-discretionary basis (our “Co-Managed Solution”);
  - Advising self-directed employee retirement plans, self-directed 401(k) plans in which the participant selects from a selected group of mutual funds offered by a several fund families and Savings Incentive Match Plans for Employees (each a “SIMPLE IRA”) as to the investment options that are offered (collectively our “Employee Retirement Plan Services”);
  - Assisting employee retirement plan participants in establishing their plan accounts and in selecting among investment options (our “Full Brokerage Services”); and
  - Providing financial, estate, and wealth planning services (our “Financial Planning Services”).
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### Tailored Relationships

Our services include the selection and management of investments tailored to the individual needs, investment objectives, and risk tolerance of the client. Our investment advice is based on our evaluation of the financial situation and objectives of each client.

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### Discretionary Money-Management Services

With respect to Discretionary Money-Management Services, we offer three types of managed accounts:

- Accounts that invest exclusively in equity securities, such as common stock, preferred stock, and exchange-traded equity funds;

- Accounts that invest exclusively in fixed-income securities, such as corporate bonds and municipal bonds; and
- Balanced accounts that invest in a combination of equity securities and fixed-income securities.

When providing Discretionary Money-Management Services, we work with the client to establish his or her goals and objectives, including targeted rates of return and suitable risk parameters. We then research, select, purchase, monitor, and sell particular securities. We also perform all administrative functions.

Most accounts are allocated among industry sectors. For example, an account may include equity securities of issuers in the technology, utilities, pharmaceutical, and financial sectors, as well as securities of issuers not based in the United States. Some industry sectors may be further diversified into industry segments by, among other things, product line or region. We often establish a certain percentage, measured at the time of investment, to which we will limit concentration in a particular segment or sector. While we seek to achieve adequate diversification in client accounts, too much diversification may negatively impact account performance. As a result, any percentage limitations that we establish are only guidelines and are subject to change in our complete discretion at any time and from time to time.

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### **Co-Managed Solution**

With respect to our Co-Managed Solution, we offer two types of managed accounts:

- Accounts that invest exclusively in equity securities, such as common stock, preferred stock, and exchange-traded equity funds; and
- Balanced accounts that invest in a combination of equity securities and fixed-income securities, such as corporate bonds and municipal bonds.

As is the case with clients who have engaged us to provide Discretionary Money-Management Services, we build and monitor a customized portfolio of securities allocated among industry sectors. Unlike client accounts for which we provide Discretionary Money-Management Services, we are required to obtain the prior authorization of the client before purchasing or selling securities in an account for which we have been engaged to provide the Co-Managed Solution. We generally obtain prior authorization by means of a telephone call or by using electronic mail. We perform all administrative functions for these accounts.

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### **Employee Retirement Plan Services**

We offer several types of Employee Retirement Plan Services:

- Advice to plan trustees in their selection of mutual funds to be included within the investment choices of a self-directed employee retirement plan, a self-

directed 401(k) plan in which the participant selects from a limited group of mutual funds offered by a broker-dealer, or a SIMPLE IRA;

- Periodic reporting to plan trustees and plan participants as to the performance of mutual funds included within the investment choices;
- Advice to plan trustees as to whether to modify the investment choices of a self-directed employee retirement plan, a self-directed 401(k) plan in which the participant selects from a limited group of mutual funds offered by a broker-dealer, or a SIMPLE IRA;
- Assistance to plan participants in opening accounts and transferring or depositing assets in these accounts; and
- Advice to plan participants as to the investment options within a plan.

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### **Full Brokerage Services**

Through Full Brokerage Services, we assist employee plan participants (1) in opening accounts and transferring or depositing assets into these accounts and (2) as to the investment options within a plan to clients who desire assistance with employee retirement plans in which we do not advise the plan trustee. Full Brokerage Services do not involve investment advice but rather the coordination of data collection and retirement education.

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### **Financial Planning Services**

We provide Financial Planning Services to develop a customized plan for a client (and, if requested, his or her spouse) based upon our analysis of financial goals, investment objectives, assets and liabilities, projected earnings, cash-flow needs, and estate distribution planning. We create a customized budget and a savings and investment plan that take into account the need to save for college educations, retirement, estate transfer issues, and other objectives. When approached to provide Financial Planning Services, we meet with the client or prospective client for one hour to gather information. This initial consultation is without charge or obligation. Based on the information gathered in the initial consultation, we provide a good-faith estimate of the amount of time that will be necessary to complete the financial plan and the costs associated with the plan. Financial Planning Services do not include Discretionary Money-Management Services, our Co-Managed Solution, Employee Retirement Plan Services, or Full Brokerage Services.

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### **Allocation of Scarce Securities**

We may have the opportunity to purchase securities in an initial public offering or other limited investment opportunity for client accounts. Subject to suitability considerations, we seek to allocate these “scarce” securities among the accounts for which we have received explicit



instructions from clients who have engaged us to provide either Discretionary Money-Management Services or the Co-Managed Solution.

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## **Assets Under Management**

As of February 28, 2012, UAS managed approximately \$509,000,000 of client assets. Of this amount, we manage approximately \$457,000,000 on a discretionary basis and \$52,000,000 on a non-discretionary basis.

## **Fees and Compensation**

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### **Determining Aggregate Market Value of a Client Account**

We base our fees for services other than Financial Planning Services on the aggregate market value (the “AMV”) of the client account on the valuation date, which (1) for accounts in which the fee is charged in advance, is the last business day of the calendar quarter immediately preceding the quarter in which the fee will be earned and (2) for accounts in which the fee is charged in arrears, is the last business day of the calendar quarter in which the fee is earned.

To establish AMV, we aggregate the value of cash holdings and (except as described below) the market value of each security held in the account as reported by the account custodian. We often hold cash in accounts for strategic and other purposes. In all cases, the value of cash holdings and other property is included in the AMV of the account. In general, dividends, interest, and other distributions are reinvested when received, which generally increases the AMV of the account and consequently our fee.

Many client accounts hold shares of open-ended mutual funds. In computing the value of mutual fund shares, we use the value assigned by the account custodian or the mutual fund distributor.

