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Client Disclosure Brochure: ADV Part 2A Appendix 1 - Client Wrap Fee Program Brochure

This wrap fee program brochure provides information about the qualifications and business practices of United Capital Financial Advisers, LLC ("United Capital") and its Strategic Portfolio Advisory Services. If you have any questions about the contents of this brochure, please contact us at 949-999-8500. 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 Capital is also available on our website at www.unitedcp.com and the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This section of the Client Wrap Fee Program Brochure is meant to describe any material changes relating to United Capital that client's should be aware of.

We do not have any material changes to report at this time.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting our main office at 949-999-8500. Our Brochure is also available on our web site www.unitedcp.com, also free of charge.

Additional information about United Capital is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with United Capital who are registered, or are required to be registered, as investment adviser representatives of United Capital.

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Services, Fees and Compensation

Description of Business

United Capital Financial Advisers, LLC ("United Capital" or "United Capital Private Wealth Counseling") (formerly organized as United Capital Financial Advisers, Inc.) is an independent wealth counseling and investment advisory firm registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940, as amended. United Capital's registration with the SEC became active on June 9, 2005. United Capital is a Delaware corporation with its principal offices located in Newport Beach, California, with regional offices and locations throughout the United States. Regional offices of United Capital may represent themselves through various names including United Capital, United Capital Private Wealth Counseling, or United Capital followed by a regional location. Additionally, certain offices may use a different name followed by "a division of United Capital Financial Advisers".

General Description of Strategic Portfolio Advisory Services

United Capital provides discretionary investment management services to its Clients using a variety of asset classes and investment vehicles that typically include mutual funds, exchange traded funds ("ETFs"), equity securities and fixed income securities. Client accounts are generally invested in strategies, with similar accounts invested in the same securities. Accounts are also managed at a custom level, with security selection varying from one client to another.

Reasonable Restrictions, Pledging and Withdrawing Securities

Clients have the option to place reasonable restrictions on their wealth counseling & advice services, discretionary investment management accounts, and on the financial planning analysis United Capital provides, including investments in specific securities or types of securities. Requests for such restrictions are reviewed by United Capital's Investment Committee, the Client's Investment Adviser Representative ("IAR"), and/or any Sub-Managers to ensure they are reasonable and will not impair United Capital's ability to manage the account and/or to achieve the investment objectives and goals the Client selects. Subject to the specific policies and procedures of the custodian for their account, Clients may pledge the securities in their account or withdraw the securities from their account (transfer in-kind to another account or custodian).

Investment Management: Wrap Fee versus Non-Wrap Fee Accounts

Clients are subject to two primary fees relating to the management of their account; an investment management fee which is charged as a percentage of the Client's assets under management and transaction costs charged by the broker or dealer executing the transactions in the Client's account. In certain instances Clients are assessed these fees separately (Non-Wrap), or in one combined fee (Wrap). Since the difference between the two types of accounts relate to transaction fees, depending on how the Clients assets are invested, a Wrap Fee account may be cheaper than a Non-Wrap Fee account, or visa versa. IARs work with Clients to determine if their account will be managed as a Wrap or Non-Wrap account. IARs are compensated based on a percentage of the assets under management, and their compensation may be higher or lower, depending on which method is chosen, therefore, IARs may have a financial incentive to recommend one method over another. The investment management agreement (or documented amendment to the agreement) that each Client executes displays whether the Client or United Capital pays the transaction costs. The fee paid to United Capital for Wrap Fee Accounts may be higher than the fees Non-Wrap Fee Accounts pay. United Capital does not manage Wrap Fee Accounts differently from the way it manages Non-Wrap Fee Accounts.

In addition to the investment management fee and the transaction costs, Clients may be subject to other fees, as described below.

Assets Under Management (as of 12/31/2011)

| | Assets Under Management | Number of Accounts |
|-------------------|--------------------------------|---------------------------|
| Discretionary | \$4,939,019,161.94 | 18,882 |
| Non-Discretionary | \$544,080,014.12 | 271 |
| TOTAL | \$5,483,099,176.06 | 19,153 |

Fees

Each Client will enter into an agreement that describes United Capital's services and fees ("Agreement"). The annual Investment Management fee rate is negotiated with the Client based on the following fee schedule that serves as a general guideline. (see "Negotiated Fees" below for additional information)

| ANNUAL BASELINE FEE SCHEDULE [3] | | |
|-----------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------|
| TIER[2] | INVESTMENT MANAGEMENT ONLY[1] | COMBINED SERVICES (INVESTMENT MANAGEMENT + WEALTH COUNSELING & ADVICE)[1] |
| \$0 TO \$249,999 | 175 BPS | 225 BPS |
| \$250,000 TO \$499,999 | 150 BPS | 200 BPS |
| \$500,000 TO \$999,999 | 125 BPS | 155 BPS |
| \$1,000,000 TO \$2,000,000 | 110 BPS | 130 BPS |
| GREATER THAN \$2,000,00 | 100 BPS | 110 BPS |

