

Part 2A of Form ADV: FIRM BROCHURE



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This brochure provides information about the qualifications and business practices of Sovereign Investment Advisors LLC. If you have any questions about the contents of this brochure, please contact April Lamb at 480-385-2850 or april.lamb@sovereignfinance.com. **The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.**

Sovereign Investment Advisors LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor.

Additional information about Sovereign Investment Advisors LLC also is available on the SEC's website at www.adviserinfo.sec.gov (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you with both Parts 1 and 2 of our Form ADV.



Item 2 - Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published the *“Amendments to Form ADV”* which amends the disclosure document that is provided to clients as required by SEC rules. This Disclosure Brochure (“Brochure”) dated March 31, 2011, is a new document prepared in response to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure, dated March 2010, did not require us to disclose.

After our initial filing of this Brochure, this summary of material changes will be used to provide our clients with a summary of new and/or updated information since the last annual update or on an interim basis as necessary.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. Furthermore, you can request a copy of the Brochure at any time by contacting us at 480-385-2840 or 505-224-9100.

Item 3 - Table of Contents

Item 2 - Material Changes.....	2
Item 3 - Table of Contents	3
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	5
Item 6 - Performance-Based Fees and Side-By-Side Management	7
Item 7 - Types of Clients.....	7
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9 - Disciplinary Information	9
Item 10 - Other Financial Industry Activities and Affiliations	10
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12 - Brokerage Practices	11
Item 13 - Review of Accounts	14
Item 14 - Client Referrals and Other Compensation	14
Item 15 - Custody	14
Item 16 - Investment Discretion	15
Item 17 - Voting Client Securities.....	15
Item 18 - Financial Information	16

Item 4 - Advisory Business

Sovereign Investment Advisors LLC (“Sovereign” or the “Firm” or “we”), is an independent SEC registered¹ investment adviser founded in 2009. The firm’s principal place of business is located in Phoenix, AZ.

Sovereign Investment Advisors LLC is a subsidiary that is owned by its parent company, Sovereign Finance LLC, which is wholly owned and operated by Jeffrey Lamb, Principal and Managing Member and the Morongo Band of Mission Indians as Managing Member.

INVESTMENT CONSULTING SERVICES

Our firm provides customized investment consulting services to individuals and institutions including Native American Tribes, Foundations, Taft-Hartley plans, Private Clients and Retirement Plan Sponsors. We work closely with our clients and their professional advisors to develop and monitor broad financial goals. Our clients may impose reasonable restrictions on investment in certain securities, types of securities, or industry sectors.

Sovereign manages total client assets of \$625,785,518 with \$84,282,522 managed on a discretionary basis and \$541,502,996 on a non-discretionary basis as of December 31, 2011.

Sovereign Investment Advisors assists our clients by:

- Establishing financial goals and/or investments;
- Creating dynamic personalized investment strategies;
- Development and implementation of investment guidelines, policies and documentation;
- Providing ongoing due diligence and evaluation of investment managers;
- Assisting and coordinating the placement of investments assets;
- Providing timely and well researched recommendations;
- Tracking investment performance;
- Controlling and monitoring portfolio expenses; and
- Evaluating and selecting appropriate custodians and/or record keepers for funds.

We employ a “hands on” approach that focuses on a forward looking view of the capital markets. Sovereign seeks to maximize returns while also reducing risk and costs. Our process involves a dynamic and proactive view which seeks investment solutions that have sustainable strategies when employed by experienced managers.

¹ Being registered with the SEC does not imply any certain level of skill or training.

As a general rule, we invest the assets of our clients with professional money managers, commingled investment vehicles such as mutual funds, exchange-traded funds or other investment vehicles. In some cases, for individual clients, individual securities may be utilized after a thorough review of their appropriateness given the client's individual needs and objectives. Because some types of investments involve certain additional risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Our clients are not limited to proprietary platforms, investment products, or research. We seek to understand our clients' situations thoroughly in order to build a suitable investment strategy that meets their needs. Sovereign believes that to truly affect change in the delivery of financial advisory services to clients, it is necessary to begin with a perspective that is deeply aligned with each client's interests. We maintain complete independence from all other vendors. We receive no compensation, commissions, kickbacks, soft-dollars, or other remuneration from managers or providers and therefore avoid conflicts of interest, perceived or otherwise, when making investment decisions. All fees paid to Sovereign and service providers under its purview, are fully disclosed.