Many client accounts hold securities other than mutual fund shares. In general, account custodians value a security that is listed on a national securities exchange at the last quoted sale price on the valuation date of the principal exchange on which the security is listed. Account custodians generally value a security that is primarily traded on the NASDAQ Global Market, the NASDAQ Global Select Market, or another recognized NASDAQ market by using the NASDAQ Official Closing Price. If a NASDAQ Official Closing Price is not available, account custodians generally value the security at the last sale price on the valuation date or, if there were no sale on that day, at the mean between the bid and asked prices. Account custodians generally value over-the-counter securities that are not principally traded on a NASDAQ market at the most recent trade price. Account custodians generally value options and securities issued by the United States government, such as Treasury bills, at the most recent bid price. If an account custodian is unable to provide a value for a security held in a client account, we will establish the fair value of the security in good faith. In establishing fair value, we have

complete discretion to use one or more pricing services, and the prices provided by one or more banks or broker-dealers that we believe to be experienced in these matters.

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### **Discretionary Money-Management Services**

For equity accounts and balanced accounts, we offer Discretionary Money-Management Services at the fee level specified below that matches the AMV of the client account:

Up to \$399,999	1.40% per year, with a \$500 quarterly minimum
\$400,000 to \$999,999	1.25% per year
\$1,000,000 and over	1.00% per year

For accounts that hold only fixed-income securities, we offer Discretionary Money-Management Services at the fee level specified below that matches the AMV of the client account:

Up to \$499,999	0.85% per year, with a \$500 quarterly minimum
\$500,000 to \$999,999	0.75% per year
\$1,000,000 and over	0.65% per year

We reduce our fee to 0.40% per year on the dollar value in excess of \$5,000,000 in a client account using Discretionary Money-Management Services. We charge fees quarterly and in advance, meaning that the fee is directly debited from the client account on or about the first day of the calendar quarter in which it will be earned.

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### **Co-Managed Solution**

We offer our Co-Managed Solution at a fee of 1.00% of AMV per year, with a \$1,000 quarterly minimum. We reduce our fee to 0.75% per year on the dollar value in excess of \$3,000,000 in a client account using the Co-Managed Solution. We charge quarterly fees in advance, meaning that the fee is directly debited from the client account on or about the first day of the calendar quarter in which it will be earned.

We limit the number of securities that we research at the request of a client who has engaged us to provide our Co-Managed Solution to thirty positions initially and to twelve positions per year after establishment of the account. We charge \$50 per security to research securities in excess of these limitations. Securities and mutual fund shares with which we are familiar because we recommend them to other clients are not counted for purposes of these limitations.

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### **Employee Retirement Plan Services**

We offer Employee Retirement Plan Services at the fee level specified below that matches the aggregate AMV of the accounts of the plan participant:

Up to \$999,999	1.00% per year
\$1,000,000 and over	0.75% per year

We reduce our fee to 0.50% per year on the dollar value in excess of \$2,000,000 in a client account that uses Employee Retirement Plan Services. If the plan participant has more than one account in the plan, the fee is apportioned among the accounts based on relative AMV. Except as provided below, the fee for Employee Retirement Plan Services is payable quarterly in advance, meaning that the fee is directed debited from the client account on or about the first day of the calendar quarter in which it will be earned, and is separately assessed to the accounts of each plan participant. Self-directed 401(k) plans are charged fees in arrears, meaning that the fee is directly debited from the client account on or about the first day of the month following the calendar quarter in which it is earned or, if sooner, on the date on which the account is closed. For example, fees charged in arrears for the first calendar quarter would be debited in early April. Self-directed 401(k) plans are also charged a \$25 annual administrative fee if the account balance is less than \$25,000.

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### **Full Brokerage Services**

The fee for Full Brokerage Services is 0.25% per annum of the aggregate AMV of the employee retirement accounts for which we provide assistance. Fees for Full Brokerage Services are payable in arrears by the client within ten days following the end of the quarter in which the services were performed or, if sooner, on the date on which the account is closed. For example, fees charged in arrears for the first calendar quarter would be debited in early April. Accounts that receive Full Brokerage Services are also charged a \$25 annual administrative fee if the account balance is less than \$25,000.

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### **Financial Planning Services**

Our fee for Financial Planning Services is based on the number of hours that our personnel expend to develop the plan. We charge \$300 per hour for the services of a Certified Financial Planner, \$150 per hour for the services of a trained individual who has not achieved the designation of Certified Financial Planner, and \$75 per hour for individuals who perform administrative functions. Our minimum fee for Financial Planning Services is \$750. Half of the estimated fee is payable at the time of engagement, and the balance is payable when the financial plan is presented. Most financial plans take two to six weeks to complete. To review and update a plan upon request, we charge the client our then standard hourly fees for Financial Planning Services.

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### **Additional Fees**

The fees for our services do not include:

- The costs, charges, or commissions, whether fixed or contingent, associated with securities transactions, including prime-broker charges;

- The advisory or management fee paid by a mutual fund or an exchange-traded fund to the investment advisor of the fund or its affiliate;
- Other fees and expenses paid directly from a mutual fund out of its assets, such as rule 12b-1 distribution fees; or
- A sales charge or contingent deferred sales charge payable to a mutual fund, its affiliate, or its distributor.

Consequently, a client may pay a management fee to our firm and another advisory fee indirectly to the portfolio manager of one or more mutual funds. There is additional information about costs associated with securities transactions in the section of this brochure entitled “Brokerage Practices.”

We generally recommend that most accounts invest in “no-load” mutual funds that have no sales charge. We do not receive compensation from the mutual funds that we recommend for client accounts or the distributors of these mutual funds. Our personnel may receive compensation as registered representatives of United Financial Group, Ltd., a New York corporation that is under common control with United Asset Strategies, Inc. (“UFG”). This practice may be perceived to involve a conflict of interest. To address this potential conflict of interest, when a transaction is to be executed by UFG, our personnel inform the client about the financial arrangements relating to the transaction, and the securities purchased are not considered to be UAS assets under management. A UAS client is always free to execute securities transactions through a broker-dealer or agent that is not affiliated with UAS.

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### **Investment Management Agreement**

Our relationship with each client is documented by a written investment management agreement. A new client has five business days after signing to terminate the agreement without incurring any obligation to pay fees. In addition, either party may terminate the agreement upon at least a fifteen-day prior written notice to the other party or as otherwise provided in the agreement. Termination of the agreement does not have the effect of canceling an order to deposit or invest cash, to purchase or sell securities or other property, to reinvest dividends or other distributions, or to take other similar action if the order was placed prior to actual receipt of the notice of termination. If an advisory relationship terminates, we will refund any unearned fee. Additional information about the adjustment of fees for account openings, closures, deposits, and withdrawals is included below.

A client has the unlimited right to pledge the securities held in his or her account. In addition, subject to voting restrictions applicable to accounts governed by the Employee Retirement Income Security Act of 1974 (“ERISA”), a client has the right to vote as a shareholder of the mutual funds held in his or her account.

