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Appendix 1 Wrap Fee Disclosure Brochure

March 15, 2012

This wrap fee program brochure provides information about the qualifications and business practices of Csenge Advisory Group, LLC. If you have any questions about the contents of this brochure, please contact us at 727.437.6000. 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.

Csenge Advisory Group, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about Csenge Advisory Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Csenge Advisory Group's Wrap Fee Disclosure Brochure has been updated with the following material change that has occurred since the last update of our Brochure on December 1, 2011.

We were previously registered as an investment adviser with the State of Florida. On October 13, 2011 our registration with the SEC became effective.

Currently, our brochure may be requested by contacting Steve Csenge, Chief Compliance Officer, at 727.437.6000 or steve@csenge.com.

We will provide you with a new brochure at any time without charge.

Additional information about our company is also available via the SEC's website:

www.adviserinfo.sec.gov.

The SEC's website also provides information about any persons affiliated with us who are registered as investment adviser representatives ("your advisory representative") of CAG. Information on our investment adviser representatives who work with your account can be

found in our brochure supplements.

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Services, Fees and Compensation

CAG is a limited liability company organized under Florida state law. John L. Csenge founded the Clearwater-based investment advisory firm in 2000. John and Steve Csenge are the principal owners.

We are registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”). We offer the following programs under a wrap fee arrangement.

Advisory Services

Asset Management Program

Certain of our advisory representatives directly manage client portfolios. Assets are allocated within a mix of securities that may include:

- equities,
- bonds,
- options,
- mutual funds and
- exchange traded funds.

We also maintain three tactical asset allocation models consisting primarily of mutual funds and exchange traded funds (“ETFs”):

- Growth & Income,
- Core & Explore, and
- Sector Rotation.

However, your portfolio may be managed independently of these models.

We work with you to identify your investment goals, objectives, restrictions, and risk

tolerance to determine what is most suitable for you. From there, we customize your portfolio to create an initial allocation designed to complement your financial situation and personal circumstances.

Analysis, Recommendation and Monitoring of Third-Party Managed Programs

We will assist you in determining your investment objectives and goals, investment time horizon, and risk tolerance to help you select a suitable third-party manager. Generally, you will authorize the third-party manager to exercise the discretionary authority to determine the securities to be purchased and sold for the client. We will monitor your account and the third-party manager, as well as facilitate communications between you and the manager. We will provide you with a copy of the disclosure brochures of any third party we recommend to manage your accounts. This information will include a complete description of any relevant services and fees.

Fees and Compensation

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians (“custodian/ broker-dealer”). Your custodian/broker-dealer determines the values of the assets in your portfolio.

We offer our services on a fee-only basis. You must authorize us in writing to have the custodian/broker-dealer pay us directly by charging your account. If the Account does not contain sufficient funds to pay advisory fees, we have the limited authority to sell or redeem securities in sufficient amounts to

pay advisory fees. You may reimburse the account for advisory fees paid to us, except for ERISA and IRA accounts.

Fees for the initial quarter are prorated based upon the number of calendar days in the calendar quarter that our agreement is in effect. Thereafter, our fee is calculated based upon the market value of the assets in your account at the end of each calendar quarter. No fee adjustments are made for partial deposits or withdrawals.

One-fourth of the annual fee is charged each calendar quarter. Your custodian/broker-dealer provides you with statements that show the amount paid directly to us. You should review and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

Additionally, your custodian/broker-dealer provides you with statements that show the amount paid directly to us. You review your custodian/broker-dealer's statement and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

CAG Fee Schedule

<u>Advisory Service</u>	<u>Maximum Annual Fee^a</u>
Asset Management Program	2.35%
Third-Party Managed Programs	varies ^b

^a We may change the above fee schedule upon 30-days prior written notice to you. Fees are negotiable at our sole discretion.

^b We act as a solicitor for the third-party manager and share in a portion of the third

party manager's advisory fee. We will provide you with a copy of the manager's Disclosure Brochure, which contains information about their fees and services. The fees charged by these managers include fees paid by them to CAG. The combination of advisory fees will not exceed 2.5%.

In addition to our wrap fee, you may be required to pay other charges such as:

- custodial fees,
- transaction fees,
- SEC fees,
- internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs"), and
- other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship

with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled "Brokerage Practices," which follows later in this brochure.