The following information applies to the above fee chart:

1. Sub-Manager, Manager or Manager Research Fees: The investment management fee does not typically include fees charged by managers, sub-managers or fees assessed to cover manager research fees. These fees typically range from 0% to 1% of the Clients assets under management and are billed either quarterly or annually. These fees may be charged by United Capital for their management of strategies, as well as by third parties not affiliated with United Capital. United Capital may have an incentive to recommend the companies own strategies that have a manager fee associated rather than a non-affiliated manager or into a strategy without additional fees.
2. The Clients total fee rate will be blended using these stepped rates.
3. "BPS" = Basis Points. A basis point is a unit of measure generally used in finance. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form. Therefore, 50 bps would equal 0.5% (50/100^{ths} of a percent) or 0.005 in decimal form.

Negotiated Fees

The amount and method for calculating United Capital's Investment Management fees referenced in the fee schedule are negotiated with each Client and confirmed in the Agreement or, if the schedule has been changed from the initial agreement that the Client signed, through supporting documentation. . While the Investment Management fee is typically assessed a percent of the Clients assets under United Capital's management, it may also be assessed as a flat dollar amount

United Capital considers a number of variables when analyzing the specific services to be provided to the Client and determining the appropriate fees for those services. Factors that determine fees include, but are not limited to:

- the Client's wealth counseling and investment needs
- the amount of investable assets
- the clients net worth
- the amount of time anticipated to be spent servicing the Client
- local regional office precedence based on historical fee rates charged to other similar Clients

The Client's IAR will determine the fees for service after carefully balancing the consultative and the implemented portion of the Client relationship. As a result, similar Clients may be charged different fees for similar services.

United Capital may also combine the assets from "related accounts" to reduce the combined fee rate charged to Clients, this is also known as "householding". The Client's IAR reserves the right to determine whether Client accounts are "related" for purposes of aggregation. A determination of the related accounts is part of the fee negotiation with the Client and IAR. The Client should be aware that there may be certain restrictions on the aggregation of investments for ERISA, trust, and IRA Client accounts.

United Capital has acquired certain Client relationships through various acquisitions. To accommodate such transitions, the fee United Capital is charging the Client may have been previously determined by prior investment adviser relationships established before the advisory relationship with United Capital. This may mean that some Clients may be paying higher or lower fees than United Capital's current fee schedule provided in this brochure based on such arrangements. Some Clients may have received reimbursement or credit for transfer fees associated with moving their accounts from one institution or custodian to another during a transition from another investment advisory firm. In some circumstances, United Capital may, where appropriate, absorb the costs or pay certain expenses related to the transfer of Client accounts. Payment for such expenses must be approved by an authorized officer or agent of United Capital.

Terminated Accounts

If United Capital's discretionary management services are terminated by written notice by either party, any unearned pre-paid fees will be refunded to the Client on a pro-rata basis. United Capital will begin the process of removing itself from access to the account upon notification by or to the Client; however, a reasonable amount of time will be needed to liquidate and/or transfer assets, including time for required recordkeeping, and processing, subject to the rules and conditions imposed by mutual fund companies, stock exchanges, or securities issuers.

Investment Management Fees

United Capital charges its Clients an annual management fee based on an agreed upon percentage of the Client's assets under management. These investment management fees are payable quarterly. The method for billing these fees may vary based on the local regional offices historical method and is agreed upon under the terms of the Agreement, or supporting documentation if there were changes made after the Client signed the management agreement.

United Capital typically bills its investment management fees in advance based on the value of the assets in the Client's account at the end of the previous quarter. In certain situations, United Capital may bill fees in arrears, based on average daily balance of the account during the prior quarter, rather than in advance, or other methods, as agreed upon in the Agreement.

For new accounts and for new assets added after the start of a quarter, accounts will either be billed when the assets are available to be managed by United Capital, or in arrears, after the end of the quarter. United Capital typically does not charge a pro-rated amount for new money, less than \$20,000, added during a quarter. Additionally, United Capital does not typically credit any pre-paid fees for account withdrawals of less than \$20,000.

United Capital's annual investment management fee includes fees for the following services: mutual fund and sub-manager performance review, selection, monitoring and replacement, and related services.