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## **Adjustment of Fees for Account Openings, Closures, Deposits, and Withdrawals**

An account that is opened on a day other than the first day of a calendar quarter is charged a prorated fee based on the number of days remaining in the quarter, divided by ninety. An account that is closed on a day other than the last day of a calendar quarter is charged a prorated fee on the same basis. A client or (subject to the terms of the relevant employee retirement plan and other applicable conditions) a plan participant may deposit or withdraw cash, securities, and other property to or from his or her account at any time. If a client, a plan trustee, or the plan participant deposits or withdraws assets to or from an account on a day other than the first day of a calendar quarter, the fee payable for the quarter will be adjusted to reflect the number of days in which the assets that are deposited or withdrawn were actually held in the account. Notwithstanding the foregoing, we do not adjust fees during a quarter unless the net deposits and withdrawals equal at least \$50,000.

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## **Negotiation of Fees**

While our fees may be negotiated, it is unusual for us to do so. A variance in fees may be appropriate in cases in which a client requests a special account structure or has atypical objectives. We reserve the right to change, reduce, or waive our fees in our discretion.

## **Types of Clients**

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### **Description**

We furnish investment management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, partnerships, and other business entities.

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### **Minimum Account Size**

We generally require that clients maintain (1) a minimum of \$400,000 in AMV in Discretionary Money-Management Services accounts and (2) a minimum of \$500,000 in AMV in Co-Managed Solution accounts. For these purposes, we aggregate all accounts that are under the common ownership or control of a client, such as individual retirement accounts, business accounts, and Uniform Gift to Minors Act accounts. We reserve the right to increase or decrease the minimum account size that we accept. Some accounts are charged a minimum fee as described in the section of this brochure entitled "Fees and Compensation."

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### **Know Your Customer**

We strive to know and understand the identities of clients and prospective clients and the business reasons for any transactions in which we engage on behalf of our clients. We do not directly or indirectly conduct business with any person or entity whose identity and source of funds have not been verified to the satisfaction of the account custodian.

## Methods of Analysis, Investment Strategies, and Risk of Loss

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### Investment Strategy

UAS believes that the single most important investment principle is diversification. A properly diversified portfolio provides the checks and balances needed to protect a client in most investment climates. We are committed to customer service and prudent disciplined daily money management.

An important component of our services is our assessment of the suitability of a particular investment for a client. Our decisions about the securities that we purchase or recommend for each client are based on our evaluation of the investment objectives of the client and any investment restrictions that the client has imposed in the investment management agreement. Investing in securities always involves risk of loss that a client should be prepared to bear.

Our investment strategy includes the objective of a broad degree of issuer diversification. Generally, our clients authorize us to invest their assets primarily in publicly traded securities and shares of mutual funds. The securities held in client accounts include, among other things, exchange-listed securities, securities traded over the counter, securities of foreign issuers, common stock, preferred stock, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, shares of mutual funds, United States government securities, options contracts on securities, futures contracts on tangibles and intangibles, partnership interests, and limited liability company interests.

We engage long-term and short-term purchases of securities, trading, margin transactions, and option buying and writing. We consider securities held for at least a year as long-term strategies. Trading means securities that are sold within thirty days. Dependent on client objectives, we may buy or write covered or uncovered options and engage in spreading strategies and straddles. We may provide investment advice relating to limited partnership interests in equipment leasing and other businesses and in venture capital opportunities. We may also provide investment advice relating to grantor trusts, tenancies-in-common, joint tenancies, co-tenancies, and the like.

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### Equity Strategy

Our approach to managing equity portfolios is to select investments with an asymmetrical risk-to-reward profile. Combined with strategic asset-allocation principles, we develop a customized portfolio to help the client achieve his or her financial goals. The portion of client accounts that is allocated to equities consists of three or four components:

**Core holdings** generally account for approximately 25% of the equity component. The core holdings in a portfolio consist of common stock and preferred stock that have been selected using bottom-up analysis with an emphasis on value and intermediate-term growth. Our research includes a combination of quantitative and financial-statement analysis performed

by UAS personnel, technical analysis, and independent analyst research. Holding periods for core positions held long are generally expected to be in the one-year to three-year time horizon. This portion of the portfolio generally has active stop or limit sell orders in place to provide principal protection strategy. This portion of the portfolio will be implemented based on our perceptions of optimum market timing.

**Core exchange-traded funds (“ETFs”)** generally account for approximately 25% of the equity component. The core ETF portfolio will generally be correlated to the S&P 500® as a benchmark, and it may be modified to include increased exposure to international securities, precious metals, small-capitalization issuers, and real-estate issuers (such as real estate investment trusts). This portion of the client portfolio is generally implemented by a client grant of a limited power of attorney to trade with cash on hand. This portion of the portfolio will not have automatic stop or limit sell orders in place.

**Opportunistic positions** generally account for up to 50% of the equity component. Opportunistic positions are general shorter term in nature, with a duration that typically ranges from a few weeks to 24 months, depending on current market conditions. Opportunistic positions permit us to take advantage of industry and sector trends, momentum plays and swing-trading opportunities that may arise as a result of economic and world events. While the quality of our internal research is high with regard to opportunistic positions, it is generally less extensive than research relating to core holdings. This portion of the portfolio will be implemented based on our perceptions of optimum market timing and may have stop or limit sell orders in place for all or part of the positions.

**Hedging** generally account for up to 10% of the equity component. Through the use of hedging strategies, we may use alternative investments including options to attempt to minimize loss or to maximize market momentum. We make our decision to hold positions on a long basis or on a short basis based on economic, geopolitical, or event-driven catalysts that we perceive to overlay sector rotations or technical analysis.

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## **Fixed-Income Strategy**

As market conditions warrant, we actively trade fixed-income securities (such as bonds), basing our decisions on changes in interest rates, issuer credit quality and current tax laws. Being independent and having access to a variety of issues is very important to our tactical approach. Our approach to fixed-income investing focuses on the following components:

**Principal Protection:** If we believe that interest rates are likely to decline, we generally seek to extend the maturity of fixed-income holdings and to increase call protection. This strategy is meant to reduce reinvestment risk relating to the prepayment of principal by the issuer and to position fixed-income holdings for price appreciation as rates trend downward. If we believe that interest rates are likely to increase, then we generally seek to reduce the average maturity in the client portfolio by purchasing issues with shorter maturities. This strategy may result in a lower yield, but the value of the portfolio generally

will not decrease as sharply. During an economic downturn, we generally purchase higher-quality issues. In our experience, higher-quality issues retain their value better than lower-quality issues in a challenging economic climate.