Our team's talent is augmented by our strategic relationship with Ulrich Consulting Group ("UCG") as a sub-advisor, along with their relationship to Callan & Associates – a global leader in institutional investment consulting services and research. Callan consults with many of the largest and most sophisticated funds in the US. Callan is the largest private, employee owned investment research company in the US. Ulrich Consulting Group is one of a select group of independent consulting firms nationwide with access to Callan through the IAG (Independent Adviser Group) program. This relationship allows our team to conduct thorough due-diligence and provide the highest quality, customized solutions available ranging from research and consulting to total portfolio oversight.

Item 5 - Fees and Compensation

The fee for investment consulting services is based on the type and complexity of the assignment and may be charged in three different methods:

1. A percentage of account assets ranging from 10 basis points (0.10%) to 100 basis points (1%) per year; paid monthly or quarterly in arrears.
2. A fixed fee with a normal range from \$15,000 to \$125,000 per year; paid monthly or quarterly in arrears.
3. In certain circumstances, Sovereign may accept an assignment as a project whereby services are billed on an hourly basis. The hourly rate is generally \$65-\$275 per hour.

Although Sovereign has established the aforementioned range of fees, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances

and needs will be considered in determining the fee. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. The specific annual fee schedule will be identified in the contract between Sovereign and the client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Sovereign requires a minimum of \$250,000 of assets under management to provide investment advisory services. The size may be negotiable under certain circumstances. Sovereign does not receive any other form of compensation for managing our clients account. This helps to eliminate any influence from a broker-dealer or other financial entity and reduces many types of conflict of interest.

Sovereign Investment Advisors LLC has established an Investment Management Consulting Agreement (“Agreement”) that each client executes. This Agreement sets forth the terms of our relationship with clients. The Agreement outlines the mutually agreed upon fee that Sovereign will charge the client’s account in arrears on a monthly or quarterly basis. Accounts initiated during a billing period may be charged a prorated fee from the date of inception.

Under the terms of the Investment Management Consulting Agreement, clients authorize Sovereign to deduct fees directly from their account(s). If authorization to deduct fees is not elected, an invoice will be submitted to the client for payment within 30 days. We deduct fees from the clients’ account(s) on a monthly or quarterly basis as they specify in the Agreement. If the election is made to have management fees deducted from the account, clients should note that the custodian has no duty to verify the calculation of the fee. The custodian issues monthly and/or quarterly statements to the client showing all amounts paid from the account, including fees paid to advisor. Client is advised to verify the accuracy of the fees. Information on the calculation of fees is available upon request.

The Agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any fees earned will be charged on a prorated basis to the date of the termination, as final billing in arrears. Neither Sovereign nor the client may assign the Agreement to another advisor without the prior written consent of the other party.

All fees paid to Sovereign Investment Advisors LLC for investment consulting services are separate and distinct from the fees and expenses charged in the form of brokerage commissions², transaction fees, custodial charges, wire transfer and electronic fund transfer

² Please see section 12 of this Brochure entitled “*Brokerage Practices*”, which describes the factors that Sovereign considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

fees, and other miscellaneous fees on brokerage accounts and securities transactions. Mutual funds and/or ETFs also charge fees. These fees and expenses are described in each fund's prospectus. Such charges, fees and commissions are exclusive and in addition to Sovereign's fees. Sovereign does not receive any portion of these fees or commissions.

Item 6 - Performance-Based Fees and Side-By-Side Management

Sovereign Investment Advisors LLC does not charge performance-based fees. In this particular context, "side-by-side management" describes a practice whereby an advisor manages accounts for which it charges performance-based fees while simultaneously managing accounts for which no performance-based fees are charged. This practice has the possibility of creating a conflict of interest that must be disclosed to clients and prospective clients. Because we do not charge performance-based fees, this item does not apply to the Firm

Item 7 - Types of Clients

Sovereign Investment Advisors LLC provides advisory services to the following types of clients:

- High Net Worth Individuals
- Pension and Profit Sharing Plans (other than plan participants)
- Trusts, Estates or Charitable Organizations
- Taft Hartley Plans
- Native American Tribes
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, however, the minimum may be waived under certain circumstances as reviewed by the firm on a case-by-case basis.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Sovereign Investment Advisors LLC subscribes to the theory that asset allocation decisions have the greatest impact on the overall long-term performance of a portfolio. Asset allocation is the process through which investors create a portfolio that achieves their expected risk and return objectives by dedicating portions of their assets to a diversified mix of various categories. While investing in securities inherently involves risk of loss which clients should be prepared to bear, it is the Firm's goal to minimize exposure to undue risk for our clients while positioning their portfolios to allow for potential growth. We accomplish this through a five step process:

1. Through comprehensive examination of the client's current position, we determine their unique needs, goals and objectives. Items addressed during this examination process include the client's ability and willingness to assume risk, required and desired return, investment time horizon, tax considerations, liquidity needs, liabilities, legal and regulatory aspects, and unique circumstances.
2. In collaboration with UCG and Callan Associates, we utilize their extensive analysis of markets and economic conditions in order to derive capital market projections. Using cutting-edge modeling techniques and technologies, we are then able to develop asset allocation strategies tailored to the risk and return expectations of each client.
3. We form investment guidelines that detail the aspects derived in steps one and two. This is the blueprint upon which all investment decisions and actions are based for each of our clients.
4. We implement the client's asset allocation using only best-in-class managers. Managers are screened through an intensive qualitative and quantitative process. Qualitative factors include strength of management and investment staff, sound investment process, and adherence to intended strategy (i.e. investment style). Quantitative factors include statistical analysis of the manager's portfolio as well as analysis of past performance. Only those that are true-to-investment style, exhibit superior management with appropriate philosophy and strong investment process, reasonable fee structure and have a successful track record of above peer-group median performance are selected. At this point, we identify appropriate benchmarks.
5. Continuous monitoring is essential. Client circumstances evolve over time and the investment guidelines must adapt accordingly. In addition, managers must be supervised to ensure they are performing in accordance with expectations. Those that have a material change in management, investment process, or who have consistently underperformed their peer-group must be addressed and possibly replaced. The monitoring process also applies to continuously evolving market conditions and the resulting need for portfolio adjustments. It is common for markets to overreact in response to new information and these instances often create short-term investment opportunities. In anticipation of these anomalies, Sovereign establishes allowable ranges around client asset allocation guidelines. These ranges specify maximum and minimum limits in each asset category. By tactically making relatively small but meaningful adjustments to client portfolios, Sovereign is able to help capitalize on current market conditions while adhering to long-term risk and return parameters.

The key attributes of Sovereign Investment Advisors philosophy include:

- Diversification at the portfolio level is critical and should only be undertaken when it has a rational and fundamental basis. Not all investments or strategies are appropriate for all investors. Issues such as tolerance for risk, liquidity, trading costs, and market inefficiency may preclude certain types of investments for some clients.
- Comprehensive analysis of capital markets and economic conditions can be used to develop reasonably accurate estimates of future rates of risk and return and the way asset categories are expected to interact.
- Investment decisions should never be made solely on the basis of a statistical methodology. No single strategy of investing consistently outperforms over the long-term, and all approaches are vulnerable to periods of underperformance.
- Financial markets typically offer higher returns to investors who are willing to accept higher levels of risk, however, these returns may be minimal, or unwarranted in relation to the risk assumed, and in some cases may not exist over short periods of time.
- Attempting to add value or reduce exposure to losses by timing the markets has proven to be an extremely unreliable strategy and usually undermines long-term performance. Sovereign does not attempt to time capital markets.
- Measures of the volatility of returns (standard deviation) can capture most foreseeable risks at the major asset class level.
- Returns for both asset categories and diversified portfolios are expected to experience wider fluctuation and volatility in the short-term (three years or less). These fluctuations are reduced considerably over a longer-term basis.
- Focusing on a longer term planning horizon (five years or more) is optimal to:
 - i. Capture most of the compression in ranges of return that accompanies long-term investing;
 - ii. Create projections that have been reliably affected by the current economic, legal and regulatory setting; and
 - iii. Make apparent the near-term risks inherent in aggressive strategies.
- Alternative investment asset categories such as private equity, real estate, and other non-traditional investments can play an important role for some clients in a mixed-asset program.

Item 9 - Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Neither Sovereign Investment Advisors LLC, as a firm, nor any of our investment personnel, has had any legal or disciplinary events in the history of this firm.

Item 10 - Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations. We are not affiliated with a broker-dealer, although we do recommend or select other advisers for our clients, Sovereign or any related persons are not compensated in anyway for these recommendations. By not having these affiliations, we avoid conflicts of interest that may impair the objectivity of our investment advice.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

We recognize the fiduciary responsibility that we owe our clients, including the avoidance of activities, interests, and relationships that run contrary, or appear to run contrary, to their best interests. Sovereign Investment Advisors LLC has adopted a *Code of Ethics* ("Code") which sets forth high ethical standards of business conduct that we require of all our employees, and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act").

Sovereign and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Our Code is designed to insure that the personal securities transactions, activities and interests of our employees do not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by all of the firm's supervised persons³. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Sovereign Investment Advisors LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such

³ "Supervised Persons" means any director, officer, partner or any other employee of Sovereign Investment Advisors who, in connection with his or her regular function or duties, provides investment advice to advisory clients and is subject to Sovereign's supervision or control. Generally, Sovereign regards all employees as supervised persons.

information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email to april.lamb@sovereignfinance.com, or by calling us at 480-385-2850.