United Capital relies on a number of different resources to price securities held in client accounts, including multiple portfolio accounting systems, pricing services and Custodians. As a result, Clients may receive different statements displaying a different valuation of the same security, based on the source of the data.

Additionally, different Clients with the same security may pay different fees depending on the valuation source of the securities in their specific account.

There are certain fees and expenses that Clients may incur, which are not included as part of the annual fees for investment management services charged by United Capital.

The investment management fee does not typically include fees charged by managers, sub-managers or fees assessed to cover manager research fees. These fees typically range from 0% to 1% of the Clients assets under management and are billed annually. These fees may be charged by United Capital for their management of strategies, as well as by third parties not affiliated with United Capital. United Capital may have an incentive to recommend the companies own strategies that have a manager fee associated rather than a non-affiliated manager or into a strategy without additional fees.

In addition, national securities exchange fees; charges for transactions with respect to assets not executed through the custodian; short term redemption fees; fees and expenses charged to shareholders of mutual funds and exchange traded funds by the fund manager; odd-lot differentials; American Depository Receipt fees; costs associated with exchanging currencies; or other fees required by law may be charged to the Client. Administrative fees for retirement accounts and any platform (technology) fees are paid directly by the Client, unless other arrangements have been made. Additionally, the Client will be charged for non-standard service fees incurred as a result of any special requests made by the Client, such as overnight courier or wiring fees. Wealth Counseling & Advice Services and Financial Planning fees, along with Initial Consultation Fees may be charged in addition to investment management fees.

United Capital imposes a minimum account size of \$100,000 and, in the case of sub-managed assets the sub-managers may impose their own minimum requirements. Any exceptions to account minimums are considered accepted by United Capital once the management of Client assets begins. United Capital reserves the right to terminate any account falling below its stated minimum.

United Capital's responsibility for advising Client accounts begins at the earlier of the "Effective Date" agreed to in the Agreement, or the date when the Client's assets (cash and/or securities) have been credited to the Client's account at the custodian and sub-custodian, if applicable. However, in no event shall fees begin accruing prior to the date the Client signs the Agreement.

United Capital reserves the right to amend its fee schedules at any time.

Clients should be aware that the fees charged by United Capital may be higher or lower than those charged by others in the industry and that it may be possible to obtain the same or similar services from other advisers at lower or higher rates.

Clients should also be aware that Investment Professionals ("IPs") not affiliated with United Capital recommending these advisory services may receive compensation as a result of Clients' contracting with United Capital for these services. The IP recommending these services may, therefore, have a financial incentive to recommend that a Client use United Capital's services over the services of other investment advisers. In certain instances, where Clients are referred to United Capital by an IP not affiliated, the fee rate charged to Clients may be negotiated and different then the fee rate charged if the Client were referred by an affiliated IP. In no instance will the negotiated fee rate be higher than the Annual Baseline Fee Schedule noted in the beginning of this section.

Investment Management Fee Payment

For United Capital's discretionary management services, United Capital sends the custodian an invoice for quarterly fee debits, or Clients submit payment by check. Clients will receive a quarterly statement from the custodian showing the amount of management fees that have been debited from their account. By

signing the United Capital Investment Management Agreement ("IMA"), Clients are authorizing the debit of both the initial pro-rata fee and on-going quarterly fees.

Mutual Fund and ETF Fees and Expenses

The mutual funds selected for inclusion in Client accounts United Capital manages on a discretionary basis are either no-load funds or load-waived mutual funds. All mutual funds and ETFs pay management fees to their investment advisers, and certain funds and money-market accounts have other types of fees or charges, including 12b-1, administrative or shareholder servicing fees, early redemption, bank servicing or certain other fees, which may be deducted from the net asset value of the funds that may be held in Client accounts on a continuing basis. These fees are routinely charged to all fund or security shareholders or owners and are separate from and in addition to United Capital's management fees.

Other Fees

For custodial services, United Capital utilizes the services of a number of firms to meet its Clients' needs. Custodial costs (for transactions executed through the custodian's broker-dealer) may be paid by the Client or by United Capital as negotiated and stated in the Agreement. These custodial and brokerage/transaction costs include custodial and clearing agent services for Client accounts, maintenance of portfolio accounting systems, preparation and mailing of Client statements, account processing, systematic withdrawals, redemptions, retirement account custodial services (except for the retirement account termination fee), maintenance of a Client inquiry system, as well as execution of securities transactions in the Clients account. Additionally, a Regulatory Fee is charged by the Securities and Exchange Commission (SEC) to sellers of securities that are traded on stock exchanges and subsequently assessed to Clients. These fees are from Section 31(b) of the 1934 Securities Exchange Act and are designed to recover the costs associated with the government's supervision and regulation of the securities markets and securities professionals.