**Total Return:** We perform analysis designed to anticipate the direction in which interest rates are headed, and we strive to purchase and sell fixed-income securities to benefit from the expected changes. When the economy is gaining strength, we may purchase lower-quality bonds. In our experience, lower-quality bonds produce higher yields and are less vulnerable to the inability of an issuer to repay principal.

**Tax Selling:** Fixed-income securities may be sold at a loss to offset capital gains from equity securities, real estate, and other income sources. Because a myriad of fixed-income issues are available, we are usually able to identify a replacement investment that closely matches the investment objectives of the client with respect to maturity, credit quality, and price without jeopardizing the tax treatment of the sale under the wash-sale rules.

We offer our fixed-income client accounts an important resource through prime brokerage services. Prime brokerage services allow us to execute transactions in fixed-income securities through a variety of broker-dealers rather than being limited to the broker-dealer that serves as custodian to the client account. Our access to prime brokerage services gives us the ability to choose among a large variety of new and existing issues, and we believe that it may reduce some of the hidden costs associated with purchasing and selling fixed-income securities from a dealer that charged a mark-up or mark-down rather than a commission that is readily disclosed. Our use of strategies that have proven successful over many years and in many investment climates enables us to concentrate on seeking to increase the total returns in our client portfolios and to protect against the price fluctuations created by changing interest-rate environments.

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## Sources of Information

We use information, reports, and data from various sources, but the investment decisions that we make on behalf of our clients and employee retirement plans are based primarily on our own internal research and analysis, as well as the experience of our key personnel. We obtain research information from third parties, including published reports of companies and issuers, general economic data, and governmental publications and data compilations.

Our main sources of information include research materials prepared by others, corporate rating services, company press releases, annual reports, prospectuses, and other SEC filings, financial newspapers and magazines, inspections of corporate activities, and timing services.

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## Managing Risk of Loss

All investment programs involve risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. We utilize specific risk-management tactics to minimize investment losses by our clients. These tactics involve the following disciplines:



We believe that selling once a security appreciates to a specific price target is one of the most effective methods to protect against loss.

Protecting profit and principal in the event that the price of a security drops significantly is achieved through our use and monitoring of stop orders to initiate selling and by manually entered limit and market orders.

Monitoring industry and issuer-specific news, such as product developments, competition, earnings, executive changes, and mergers and acquisitions, activity aids our personnel in assessing the possible effect on a pricing of a security. Data is continually analyzed to trigger possible risk-management strategies, adjustments to existing stop orders, or initiations of sell orders.

If specifically approved by a client, buying and selling options is another strategy that we have successfully used to minimize the risk of loss.

Like other investors, our clients face the following investment risks:

**Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on bonds tend to become less attractive, which in turn causes their market values to decline.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors regardless of the particular circumstances that affect a security. For example, political, economic, and social conditions may influence market conditions.

**Inflation Risk:** When inflation is present, a dollar today will not buy as much as a dollar next year, because the purchasing power of the dollar is eroding at the rate of inflation.

**Currency Risk:** A security that is not denominated in United States dollars is subject to fluctuations in the value of the United States dollar as against the currency in which the security is denominated. For example, the value of a security denominated in euros will decrease if the United States dollar strengthens against the euro. This type of risk is also called exchange-rate risk.

**Reinvestment Risk:** This risk is that future proceeds from investments may be reinvested at a lower rate of return because yields generally have decreased. This primarily relates to fixed-income securities.

**Business Risk:** This risk is associated with a particular industry or a particular issuer. For example, an oil production company depends upon the lengthy process of finding oil and then refining it before the company generates a profit. As a result, an oil production company carries a higher risk of profitability than an electric company, which generates its income from a relatively stable customer base that must purchase electricity regardless of the economic environment.

**Liquidity Risk:** Liquidity is the ready ability to convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

**Financial Risk:** Excessive borrowing to finance the operations of a business increases the risk of profitability, because the company is required to repay principal and interest in both good and bad economic times. During periods of financial stress, the inability of a company to meet its loan obligations may decrease the value of its securities and, in some cases, may force the company to seek bankruptcy protection.

Mutual funds and other securities have differing degrees of risk associated with them. No investment in mutual funds is free of risk, and some mutual funds involve a significant amount of risk. Often mutual funds that invest in futures contracts, stock index futures contracts, options on stock index futures contracts, and options on securities and stock indices are perceived to involve greater risk.

## **Disciplinary Information**

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### **Legal and Disciplinary History**

Neither UAS nor any of our employees has been involved in any legal or disciplinary events that relate to past or present investment advisory clients.

## **Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

United Financial Group, Ltd., which is under common control with United Asset Strategies, Inc., is registered with the SEC as a broker-dealer, is licensed with the State of New York as an insurance agency, and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA").

The chief compliance officer of UAS is a registered representative of a broker-dealer in her capacity as chief compliance officer of the broker-dealer. The broker-dealer is not affiliated with UAS or UFG. Our chief compliance officer does not purchase or sell securities in connection with her duties to the broker-dealer. Our chief compliance officer is also a licensed real estate broker.

### **Other Affiliations**

The chief compliance officer of UAS is an attorney who practices through a professional services corporation. She serves as chief compliance officer for several other investment advisors and

one broker-dealer. UAS believes that these arrangements create no material conflict of interest.

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

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### **Code of Ethics**

We have a written code of ethics that requires us and our personnel to comply fully with all applicable laws, including applicable federal securities laws, in conducting investment advisory services and related activities. The code of ethics is based on the principle that we have a fiduciary obligation to our clients. In this fiduciary capacity, we are obligated to place the interest of our clients before the personal interests of our personnel and the interests of persons and entities that may be related to our personnel. We seek to avoid conflicts of interest with our clients and will take appropriate steps consistent with our code of ethics to resolve any conflicts of interest that may arise. We will provide a copy of our code of ethics to any client or prospective client upon request.

Our code of ethics and our compliance manual establish policies and procedures in a number of areas, including the treatment of confidential proprietary information, recordkeeping, conflicts of interest, and personal securities transactions. We permit our supervised persons to purchase and sell securities for their personal accounts and for the accounts of certain persons and entities related to them, so long as the purchases and sales are in compliance with our code of ethics. Our personnel may from time to time have an interest, directly or indirectly, in a security that is purchased or sold in client accounts and may effect transactions in the security for client accounts that may be the same as or different from the actions taken with respect to personal accounts. If we purchase or sell a particular security for client accounts, then purchasing or selling the security in personal accounts is required to comply with our trade aggregation policy. More information about trade aggregation is contained in the section of this brochure entitled "Brokerage Practices."