Item 12 - Brokerage Practices

Sovereign has a duty to make a good faith effort to “seek best execution” for all trades. In general, to “seek best execution” means to use a reasonable process in looking for the most favorable execution in terms that are realistically available for the trade, so that the total costs (when buying) or proceeds (when selling) for each transaction are the most favorable under the prevailing market conditions.

Sovereign Investment Advisors LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Sovereign does not maintain custody of client assets on which we advise, although we may be deemed to have custody of client assets if they give us authority to withdraw assets from their account. Client assets must be maintained in an account at a “*qualified custodian*”, generally a broker-dealer or bank. We may recommend that our clients establish brokerage accounts with Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. Large institutional accounts may require a broader scope of services and may request that we assist in the selection of a custodian that can better meet their needs. Sovereign is independently owned and operated and not affiliated with Schwab.

Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others;

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.);
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, and stability; and
- Prior service to us and our other clients.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide Sovereign with access to its institutional brokerage – trading, custody, reporting and related services, many of which are typically not available to Schwab retail customers. Some of those services help us manage or administer our clients' accounts; while others help us manage and grow our business. These services are generally available to independent investment advisers on an unsolicited basis, at no charge so long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets, Schwab may impose a quarterly service fee of \$1,200.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some that we might not otherwise have access to or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Schwab also makes available to our firm, other products and services that benefit Sovereign Investment Advisors LLC but may not directly benefit our clients' accounts. Many of these products and services may be used to assist us in managing and administering our clients' accounts which include software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements);

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide research, pricing and other market data;
- Facilitate payment of our fees from clients' accounts; and
- Assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- Educational conferences and events;
- Consulting on technology, compliance, legal and business needs;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Sovereign Investment Advisors LLC. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Advisor Services may also provide other benefits such as occasional business entertainment of our personnel.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business, rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

Sovereign has \$625,785,518 in client assets under management. We do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees, presents a material conflict of interest.

Item 13 - Review of Accounts

Account reviews are designed to ensure that the securities purchased or held in our clients account(s) are consistent with their specific investment objectives and guidelines. While the underlying securities are continually monitored, these accounts are reviewed on a quarterly basis. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by: John Ulrich, Managing Director or a designated representative.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide supplemental quarterly reports summarizing account performance, balances and holdings.

Item 14 - Client Referrals and Other Compensation

It is Sovereign Investment Advisors LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Sovereign's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 - Custody

As a matter of policy and practice, Sovereign Investment Advisors LLC does not take custody of assets in our clients account(s). This means that we do not accept, or hold, directly or indirectly, your funds or securities, or have any authority to obtain possession of them, with the exception of debiting the clients account for advisory fees if the client authorizes us to do so. Having the authority to place trades in client accounts does not mean that we have custody of the account assets.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account.

On at least a quarterly basis, the custodian is required to send a statement to the client listing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in the calculation of their fees. Sovereign does not have actual or constructive custody of client accounts.

Item 16 - Investment Discretion

Our Clients may hire us to provide discretionary investment advisory services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

When a Client elects us to have discretionary authority we can effect transactions for the Clients' account without prior consultation with Client and to buy, sell, and trade in stocks, bonds, mutual funds, and other securities and/or contracts relating to the same and to give instructions in furtherance of such authority to any broker-dealer, custodian or money manager of the Assets. In addition, Client authorizes Sovereign to allocate a portion of the Assets among independent investment managers and/or programs and to provide corresponding instructions in furtherance of any such allocation.

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 - Voting Client Securities

As part of our service offering, we will vote proxies for any client account; however, clients always have the right to vote proxies themselves. Clients can exercise this right by instructing us in writing not to vote proxies on their behalf. Generally, this is addressed in the Investment Management Consulting Agreement.

Sovereign will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Through an agreement with Broadridge, a nationally known shareholder service and proxy voting provider, Sovereign utilizes their services to act as an independent voting agent to ensure that voting procedures are carried out and documented. Broadridge will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created that was material to making a decision on how to vote proxies, and a copy of each written client request for information on how the proxy was voted.

With respect to ERISA accounts, Broadridge will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should send all requests in writing to April Lamb, Compliance Officer.

Clients can instruct us to vote proxies according to particular criteria (for example, to always vote with management or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). Clients can also instruct us on how to cast their vote in a particular proxy contest by putting the requests in writing to April Lamb, Compliance Officer.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s). If requested, we will assist the client with

the collection of documents for the filing of “Proofs of Claim” in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make reasonable efforts to forward such notices in a timely manner.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting April Lamb, Compliance Officer, by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how Broadridge voted proxies for his/her account(s), we will promptly provide such information to the client.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Sovereign’s financial condition. Sovereign 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.