Initial Consulting Fee

New Clients may be charged an Initial Consulting Fee ("ICF"). The ICF is a fee negotiated between the United Capital IAR and the Client of 0% to 1.5% of the Client's assets being advised by the IAR. The ICF covers the potentially significant amount of initial work completed by United Capital and its IAR's. Initial work may include gathering information about the Clients historical investments and financial circumstances, helping Clients to complete required custodial and other third party paperwork, as well as other efforts that may be needed for new clients. The ICF is charged up-front for new Clients, at the inception of the Client relationship. The fee will either be deducted from the Client's account or paid by check or other means, as the Client decides. The agreed upon fee will be noted on the IIMA and/or the Advice & Financial Planning Agreement.

Outside Activities of IAR's

Certain IARs of United Capital may be registered with a broker-dealer not affiliated with United Capital, as an outside business activity. These IARs, in their capacity as a registered representative of an unaffiliated broker-dealer, may perform securities transactions on a Client's behalf, if requested to do so by the Client, and receive a commission for the transactions. In these circumstances, Clients are under no obligation to effect securities transactions through the IAR's associated broker-dealer. Because of the potential for the IAR to generate a commission in addition to fees charged by United Capital, the IAR may have an incentive to recommend investment products based on the compensation received, rather than the Client's needs.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

United Capital generally provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, corporations, charitable institutions, foundations and endowments.

Minimum Account Size

Generally, United Capital's discretionary investment management services are available for accounts with a minimum asset value of at least \$100,000 and, in the case of sub-managed assets the sub-managers may impose their own minimum requirements. The IAR working with the Client may from time to time make exceptions to the minimums, as the IAR deems appropriate. Account minimums are reviewed periodically and are subject to change. Upon giving notice to United Capital, or by contacting their account custodian directly, Clients may make additions to or withdrawals from their investment management accounts. If at any time the Client's account is less than the minimum account size designated, the discretionary investment management services agreement may be subject to termination by United Capital after formal written notice is provided to the Client.

United Capital's investment strategies are designed as long-term investment vehicles and asset withdrawals may impede the achievement of a Client's investment objectives or goals.

PORTFOLIO MANAGER SELECTION AND EVALUATION

Portfolio Manager Selection

United Capital IARs work with Clients to understand their risk tolerance and objectives and determine an appropriate asset portfolio construction. Once an appropriate portfolio is constructed, the United Capital Investment Committee oversees the individual security selection and execution.

Typically, Client assets are managed in set strategies, where multiple accounts are invested in the same securities at the same allocation. Client assets may also be managed on a custom and/or non-discretionary basis.

The United Capital Investment Committee is comprised of a core voting group, along with sub-committees that report to the primary Investment Committee. Members of United Capital's Investment Committee are generally required to have both a high school and college education or equivalent experience. In addition, all personnel who provide investment advice are required to have financial, analytical or portfolio management experience, or to have passed the Uniform Investment Adviser Law Examination (Series 65 or Series 66), or other relevant qualifying examinations, or to have obtained a professional designation such as Chartered Financial Analyst or CERTIFIED FINANCIAL PLANNER™, or other valid educational backgrounds or designations as permitted by regulations.

The United Capital Investment Committee typically meets on a weekly basis to review the various investment strategies and the securities that the strategies are invested in, using Fundamental and/or Technical analysis to judge the merit of each specific investment where discretion is employed. The Investment Committee typically analyzes the performance of each investment (whether a strategy or individual security) based on pricing provided by the custodian where the Clients assets are held. For purposes of analysis, the committee may also use security analysis systems such as Morningstar or Bloomberg to apply a more detailed analysis of the securities. For certain sub-advisers, the committee may rely on performance data provided by the portfolio manager. In these situations, United Capital may not independently verify the information provided by the sub-adviser. Because performance data may come from different sources, performance information may not be calculated on a uniform and consistent basis for all United Capital Clients.

All Clients have the ability to request reasonable restrictions on how their account is allocated, but United Capital may not be able to accommodate all restrictions based on specific mandates of particular strategies. If United Capital cannot accommodate a requested restriction, the Client will be notified and given the option to withdraw their request, or work with their IAR to find an investment solution that meets their expectations.