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### **Violations of Law**

Our chief compliance officer conducts compliance reviews and monitors for indications of potential violations of law or our code of ethics. In addition, we have a written policy that requires personnel who become aware of a violation of the code of ethics to report the possible violation promptly on a confidential basis to the chief compliance officer. The code of ethics requires UAS to investigate these reports and prohibits adverse action from being taken against someone who reports a possible violation in good faith.

The code of ethics requires UAS to administer discipline to maintain the quality of service that we provide to clients by encouraging legal and appropriate behavior and by deterring illegal and inappropriate behavior. Disciplinary actions may include a written warning, fines, suspension of employment, and termination of employment.

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## **Participation or Interest in Client Transactions**

UAS or one or more of our officers, directors, employees, and agents may from time to time have an interest in a security that is purchased, sold, or otherwise traded in client accounts and may effect transactions in the security for client accounts that may be the same as or different from the actions that UAS or such a related person may take with respect to its, his, or her own account. This practice may present a conflict of interest. If we believe that the conflict of interest is material, we will discuss the conflict with the clients involved in advance and obtain their assent to the proposed arrangement.

As an agent for a client, we may effect transactions in securities while also acting as agent for another client that is the counterparty to the transaction. Any client may revoke, by written notice to our firm, the authority granted in the investment management agreement to participate in these so-called cross transactions.

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## **Personal Trading**

We permit our personnel to purchase and sell securities for their personal accounts and for the accounts of persons and entities related to them, so long as our personnel are in compliance with the code of ethics. These securities may be among those recommended to UAS clients.

Our code of ethics requires our personnel providing advisory services to obtain advance clearance from our chief compliance officer for securities transactions involving initial public offerings and private placements of securities. Our code of ethics also requires our personnel to disclose their reportable personal securities holdings, to provide quarterly holdings and transaction reports, and to alert our compliance department to any changes in their holdings. In addition, we have a written insider trading policy that is designed to prevent the improper use of material nonpublic information.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

We require all clients who engage us to provide Discretionary Money-Management services to authorize our firm to select the securities to be bought or sold, the amount of securities to be bought or sold, and the broker-dealers to be used. We frequently use the Schwab Advisor Services division of Charles Schwab & Co., Inc., Fidelity Brokerage Services LLC, Morgan Stanley, TD Ameritrade, Inc., and our affiliate UFG as broker-dealers to effect securities transactions and to maintain custody of client assets. UAS is independently owned and operated and is not affiliated with any of these broker-dealers. While we may recommend that clients establish accounts at one of these broker-dealers, it is the decision of the client to establish an account. We permit clients who engage us to provide other services to direct our firm as to the broker-dealers to be used. Not all advisors permit or require their clients to direct brokerage. In some

cases, federal and state laws (such as ERISA) may limit or restrict our selection of broker-dealers.

We receive non-monetary benefits, including research services, from broker-dealers in consideration for using them to execute securities transactions. Research services may include reports on economic and political developments, portfolio strategy, industry and company information, opinions regarding capital market conditions (including market prices, news, and trading information), economic projections, and information about recommended asset allocations and portfolio structures. We use research services in connection with the services that we provide to all clients, not just those who maintain accounts with the broker-dealer that provides the research.

Obtaining research and other benefits from broker-dealers benefits UAS because we do not have to produce or pay for the research, products, and services. In addition, we may have an incentive to select or recommend a broker-dealer based on our interest in receiving research or other products and services rather than the interests of our clients in receiving the most favorable execution.

These broker-dealers may also provide us with business consulting and management products offered by third parties, some of which primarily benefit our firm rather than our clients because they assist us in developing our business enterprise.

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### **Best Execution**

Unless otherwise directed by the client, our firm selects the broker-dealers used to effect securities transactions. Our choice of broker-dealers is based on a number of factors, including but not limited to the familiarity with the security to be purchased or sold, execution skill, order-flow capacity, commission or other fee arrangements, access to initial public offerings and other limited investment opportunities, quality of custodial services, and perceived financial strength. Consistent with our duty to seek best execution in connection with securities transactions for client accounts over which we have discretionary authority, we have determined in good faith that the commission levels charged by the broker-dealers that we use, while perhaps not the lowest available commission levels, are reasonable in light of the value of the brokerage and other services (including research services) that the broker-dealers provide. In reaching this conclusion, we have considered not only the particular transaction involved but also our overall responsibility to seek best execution. We evaluate best execution on a periodic basis to test our conclusion.

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### **Directed Brokerage**

When a client directs our firm to use a broker-dealer other than Schwab, Fidelity, Morgan Stanley, TD Ameritrade, or UFG, we are not free to seek to obtain best execution. When a client directs brokerage, we disclose to the client that we may be unable to negotiate commissions and that the client may pay higher commissions and charges than others of our clients. Many broker-dealers have established a minimum ticket charge for each transaction.

The cost of executing a smaller transaction through a client-directed broker-dealer may be greater as a result of a minimum ticket charge. In addition, because we may be unable to achieve most favorable execution of securities transactions when a client directs brokerage, this practice may cost a client more money.

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**Schwab**

Schwab provides our firm with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them, so long as a total of at least \$10,000,000 of our client assets are maintained in accounts at Schwab. These services are not contingent upon our committing to Schwab any specific amount of business, such as assets in custody or trading commissions. Schwab brokerage services include the execution of securities transactions, custody, research, access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum investment amount.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trading that is executed through Schwab or that settles into Schwab accounts.

Schwab also makes available other products and services that benefit UAS and indirectly our clients. Some of these other products and services assist us in managing and administering client accounts. They include software and other technology that (1) provide access to client account data, (2) facilitate trade execution and allocation of aggregated trade orders for multiple clients, (3) provide research, pricing information, and other market data, and (4) assist with back-office support, recordkeeping, and client reporting.

Schwab may also provide other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications, and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. Schwab may waive or discount fees of third parties that provide these services to our firm. Schwab may also provide other benefits, such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that clients establish accounts at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors that we consider and not solely on the nature, cost, or quality of the custody and brokerage services provided by Schwab. This practice may create a potential conflict of interest between our needs and the needs of our clients.

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**TD Ameritrade**

We participate in the TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, which is a member of FINRA and the Securities Investor Protection Corporation.

TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers services to independent investment advisors that include custody of securities, trade execution, clearance, and settlement of transactions. We receive benefits from TD Ameritrade as a result of our participation in TD Ameritrade Institutional. Information about our participation in AdvisorDirect, a client referral program sponsored by TD Ameritrade, is included in the section of this brochure entitled "Client Referrals and Other Compensation."

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### **Soft-Dollar Arrangements**

Our firm and our clients receive, either without cost or at a discount as a result of our relationship with Schwab and our participation in TD Ameritrade Institutional, benefits from Schwab and TD Ameritrade that are not available to retail customers. Specifically, these additional services include the Argus Research product, which provides certain portfolio management and performance reporting capability. We may make some of these services available to our affiliates. UAS does not pay to participate in TD Ameritrade Institutional, and participation is not dependent upon the volume of securities transactions that we execute through TD Ameritrade.

The value of the services that we receive under these so-called soft-dollar arrangements is not expected to exceed \$6,000 in any year. We use the benefits that we receive to serve all of our clients rather than only those whose accounts are held by Schwab or TD Ameritrade as custodian. We expect to direct client securities transactions to both Schwab and TD Ameritrade in return for the soft-dollar benefits that we receive, but we will use other broker-dealers and prime brokerage arrangements as well to execute client transactions.

When we use client brokerage commissions (or mark-ups or mark-downs) to obtain research or other products and services from broker-dealers, we receive a benefit because we do not have to produce or pay for the research, products, or services ourselves. This practice may present a conflict of interest. Specifically, we may have an incentive to select or recommend Schwab or TD Ameritrade based on our interest in obtaining research or other products and services rather than on the interests of our clients in receiving the most favorable execution.

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### **Trade Aggregation Policy**

It is our policy to treat all client accounts fairly and equitably. We strive not to favor one client or one group of clients over another client or another group of clients. In order to handle all client transactions in the manner that is fair and cost effective, we often aggregate transactions executed through a broker-dealer for suitable discretionary client accounts to obtain a better price for the security being bought or sold. In other words, we purchase or sell a larger quantity of the security in a single transaction and then allocate the quantity among participating client accounts, rather than executing multiple transactions in the same security for individual client accounts. Trade aggregation generally saves our clients money because smaller orders may incur a minimum ticket charge, and it ensures more uniformity in the prices at which a particular security is purchased or sold for our clients. Allocation of an aggregated order to particular client accounts generally occurs in advance of the placement of the order. Clients

who engage us for the Co-Managed Solution will not participate in aggregated trades unless client authorization for the transaction is obtained prior to the placement of the aggregated trade for accounts to which we provide Discretionary Money-Management Services.

When an aggregated order is not filled by the end of a trading day, we generally allocate the quantity of securities that were purchased or sold among the participating client accounts on a basis relative to the percentage of the aggregated order that the allocation to the particular client constituted. For example, if five percent of the aggregated order were allocated to a particular client account, then that account would receive five percent of the order as filled. We also take into consideration the reduction of positions that are overweight and the avoidance of small lots. Trades placed through other broker-dealers may receive different prices, and multiple trades (whether or not aggregated) may be placed with multiple broker-dealers.

Aggregated trades may include orders for the personal securities accounts of our personnel and their related persons, unless we determine in advance that the resulting order would probably not be fully filled at the best available price. In the event of this determination, orders for personal securities account will not be executed until the aggregated client order has been fully filled. Shares of mutual funds are priced at the time and subject to the conditions set forth in the relevant prospectus. Consequently, it is highly unlikely that the inclusion of personal accounts in an order for mutual fund shares would change the price at which the order is filled by the mutual fund.

When a broker-dealer that we use executes an aggregated client order in more than one transaction during a trading day, it automatically determines the average price to be received by each client in the aggregated order. For example, if half of the order is filled at one price in the morning and the balance is filled at a higher price in the afternoon, then each client will receive his or her allocation of the aggregated order at the average price of the two transactions. We are generally able to fill the entire aggregated order for fixed-income securities at a single price, because the broker-dealer will confirm that it has sufficient inventory to fill the order prior to order placement.

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### **Trade Error Policy**

On occasion, we may experience errors with respect to trades made on behalf of client accounts. We endeavor to detect trade errors and to correct them in an expeditious manner. We will reimburse client accounts for losses directly due to uncorrected trade errors attributable to our personnel.



## **Review of Accounts**

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### **Periodic Reviews**

The portfolio manager responsible for a client reviews each of the accounts of the client at least quarterly, and our reviews frequently occur more often. Our reviews are geared toward preservation of capital with a view toward enhancing after-tax net worth, consistent with the risk tolerance and objectives defined by the client. A client may meet in person or by telephone with his or her relationship manager to review an account on a quarterly or more frequent basis.

### **Review Triggers**

Client inquiries, changes in the general market outlook, changes in the tax laws, new investment information, changes in the financial situation of a client, and changes in the opinions of our portfolio managers on specific issues may prompt periodic reviews of some or all client accounts.

We proactively review all client accounts when significant changes in market conditions or changes in the tax law occur. A client should notify us promptly upon any important changes in his or her personal or financial situation or if he or she believes that changes in economic factors may impact his or her financial position.

### **Regular Reports**

We will send a written performance report to a client upon request and as frequently as the client requests. We will also post the report to a secure website that a client may access to review the information. This report will detail, as of the last day of the preceding calendar quarter, the percentage asset allocation by industry sector or segment (and for balanced accounts, by type of security), a list of portfolio holdings and cash balances, and the AMV of the account. The report will also include year-to-date dividend and interest amounts, fees paid to our firm, and net capital gain or loss by security. Each client also receives directly from the account custodian a standardized monthly statement for each of his or her accounts that details account holdings and the transactions that occurred during the month. We send a written report that includes cost-basis information on an annual basis. If requested, we will provide written reports to tax preparers.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

From time to time, we enter into written agreements with third parties that refer prospective clients to our firm. Clients bear no additional costs or expenses as a result of these arrangements.