Should you terminate the advisory agreement we have entered into within five business days from the date the agreement is executed, you will receive a full refund of any fees paid less any reasonable expenses. However, you shall be responsible for any transactions executed prior to receipt of the written notice of cancellation.

The majority of our advisory fees must be paid in advance of receiving our services. Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

You may terminate financial planning services at any time up to presentation of the plan or analysis. You will be responsible for the time spent on your plan prior to our receipt of the termination notice at the applicable hourly rate. Should you be dissatisfied with the services, you will be refunded the planning fee upon return of our plan or analysis.

If you pay our advisory fees after receiving our services and either one of us terminates the advisory agreement we have entered into before the end of a billing period, any fees that we have earned are immediately due and payable. We will deliver a final billing statement for unbilled work upon receipt of your termination notice.

Our advisory representatives are also registered representatives and investment adviser representatives of FSC Securities Corporation ("FSC"), a registered broker/dealer, member FINRA/SIPC, and registered investment adviser. If you choose to implement your financial plan through FSC, commissions may be earned by your advisory representative in addition to any fees paid for advisory services. In addition, the advisory representative may be entitled to a portion of the internal expense fees (such as 12b-1 fees) charged by mutual funds.

Our advisory representatives are also licensed with various insurance companies. Commissions may be earned by our advisory representatives if insurance products are purchased through these insurance companies.

We may receive benefits such as assistance with conferences and educational meetings from product sponsors. Our advisory representatives may also recommend various asset management firms through their affiliation with FSC. If you establish an investment advisory relationship with one of these firms, our advisory representatives may share in the advisory fees you pay to these asset management firms.

The above arrangements present a conflict of interest because they create an incentive to make recommendations based upon the

amount of compensation we receive rather than based upon your needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

Your advisory representative may recommend our wrap program to you and, as a result of your participation in this program, will receive a portion of the fee charged by us. These payments may be made as long as you participate in the program and may be greater than other forms of compensation had you participated in other programs or paid separately for investment advice, brokerage and other services provided to you as part of a wrap fee program. As a result, our advisory representatives may have a financial incentive to recommend this program over other programs or services that may be available to you.

Account Requirements and Types of Clients

The minimum account size for starting and maintaining an advisory relationship is \$50,000. We, at our sole discretion, may accept clients with smaller portfolios or lower minimums based upon certain factors including:

- anticipated future earning capacity,
 - anticipated future additional assets,
 - account composition,
 - related accounts, and
 - pre-existing client relationships.
- We may consider the portfolios of your family members to determine if your portfolio

meets the minimum size requirement. Third-party asset managers may set different minimums for participation in their programs.

We provide advisory services to charities, individuals and high net worth individuals, including their trusts, estates and retirement accounts. We also provide services to corporations or business entities including their pension and profit sharing plans.

Portfolio Manager Selection and Evaluation

The factors we consider when selecting third-party managers to recommend to clients include the manager's:

- management style,
- performance record,
- reputation,
- pricing, and
- reporting capabilities.

Third-party managers are evaluated using data and information from several sources, including the manager and independent databases. We also review the manager's Form ADV Part 2, as well as portfolio holdings reports that help demonstrate the manager's securities selection process. However, neither we nor a third party verifies the accuracy of performance information or compliance with performance standards.

In recommending a third-party manager to you, we consider your:

- financial situation,
- risk tolerance,
- investment horizon,
- liquidity needs,
- tax considerations,
- investment objectives, and

- any other issues important to your state of affairs.

You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

Your advisory representative may act as your portfolio manager. We do not evaluate these portfolio managers in the same manner that we evaluate TPIMs as described above. You decide whether you want your advisory representative to manage your assets directly or whether your assets are managed by a third party. We do supervise your advisory representative as described in the brochure supplement we have provided to you.

Other Advisory Business

In addition to the wrap fee programs described above under “Services, Fees, and Compensation”, we offer additional advisory services as follows:

Asset Allocation Service

We provide asset allocation advice to clients who want assistance with allocating their 401(k)s, other company retirement accounts or have accounts at broker-dealers or account custodians that do not have business arrangements with us. Based on the information gathered from you, we will provide you with a written asset allocation recommendation. These recommendations will be limited to those securities available in your account, but may be based on our model portfolios described above.

The frequency of the advice depends on your ability to provide us with current and accurate account information. Asset Allocation does not include execution services. Implementation of the advice is solely your responsibility. Partial implementation or delays in implementing the advice may impact the performance of your account.