Unless the Client specifically directs otherwise, the Client grants United Capital authority to:

- apply its discretion on the types of securities bought and sold, along with the percent allocation
- direct trades to the custodial agent
- reallocate the Client's portfolio to keep it in line with Clients investment goals and risk tolerance
- rebalance the Client's account periodically to conform to the asset allocation expectations of the individual account
- replace the custodial agent if deemed necessary
- select the broker-dealer for execution of securities transactions
- vote proxies on behalf of the Client
- act as the Client's agent and attorney-in-fact to receive prospectuses, periodic reports, transaction confirmations, proxy materials, Part II of the Sub-Manager Forms ADV, and other communications from issuers of securities, as applicable and
- deduct investment management fees directly from the Client's account

United Capital does not take custody of Client assets, outside of its authority to request the deduction and payment of agreed upon management fees from the Clients account.

Sub-Manager Limited Discretion

For certain strategies, United Capital outsources a portion of the investment section to independent professional asset managers, who are not affiliated with United Capital, that act as sub-advisers ("Sub-Manager") on a limited discretionary basis. The Sub-Managers responsibility varies and may include one or more of the following:

- use discretion to determine the types of securities bought and sold, along with the percent allocation
- applying their discretion on when to buy and sell
- applying their discretion on the timing of transactions.
- select the broker-dealer for execution of securities transactions, if appropriate
- vote proxies and
- take other portfolio management actions that United Capital deems appropriate

When a Sub-Manager is used, their activities are overseen by the United Capital Investment Committee.

United Capital may obtain a limited power of attorney from Clients invested with Sub-Managers. The limited power of attorney grants United Capital with the right to receive certain documents form the Sub-Manager on the Clients behalf, including but not limited to prospectuses, shareholder reports, proxies and Part 2 and/or wrap fee program brochure of Sub-Manager's Form ADV, and other documents. This limited power of attorney by the Client may be rescinded at any time by written notice to United Capital.

Upon request, United Capital will provide Clients with information about any Sub-Manager participating in the United Capital services. This information may be content provided by the Sub-Manager explaining their investment style, or an explanation created by United Capital. Additionally, United Capital will provide Clients with a copy of the Sub-Managers ADV Part 2 upon request.

Advisory Business

See above "Services, Fees and Compensation" section a description of the difference between United Capitals Wrap and Non-Wrap programs.

Methods of Analysis

United Capital's Investment Committee is responsible for analyzing the specific securities that Clients assets are invested in as well as determining which sub-managers to use. The Investment Committee has other supervised persons of United Capital as well as non-affiliated investment professionals participate and contribute to Investment Committee meetings by performing analysis and research projects. The non-affiliated professionals typically have specific expertise, including domestic and international micro and macro economic matters, technical market analysis, and other areas that United Capital believes outside

experts would offer a perspective beneficial to how it applies discretion on the management of Client accounts. The Investment Committee regularly reviews the implementation and performance of all investment strategies and sub-managers, along with any relevant current financial information.

When evaluating the capital markets and investment landscape, the committee considers a number of factors. The process starts with a global macroeconomic view, which drives United Capital's broader asset allocation decisions. Additionally, the committee uses fundamental and technical valuation analysis to evaluate securities positions.

Performance Based Fees

United Capital does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

Risk and Tax Disclosure

Investing in securities involves risk of loss that Clients should be prepared to bear. Investment performance can never be predicted or guaranteed and the value of a Client's account or portfolio holding will fluctuate due to market conditions and other factors. For all discretionary accounts United Capital manages, there is a risk that the investments selected will underperform comparable indices.

Certain strategies that United Capital may implement may exhibit higher turnover, which might have certain negative implications, including but not limited to reduced investment performance versus comparable indices, additional brokerage and transaction costs, and may, in some instances, create additional tax liability for Clients.

To implement investment management, if a Client's account initially contains securities invested rather than a cash deposit, all or a portion of the Client's securities may be sold either at the initiation of, or during, the course of management of their account. United Capital is not responsible for market risk that may result in losses to a Client's account during the in-kind transfer of securities from one institution to another. The Client is responsible for any tax liabilities arising from such transactions and is encouraged to seek the advice of a qualified tax professional. United Capital, its affiliates and associated persons does not provide tax or legal advice for services it provides to Clients.

Proxy Voting

Unless directed otherwise, by signing the discretionary investment management service's IMA, the Client has appointed United Capital as its agent and attorney-in-fact to vote proxies presented by the issuers of any securities held in the Client's accounts under United Capital's supervision.