Specifically, we participate in AdvisorDirect, a client referral program sponsored by TD Ameritrade, and may recommend TD Ameritrade to clients for custody and brokerage services. TD Ameritrade has established AdvisorDirect as a means to refer its brokerage customers and other investors who are seeking fee-based personal investment management services or financial planning services to independent investment advisors. In addition to meeting the minimum eligibility criteria to participate in AdvisorDirect, we may have been selected based on the volume and profitability to TD Ameritrade of the assets in and transactions placed for client accounts of which TD Ameritrade serves as custodian. We pay a fee for these referrals based on a percentage (not to exceed 25%) of the management fee that we charge for referred clients and members of their families, including a spouse, a child, or any other immediate family member who engages our firm on the recommendation of a referred client. We do not charge clients referred through AdvisorDirect any fee or charge that is higher than our standard fees and charges, nor do we pass any of the fee that we pay to TD Ameritrade to referred clients. Additional information regarding fees paid directly or indirectly to TD Ameritrade in connection with AdvisorDirect is contained in the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement [sic] Document.

Our arrangements with TD Ameritrade may raise a potential conflict of interest in the context of best execution. Specifically, we may have an incentive to select or recommend TD Ameritrade based on our interest in obtaining client referrals rather than on the interests of our clients in receiving the most favorable execution. We expect to direct client securities transactions to TD Ameritrade in return for the referrals that we receive, but we will use other broker-dealers and prime brokerage arrangements as well to execute client transactions.

We do not believe that the arrangements result in an actual conflict of interest because we have determined that TD Ameritrade generally provides best execution. Nevertheless, the benefits that we receive as a result of our arrangements with TD Ameritrade may influence our choice of TD Ameritrade for custody and brokerage services. In addition, because TD Ameritrade has the right to terminate our participation in TD Ameritrade Institutional and AdvisorDirect, we have an incentive to recommend that TD Ameritrade serve as custodian for a meaningful portion of our assets under management and to execute a meaningful volume of securities transactions through TD Ameritrade. In addition, we have agreed not to encourage clients who are referred through AdvisorDirect to transfer their accounts to a custodian other than TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duty requires us to do so.

There is no direct link between our participation in AdvisorDirect and the investment advice that we provide to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services that are provided without cost or at a discount:

- Receipt of duplicate client statements and confirmations;
- Research related products and tools;

- Consulting services;
- Access to a trading desk that serves advisor participants;
- Access to block trading, which provides the ability to aggregate securities transactions for execution and then to allocate the appropriate shares to client accounts;
- The ability to have advisory fees deducted directly from client accounts;
- Access to an electronic communications network for client order entry and account information;
- Access to mutual funds with no transaction fees and to certain institutional money managers; and
- Discounts on compliance, marketing, research, technology, and practice management products or services provided by third-party vendors.

TD Ameritrade may also have paid for business consulting and professional services that persons related to UAS receive. Some of the products and services that are made available by TD Ameritrade through the Institutional program may benefit UAS rather than our clients. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits that UAS and our personnel receive as a result of participation in the TD Ameritrade Institutional program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duty to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

We also receive from TD Ameritrade additional economic benefits in the form of services that may or may not be offered to other independent investment advisors that participate in the Institutional program. Specifically, these services include the Argus Research product. TD Ameritrade provides these additional services to UAS in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for these services. We have entered into an additional services addendum with TD Ameritrade to govern the terms of the provision of these additional services.

Our receipt of the additional services raises potential conflicts of interest. In providing additional services to our firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the additional services addendum in its sole discretion, provided that certain conditions are met.

Consequently, in order to continue to obtain the additional services from TD Ameritrade, we have an incentive to recommend to our clients that their assets under our management be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Our receipt of the additional services does not diminish our duty to act in the best interests of our clients, including our duty to seek best execution of trades for client accounts.

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### **Outgoing Referrals**

We do not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred by UAS.

## **Custody**

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### **Account Statements**

All client funds and securities are held at qualified custodians. These custodians provide account statements at least quarterly, and most provide statements on a monthly basis. The account statements are sent directly to each client at his address of record. If the client prefers, the account statements may be posted to a secure website.

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### **UAS Reports**

Clients are urged to compare the account statements received directly from their custodians to the reports provided by UAS.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

We generally have discretionary authority to manage securities accounts on behalf of clients who have engaged us to perform Discretionary Money-Management Services. In these instances, we have the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in client accounts on behalf of clients so that we may promptly implement our investment strategies.

The client approves the custodian to be used and the commission rates paid to the custodian or the executing broker-dealer. We do not receive any portion of the transaction fees or commissions paid by the client to the custodian or the executing broker-dealer.

Unlike client accounts for which we provide Discretionary Money-Management Services, we are required to obtain the prior authorization of the client before purchasing or selling securities in

an account for which we have been engaged to provide the Co-Managed Solution. We generally obtain prior authorization by means of a telephone call.

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### **Limited Power of Attorney**

Many clients grant UAS a limited power of attorney, which is an authorization that gives UAS authority to purchase and sell securities in a client account and to deduct our fees from the account.

## **Voting Client Securities**

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### **Proxy Voting**

We have adopted written proxy-voting policies and procedures. Our clients generally grant us the exclusive right to vote proxies on their behalf, except that a client retains the right to vote as a shareholder of the mutual funds held in his or her account, subject to voting restrictions applicable to accounts governed by ERISA. We may delegate the right to vote client proxies to a third-party proxy service provider. To the extent that a client retains proxy-voting authority or has specific instructions regarding proxy voting, we document this consideration in the investment management agreement. Our proxy-voting procedures are available upon request to any client. Also available upon request to any client is a record of how we have voted client proxies since we became registered with the SEC as an investment advisor.

In the absence of specific voting guidelines from the client, we vote proxies in the best interests of clients. Absent restrictions from a client, we vote all proxies from a specific issuer the same way for each client. We generally vote in favor of routine corporate housekeeping proposals, such as the election of directors and the selection of auditors, absent conflicts of interest raised by non-audit services. We generally vote against proposals that we perceive to cause board members to become entrenched or that promote unequal voting rights. In reviewing proposals, we consider the opinion of management and the effect on management, shareholder value, and the business practices of the issuer. In some cases, such as when the proxy materials are in a language other than English, the expense of obtaining a translation may mean that the best interests of the client are served by our not voting the proxy.

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### **Conflicts of Interest**

If a matter to be voted upon were to involve a potential conflict of interest, our portfolio managers would consult with the chief compliance officer prior to contacting the client to describe the conflict presented. The proxy would then be voted in accordance with the instructions of the client.

## **Financial Information**

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### **Financial Condition**

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

## **Information Security Program**

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### **Information Security**

We maintain an information security program to reduce the risk that personal and confidential information relating to our clients may be improperly disseminated.

### **Privacy Notice**

Statutes and regulations obligate UAS and our personnel to maintain and preserve the confidentiality of client nonpublic personal information. We seek to comply with applicable law by providing clients who are natural persons with the necessary notices describing our privacy policies and practices. These policies and practices include a description of the types of nonpublic personal information that we collect, a description of the manner in which we collect the information, and an explanation of the conditions under which we may disclose nonpublic personal information to third parties.