Financial Planning Services

We offer financial, estate, tax, and retirement planning services. We gather required information through personal interviews. Information gathered includes your current financial status, future goals and attitudes towards risk. Related documents that you supply are carefully reviewed, including a questionnaire that you complete, and a written report is prepared. We will schedule a meeting with you and present the analysis of your situation and recommendations for steps to be taken to assist you to work toward financial goals.

In preparing your financial plan, certain assumptions may be made with respect to interest and inflation rates in conjunction with past trends in financial markets and the economy. However, past performance is not indicative of future returns. We cannot insure that your financial goals and objectives will be met.

Should you choose to implement the recommendations contained in the plan, we suggest that you work closely with your attorney, accountant, insurance agent, and stockbroker. Some implementation services are available through us and our affiliates. Should you implement the plan through our advisory representatives, commissions or other compensation may be received by them.

in addition to the advisory fee paid to CAG. You, however, are under no obligation to utilize us or our advisory representatives for implementation of financial planning recommendations. All such decisions are entirely at your discretion.

You can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We offer three levels of advisory services and consulting:

- Level One – Basic Needs Analysis
 - Retirement/Cash Flow Needs
 - Survivor Needs
 - Educational Needs
- Level Two – Investment Analysis
 - Investment Risk Profile
 - Asset Allocation
 - Investment Policy Statement
- Level Three – Standard Arrangement
 - Level One plus
 - Level Two financial planning services.

You must continue to review and update your plan based upon changes in your financial situation, goals, or objectives or changes in the economy. Should your financial situation or investment goals or objectives change, you must notify us promptly of the changes.

Corporate Investment and Retirement Plan Consulting Services

We provide retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor in meeting their management and fiduciary obligations to the plan under ERISA.

Retirement consulting services consist of general or specific advice, and may include any one or all of the following:

- Platform provider search and plan set-up,
- Strategic planning and investment policy development or review,
- Plan review,
- Plan fee and cost review,
- Acting as third party service provider liaison,
- Assessment of plan investments and investment options,
- Creation of asset allocation models,
- Plan participant education and communication,
- Investment advice to participants,
- Plan benchmarking and performance reporting,
- Provide ongoing monitoring of investment vehicles,
- Plan conversion to new vendor platform,
- Assistance in plan merger,
- Legislative and regulatory updates, and
- Plan corrections.

Individualized Service

Our advisory services are tailored to your needs. We consider your:

- financial situation,
- risk tolerance,
- investment horizon,
- liquidity needs,
- tax considerations,
- investment objectives, and
- any other issues important to your state of affairs.

You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to

impose any reasonable restrictions upon the management of your account.

Management of Wrap Accounts

Generally, our advisory services are offered on a wrap fee basis. The fee you pay to us covers our advisory fee and most brokerage commissions and other trading costs as described under “Fees and Compensation”. Although we have made an occasional exception, we do not typically manage accounts on a non-wrapped basis. We do not manage wrapped and non-wrapped accounts differently.

Performance-Based Fees

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

Methods of Analysis, Investment Strategies and Risk of Loss

CAG conducts fundamental and technical analysis. Fundamental analysis generally involves assessing a company’s or security’s value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Technical analysis generally involves studying trends and movements in a security’s price, trading volume, and other market-related factors in an attempt to discern patterns.

A rigorous relative strength methodology is used for the dual aim of reducing portfolio volatility while seeking to enhance total return. This includes a top-down 4-step process of market analysis, sector analysis, manager or product analysis and risk management. This can help with more consistent returns and thereby create a better environment for systematic withdrawal needs.

CAG primarily uses mutual funds and ETFs. The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and fund straying from its objective. Open ended mutual funds do not typically have a liquidity issue and are priced at the end of the trading day. Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to you following any purchase of a mutual fund that is new to your account. In addition, a prospectus is available online at each mutual fund company's web site. At your request at any time, we will direct you to the appropriate web page to access the prospectus.

ETFs trade on an auctionable market. Therefore, there is daily price fluctuation. Also, since most ETFs mirror a market index, such as the S&P 500, they won't outperform the index.

Our investment strategies may include long-term and short-term purchases. Frequent trading can affect investment performance through increased taxes. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio. All investments involve risks that can result in loss:

- loss of principal,

- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

Voting Client Securities

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

Client Information Provided to Portfolio Managers

We work with you to identify your investment goals and objectives, as well as risk tolerance, in order to provide you with an initial portfolio allocation designed to complement your financial situation and personal circumstances. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio. We obtain this information from you initially, annually, and as you inform us of any changes. If you have

chosen a third party to manage your assets, relevant information is passed on as necessary.