United Capital, in its sole discretion, may delegate proxy voting to third parties, including a proxy-voting service or the Sub-Managers for securities held in Client accounts in the specific asset class they are sub-advising. The Client authorizes United Capital, and any third party to which United Capital has delegated proxy voting, to receive all shareholder communications related to such proxy voting distributed by the issuers of such securities. United Capital may stop using the services of third party voting services at its sole discretion. If Clients would like to elect how to vote a proxy for a specific issue or for all of their securities managed by United Capital, they should contact their local IAR, or call United Capital at 949.999.8500 during regular business hours and ask for the Investment Management Department or write to United Capital, Investment Management Department, 500 Newport Center Drive, Second Floor, Newport Beach, CA, 92660. Any requests made to vote a specific security a certain way will be made on a best efforts basis. United Capital cannot control the timing, guarantee or provide assurance that a vote can be overrode if it was already submitted for the specific request.

If United Capital is not voting proxies for the Client, the Client maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Clients investment assets.

United Capital's Proxy Voting Policies is summarized below. To receive a copy of United Capital's Proxy Voting Policy and Procedures or to find out how United Capital or its designee, if any, voted specific Client securities, Clients should call United Capital at 949.999.8500 during regular business hours and ask for the Investment Management Department or write to United Capital, Investment Management Department, 500 Newport Center Drive, Second Floor, Newport Beach, CA, 92660.

Proxy Voting Policy Summary

United Capital has adopted Proxy Voting Policies and Procedures ("Procedures") that are designed to fulfill its duties of care and diligence to its Clients. These Procedures are designed to ensure that Client securities are voted in the best interests of United Capital's Clients and address material conflicts that may arise between United Capital's interests and those of its Clients. The primary policy of United Capital is to "vote in the best interest of the client" through the use of third party Proxy voting and research provider services, where analysis and review is conducted on the proxy proposal. The Procedures contain guidelines that focus on the best interests of the Clients, including election of Directors, auditor ratification, executive compensation, authorized shares, shareholder rights, merger/acquisitions, shareholder proposals, governance and environment/social. The Client reserves the right and opportunity to vote proxies themselves, or to address the voting issue through other objective means, such as voting in a manner consistent with pre-determined voting policy or receiving an independent third-party voting recommendation. United Capital is not obligated to vote every proxy; there may be instances when refraining from voting is in the best interests of the Client. United Capital may vote securities differently for different Clients and may use a proxy voting service or delegate the proxy voting to Sub-Managers.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

IARs act as the primary point of contact for United Capital's Clients, gathering information to understand their individual risk tolerance and financial objectives. Based on their assessment of Clients financial needs and risk tolerance, IARs select appropriate strategies or customized investments for Clients. After selecting a particular strategy or investment option, IARs provide the portfolio manager with the necessary information to execute transactions. The information provided typically includes but is not limited to the Clients:

- Name
- account number/s
- how the Clients assets should be distributed (percent allocation) into one or more strategies and
- any reasonable restrictions from the Client on how they would like their assets to be invested

The IAR notifies the portfolio manager about requested changes to the percent allocation and/or changes to reasonable restrictions requested by the Client.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

Clients of United Capital may at times desire to speak with the portfolio managers of United Capital's Strategic Portfolio Advisory Services. Portfolio Managers are available to speak with Clients upon request, with reasonable advanced notice.

ADDITIONAL INFORMATION

Disciplinary Information

Investment advisers and their management persons are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client, or a prospective Client's evaluation of United Capital's advisory business or the integrity of United Capital's management. United Capital has no reportable disciplinary information.

Other Financial Industry Activity and Affiliations

Certain IARs of United Capital may be licensed with a broker-dealer not affiliated with United Capital. These IARs may perform securities transactions on a Client's behalf, if requested to do so by the Client, and receive a commission for the transactions. In these circumstances, Clients are under no obligation to effect securities transactions through the IAR's associated broker-dealer. Because of the potential for the IAR to generate a commission separate from or in addition to fees charged by United Capital, the IAR may have an incentive to recommend investment products based on the compensation received, rather than on the Client's needs.

Certain IARs of United Capital may serve as an IAR with an investment adviser not affiliated with United Capital. These IARs may choose to offer investment advice and investment management services through a different investment adviser other than United Capital. The decision as to which investment adviser is chosen for a specific service is made at the IAR's discretion and is typically based on the specific needs of each individual client and the availability of services through the different investment advisers. The compensation arrangement with different investment advisers may be different for the IAR, and as such, the IAR may have an incentive to choose one investment adviser over another. This relationship may cause other conflicts of interest for the IAR when they choose one investment adviser vs another.