## **Brochure Supplement**

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### **Education and Business Standards**

Our personnel who are involved in determining or giving investment advice to clients have one or more of the following educational and business backgrounds:

- Credentials as a Certified Financial Planner, a CFA charterholder, an attorney, or a certified public accountant;
- Experience with our firm in an advisory capacity, together with enrollment in or completion of a professional education program that emphasizes the practice of financial planning as contemplated by the Certified Financial Planner Board of Standards Inc.;
- At least three years of securities industry experience;
- A college degree in an area related to business, such as business administration; or

- A Series 7 or 24 securities industry license administered through FINRA held through a broker-dealer that is registered with the SEC.

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**Lee DeLorenzo**

Born 1960

Adelphi University, Certificate in Financial Planning, 1983

Certified Financial Planner, 1984

Qualified Pension Administrator, 1991

Ms. DeLorenzo is the founder of United Asset Strategies, Inc. and has been its president and a senior portfolio manager since its inception in 1992. She has also served as president of United Financial Group, Ltd., a registered broker-dealer and licensed insurance agency founded in 1981. In addition, Ms. DeLorenzo has served as president of United Retirement Consultants, Inc. since its inception in 2008. As a registered representative of UFG, she holds the Series 7 (General Securities Representative), Series 24 (General Securities Principal), Series 51 (Municipal Fund Securities Limited Principal), and Series 63 (Uniform Securities Agent State Law Examination) securities industry licenses administered by FINRA. She also maintains life insurance, health insurance, and variable annuity licenses with the insurance departments of the States of New York and New Jersey.

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**Michael Riccardi**

Born 1962

United States Military Academy, B.S. in Economics, 1984

United States Army Air Defense Officer Basic and Officer Advance Schools

Airborne, Air Assault, and Master Fitness Training School, honor graduate

Mr. Riccardi joined United Asset Strategies, Inc. in 2009 as a senior portfolio manager and investment counselor. After graduating from West Point, Mr. Riccardi served our country for seven years as a captain in the United States Army. His service included a tour of duty in Saudi Arabia during Operation Desert Storm. From 1999 to 2008, Mr. Riccardi was a vice president and portfolio manager at an independent investor advisory firm with \$3 billion under management. His career in the financial services industry spans two decades, and his experience includes public-finance investment-banking services to municipalities, municipal-bond underwriting and trading, institutional bond sales to mutual-fund managers, and the establishment of arbitrage hedging strategies for institutional bond-trading desks. Mr. Riccardi holds the Series 65 (Uniform Investment Adviser Law Examination) securities industry license.

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**Rodney Che**

Born 1966

Northwestern University, B.S. in Business Administration and Finance, 1989

Mr. Che joined United Asset Strategies, Inc. in 2002 as a senior portfolio manager and also serves as chief operations officer. He is a registered representative of UFG. Mr. Che began his career in 1996 and previously served as a trader and investment consultant for several prominent money management firms. Mr. Che holds the Series 7 (General Securities Representative), Series 55 (Registered Equity Trader), and Series 63 (Uniform Securities Agent State Law Examination) securities industry licenses.

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**Gregg Schriro**

Born 1970

University at Buffalo (State University of New York), B.S. in Communication, 1993

Nassau Community College, A.A., 1991

Chartered Retirement Planning Counselor, 2008

Mr. Schriro joined United Asset Strategies, Inc. in 2003 as a financial advisor and now serves as a portfolio manager. He is a registered representative of UFG. Mr. Schriro began his career in 1998 and previously served as a financial executive and an investment specialist for two prominent money management firms. He also has experience in the insurance and communications sectors. Mr. Schriro holds the Series 7 (General Securities Representative), Series 55 (Registered Equity Trader), and Series 63 (Uniform Securities Agent State Law Examination) securities industry licenses. He also maintains life insurance, health insurance, and variable annuity licenses with the insurance departments of the States of New York and New Jersey.

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**Matthew DeLorenzo**

Born 1985

Columbia University, B.A. in Political Science, 2007

Candidate, CFA Charterholder

Mr. DeLorenzo joined United Asset Strategies, Inc. in 2007 as a research analyst and now serves as a portfolio manager. He is a registered representative of UFG. While attending college, Mr. DeLorenzo interned as a trading and research assistant for a prominent international financial-services group. He holds the Series 7 (General Securities Representative) securities industry license.

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**Richard Sajkowski**

Born 1961

United States Military Academy, B.S. in Economics, 1984

Mr. Sajkoski joined United Asset Strategies, Inc. in 2011 as a portfolio manager and investment counselor. After graduating from West Point, Mr. Sajkoski served our country for seven years and finished his distinguished service as an Air Defense Captain and Company Commander in the United States Army. From 1993 to 2005, Mr. Sajkoski was vice president of trading at a



large broker-dealer, where he specialized in fixed-income securities. From 2006 to 2011, Mr. Sajkoski served as vice president and branch manager of a major global bank. His career in the financial services industry spans 20 years, and his experience includes financial counseling, fixed-income futures, underwriting, trading, institutional bond sales to mutual funds, and the development of arbitrage-hedging strategies for a fixed-income trading desk. Mr. Sajkoski holds the Series 7 (General Securities Representative), Series 24 (General Securities Principal), and Series 63 (Uniform Securities Agent State Law Examination) securities industry licenses, as well as life and health licenses with the insurance department of the State of New York.

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**Other Business Activities**

Ms. DeLorenzo is the founder of United Asset Strategies, Inc. and has been its president and a senior portfolio manager since its inception in 1992. She has also served as president of United Financial Group, Ltd., a registered broker-dealer and licensed insurance agency founded in 1981. In addition, Ms. DeLorenzo has served as president of United Retirement Consultants, Inc. since its inception in 2008. Ms. DeLorenzo controls all of these entities.

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**Supervision of UAS Personnel**

Ms. DeLorenzo supervises all UAS personnel. She closely monitor the advice that supervised persons provide to our clients to ensure that the information correctly expresses the views of the portfolio managers regarding the securities to be purchased and sold for client accounts. Because the vast majority of clients grant discretionary authority to UAS, our personnel render investment advice primarily by effecting transactions in client accounts rather than by recommending transactions to clients for their approval. Questions relating to the supervision of UAS personnel may be addressed to Ms. DeLorenzo, its president, at 516.222.0021.