Client Contact with Portfolio Managers

You have ready access to your advisory representative who you have chosen as your portfolio manager. If you have chosen a third party to manage your assets, your advisory representative can schedule a meeting with your portfolio manager. Portfolio managers are not required to be available for unscheduled or unannounced visits or calls by clients. However, portfolio managers are expected to periodically meet with clients and should generally be available to take client telephone calls on advisory-related matters.

Additional Information

Disciplinary Information

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

Other Financial Industry Activities and Affiliations

As explained under “Fees and Compensation” above, your advisory representative may be licensed as a registered representative through FSC Securities Corp. Your advisory representative may also be licensed as an insurance agent with various insurance carriers.

These arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation your advisory representative can receive rather than based upon your investment needs. As previously noted, we will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. You have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

As previously described, we are a party to written agreements with certain third-party investment managers under which we may provide personal advisory services to you. Such personal advisory services include: qualifying you for a particular third party asset manager's investment program as well as determining your goals and objectives (determining risk tolerance and investment styles). In doing so, we may be acting as a solicitor for that third-party manager. We receive compensation for these advisory services in accordance with the agreements. This compensation is typically equal to a percentage of the investment advisory fee charged by the third-party managers.

Because such compensation may differ depending on the individual agreement with each third-party managers, we may have an incentive to recommend a particular third-party managers over other third-party managers with which we have a less favorable compensation arrangement or alternative advisory program. To address this potential conflict we consider the following factors in the selection of third-

party managers which include, but may not be limited to:

- the management style, performance, reputation, pricing and reporting capabilities of the third party investment adviser;
- your risk tolerance, goals and objectives, as well as investment experience;
- the amount of assets you have available for investment; and
- our familiarity and preference for a particular adviser.

Any solicitation or referral arrangements will comply with applicable laws that govern the nature of the service, fees to be paid, disclosures to clients and any necessary client consents. You are under no obligation to follow our recommendations.

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

We have adopted a Code of Ethics ("Code") to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of a advisory representative's or employee's position of trust and responsibility;

- that advisory representatives may not take inappropriate advantage of their positions;
 - that information concerning the identity of your security holdings and financial circumstances are confidential; and
 - that independence in the investment decision-making process is paramount.
- We will provide a copy of the Code to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

Review of Accounts

All account reviews are performed by advisory representatives of CAG. We regularly monitor your account, as well as general conditions in the financial markets, and recommend changes or opportunities when we believe it is appropriate to do so. We strongly encourage you to notify us of any material changes in your overall financial condition or your investment objectives or risk tolerance as these could have a material effect on the recommendations we make to you.

Your advisory representative will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections. You will be invited to participate in at least an annual review as agreed by you and your advisory representative. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. We will provide you with a written consolidated report of your managed account. Participants in discretionary wrap accounts will have the option to have individual trade confirmations suppressed.

Planning Services

You will not receive regular reviews. We recommend you have at least an annual review and update to any plans. However, the time and frequency of the reviews is solely your decision. Other than the initial written plan or analysis, there will be no other reports issued.

Retirement Plan Consulting Services

We will provide you with a written periodic review of fund expenses, investment performance, and style drift; comparing them with other funds in the same asset category. We will also provide suggestions as we deem appropriate for the replacement or addition of mutual funds for plan sponsors to make available to plan participants.

Client Referrals and Other Compensation

We do not directly or indirectly compensate any person who is not one of our advisory representatives or employees for client referrals.

We may recommend that your broker-dealer/custodian be Charles Schwab & Co., Inc. ("Schwab") or Pershing, LLC ("Pershing") (together "custodian/broker-dealers"). The custodian/broker-dealers will assist us in servicing your account. We are independently owned and operated and not affiliated with the custodian/broker-dealers. Our use of them is, however, a beneficial business arrangement for us and for the custodian/broker-dealers. Information regarding the benefits of this relationship is described below.

Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") permits us, under certain circumstances, to cause you to pay a broker or dealer a commission for effecting a transaction in excess of the amount of commission another broker or dealer would have charged for effecting the same transaction. The additional commission is paid in recognition of the value of brokerage

and research services provided by the broker or dealer. This practice is referred to as a "soft dollar" arrangement. When we use your brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services ourselves.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend for your use, we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker-dealers may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through the custodian/broker-dealer may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by the custodian outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Research products and services we receive are in addition to, and not instead of, the services we perform under our advisory agreements. Any advisory or other fees you pay us are not reduced as a result of the receipt of research products and services.

Brokerage and research services include:

- furnishing advice as to:

- the value of securities,
 - the advisability of investing in, purchasing or selling securities, and
 - the availability of securities or purchasers or sellers of securities;
- furnishing analyses and reports concerning:
 - issuers,
 - industries,
 - securities,
 - economic factors and trends,
 - portfolio strategy, and
 - the performance of accounts; and
- effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody).

In the case of research services, we believe that access to independent investment research is beneficial to our investment decision-making processes and, therefore, to you.

In recommending Schwab or Pershing as custodian and as the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum:

- existing relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. We intend to use commissions in a manner that comes within the safe harbor

of Section 28(e). However, as discussed above, we may obtain products and services that have a research and non-research use.

We are required to monitor soft dollar arrangements to identify research products or services that have a mixed use (research and non-research). We then must make a reasonable allocation of the cost of the product according to its use. The portion that provides us assistance in the investment decision-making process may be paid for by commission (soft) dollars. Products and services that provide administrative or other non-research assistance to the firm are outside the safe harbor of Section 28(e) and must be paid for by GCA using its own funds. Examples of these products or services include:

- trade analysis software;
- marketing; and
- management systems integrating
 - trading,
 - execution,
 - accounting,
 - record keeping and
 - other administrative matters.

We have a conflict of interest in making this research/non-research determination. We maintain records concerning mixed-use allocations and make a good faith review of these determinations on a quarterly basis. The determining factor in the selection of a custodian/broker-dealer to execute transactions for your accounts is not the lowest possible transaction cost, but whether they can provide what is in our view the best qualitative execution for your account.

The custodian/broker-dealers provide us with access to its institutional trading and custody services, which includes:

- brokerage,
- custody,
- research, and
- access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

We are not required to place a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services.

The custodian / broker-dealers do not charge separately for holding our clients accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your accounts. They may charge an annual fee if there is insufficient activity in the account. They have also implemented additional fees for paper statements, reporting, etc. that are charged to the clients.

The custodian/broker-dealers also make available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- provide access to account data such as:
 - duplicate trade confirmations,
 - bundled duplicate account statements, and
 - access to an electronic communication network for client order entry and account information;
- facilitate trade execution, including:
 - access to a trading desk serving advisory participants exclusively and

- access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;

- provide research, pricing information and other market data;
- facilitate payment of our fees from client accounts; and
- assist with back-office functions, record keeping and client reporting; and
- receipt of compliance publications.

The custodian/broker-dealers also make available to us other services intended to help us manage and further develop our business. These services may include:

- consulting,
- publications and conferences on practice management,
- information technology,
- business succession,
- regulatory compliance, and
- marketing.

The custodian/broker-dealers may also make available or arrange for these types of services to be provided to us by independent third parties. They may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with The custodian/broker-dealers, because we do not have to produce or purchase the products and services listed above.

Because the amount of our compensation or the products or services we receive may vary depending on the broker-dealer/custodian

we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific broker-dealer/custodians may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through the custodian/broker-dealers we have recommended may be higher than commissions and other fees available if you use another broker-dealer/custodian firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by Pershing outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained through the specific custodian/broker-dealers. We do not attempt to allocate these benefits to specific clients.

You may direct us in writing to use a particular custodian/ broker-dealer to execute some or all of the transactions for your account. In this case, you are responsible for negotiating the terms and arrangements for the account with the custodian/broker-dealer. We will not be able to negotiate commissions, obtain volume discounts or best execution pricing. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients

who direct us to use a particular custodian/ broker-dealer and clients who do not direct us to use a particular custodian/broker-dealer.

We may engage in bunched trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients.

Transactions for the accounts of our employees and advisory representatives may be included in bunched trades. They receive the same average price and pay the same commissions and other transaction costs, as clients. Transactions for the accounts of our advisory representatives or employees will not be favored over transactions for client accounts.

We are not obligated to include any client account in a bunched trade. Bunched trades will not be effected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client. Trade errors are

corrected in a manner that does not disadvantage the client.

Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.