United Capital Affiliations

United Capital Risk Management ("UCRM"), an insurance agency located in Ft Lauderdale, Florida registered with various state insurance divisions, is a wholly owned subsidiary of United Capital. Certain IARs of United Capital may affiliate with UCRM to offer fixed insurance products to Clients and prospects.

PFE Advisors, Inc. (d/b/a The PFE Group), a pension consulting firm located in suburban Boston, Massachusetts and registered as an investment adviser with the Securities and Exchange Commission, is a wholly owned subsidiary of UCFP. The PFE Group provides pension consulting services to its clients as well as other non-advisory services such as educational workshops and employee benefit communications. The PFE Group and United Capital have referral arrangements whereby pension or profit sharing institutional Clients of United Capital may be referred to The PFE Group, and plan participants in pension and consulting plans of The PFE Group may be referred to United Capital for individual advisory services. No compensation is paid to United Capital or The PFE Group for such referrals.

Affiliated Persons Activities

Certain employees of United Capital may serve as trustees on accounts ("trustee") that are not Client accounts of United Capital. With respect to these accounts where a United Capital employee is the trustee for a trust, United Capital does not have any explicit authority to direct the investment of assets, or have the ability to take custody or possession of the assets. Where a United Capital employee provides investment advice for trustee accounts, the advice is not provided through United Capital. This does not include family accounts, which may be Clients of United Capital and where the employee may serve as trustee.

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

United Capital has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at United Capital must acknowledge the terms of the Code of Ethics annually, or as amended. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between United Capital and its Clients.

United Capital's Clients or prospective Clients may request a copy of its Code of Ethics by calling 949-999-8500, or writing to United Capital at 500 Newport Center Drive, Second Floor, Newport Beach, CA 92660.

It is United Capital's policy that the firm will not broker any principal or agency cross securities transactions for Client accounts. United Capital will also not broker trades between Client accounts.

In certain instances, a United Capital portfolio manager may decide that a position to be liquidated in one client's account may be a good purchase for an alternative client. When this occurs, the portfolio manager may conduct a needs analysis to determine an alternative client that the portfolio manager believes would benefit from owning the position. If such activity does take place, with one client of United Capital selling a position and a separate client purchasing the same position, United Capital shall not be compensated or benefit in any way, whatsoever, from either party, except for its normal asset management fee.

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Under SEC Interpretation of Section 206(3) of the Investment Advisers Act, Release No. IA-1732, the SEC states: "We have concluded that if an investment adviser receives no compensation (other than its advisory fee), directly or indirectly, for effecting a particular agency transaction between advisory clients, the adviser would not be "acting as broker" within the meaning of Section 206(3)". Based on this interpretation, United Capital does not act as "agent" with respect to Rule 206(3) and is not subject to the written disclosure requirements of the rule.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Client account. United Capital does not perform principal transactions.

United Capital may refer certain Clients, on a case-by-case basis, to alternative investments, including hedge funds. United Capital's CEO is related to the fund manager for one of the funds that it has referred Clients who have invested in the fund and the CEO and his family members are limited partner investors in that fund. United Capital may refer Clients in the future to this fund, as it deems appropriate based on individual Clients needs and circumstances. When referring Clients to this fund, United Capital has Clients sign a disclosure form explaining this conflict of interest.

When investing its own corporate funds, United Capital, or its parent or affiliates, primarily use fixed-income deposits or money-market funds, United Capital does not intentionally invest in the same securities as Clients or have its own proprietary account(s) alongside any Client accounts.

Certain employees may have accounts managed by United Capital and/or may be invested in the same securities that are recommended to Clients or held in Client portfolios. Employees may also hold securities or trade for their own accounts contrary to advice provided to Clients, based on the individual needs and circumstances of the employees. If employees have hired United Capital to manage their accounts on a discretionary basis, those accounts are traded along with other Client accounts without any special treatment.

Review of Investment Management Accounts

United Capital administrative and management personnel and its Investment Committee members periodically and continuously monitor Client accounts for which it exercises discretionary investment management to identify situations that may warrant either a detailed review or specific action on behalf of a Client. Such reviews may include, but are not limited to, performance, suitability, inactivity, high

concentrations in individual securities, or a change in the Clients account information or financial situation. United Capital's Investment Committee will review accounts with respect to issues such as sub-manager performance results, the need for rebalancing or a change in sub-managers. Annual or more frequent reviews are conducted with the Client and their IAR to discuss changes in the Client's investment objectives, risk tolerance and changes to, or new reasonable restrictions on the management of their investments. Clients are asked to either meet in person or by telephone or online conference at which time their financial situation, condition, or investment objectives or goals are reviewed. If the Client and IAR do not meet for a considerable period of time, greater than a year, after reasonable effort is made by the IAR to do so, the Client's account will be managed based on previously communicated expectations.

Continuing Education & Product Training

From time-to-time, United Capital organizes educational and training meetings for its associated persons. Certain product providers, non-affiliated managers and vendors are permitted to make presentations to its associated persons. The presentations may or may not provide continuing education credits, such as for insurance licensing. These third parties may contribute to the cost of putting on these sessions at hotels or other meeting facilities.

Soft Dollars and Other Benefits

United Capital receives products and services from firms providing custodial services that benefit United Capital but may not benefit all United Capital Clients. These services are typically offered to all investment advisers working with the custodian and do not have a specific cost tied to the benefit. Some of these products and services assist United Capital in managing and administering Client accounts. These products and services include software and other technology that provide access to Client account data (such as trade confirmations and account statements); services that facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts); research, pricing information and other market data; products and services that facilitate payment of United Capital fees from its Client accounts, and assist with back office functions, recordkeeping and Client reporting. Generally, many of these services may be used to service all or a substantial number of United Capital's accounts.

Third party service providers may also make available to United Capital other services intended to help United Capital manage and further develop its business enterprise. These services may include consulting, offering publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, third parties service providers may arrange and/or pay for these types of services rendered to United Capital by independent third parties. The third party service providers may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of other third parties providing such services to United Capital. Third party service providers may also contribute to educational events held by United Capital for its employees.

United Capital typically does not enter into agreements where a service provider agrees to pay for services of a third party vendor. However, it may, in limited instances, inherit Client relationships that previously include such a soft dollar arrangement. In these cases it is United Capital's policy to wind down any relationships of this nature as soon as practicable.

Third party service providers may also refer Clients (see Schwab Advisor Network Client Referrals below) or adviser partner candidates to United Capital.

While as a fiduciary, United Capital endeavors to act in its Clients' best interests, United Capital's recommendation that Clients maintain their assets in accounts at a particular custodian may be based in part on the benefit to United Capital of the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided. This, may benefit United Capital more than individual Clients. United Capital may have an incentive to select or recommend a broker-dealer based on its interest in receiving these benefits, rather than the Client's

interest in receiving the most favorable execution. It's possible that Clients would pay lower commissions by using a broker-dealer that does not provide any benefit to United Capital.

Client Referrals

United Capital's discretionary investment management division receives Clients primarily through referral from its IARs, who are affiliated persons.

United Capital also works with different affinity groups to market its services to their members. When working with affinity groups, United Capital may pay the group for providing access to their members, but no payment is made to these groups based on a percent of the fees earned by United Capital from its members.

United Capital may at times pay a small amount ("gifts") to clients and third parties who refer clients to it. These gifts are typically of nominal value and are not based on a percent of the actual or anticipated earnings that United Capital would generate or expect to generate from any new clients gained.

United Capital may pay individuals to contact clients and or prospective clients (combined "Clients") in an effort to invite the Clients to seminars or meetings. Clients are not charged for this service.

United Capital also receives referrals from third parties that are not affiliated with United Capital. The third parties may be paid a flat fee for referrals, or a percentage of the fees that the Client pays to United Capital. In these situations, a Joint Marketing and Selling Agreement is executed between United Capital and the third party. The third party will also provide a Solicitor's Separate Written Disclosure Statement to the Clients at the time of the solicitation or referral disclosing the nature of the relationship with United Capital and the amount of referral fees paid.

Schwab Advisor Network Client Referrals

United Capital also receives Client referrals from Charles Schwab & Co., Inc. ("Schwab") through the Schwab Advisor Network® ("the Service"). Schwab is an unaffiliated independent broker-dealer and has no supervisory or any other responsibilities for United Capital's management of Clients' portfolios or other advisory services. United Capital pays Schwab a Participation Fee on all referred Client accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee is a percentage of the fees the Client pays to United Capital or a percentage of the value of the assets in the Clients' United Capital account, subject to a minimum Participation Fee and continues for as long as the referred Client account remains in custody at Schwab. The Participation Fee is paid quarterly by United Capital, not the Client, and may be increased, decreased or waived by Schwab from time to time. Clients referred to United Capital through the Service do not pay fees or have costs that are greater than the fees or costs charged to United Capital Clients with similar advisory services that were not referred through the Service.

Financial Information

This item is meant to provide certain financial information or disclosures about United Capital's financial condition. United Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

A copy of United Capital's balance sheet for its most recent fiscal year can be found in the accompanying pages.