



Form ADV Part 2A Appendix 1
Personal Capital Advisors Wrap Fee Program Brochure

Personal Capital Advisors Corporation

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This brochure provides information about the qualifications and business practices of Personal Capital Advisors Corporation. If you have any questions about the contents of this brochure, please contact us at (855) 855-8005 or support@personalcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Personal Capital Advisors Corporation also is available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

The following material changes have occurred since the publishing of our initial FORM ADV Part 2A on August 11, 2011.

2011

In December 2011 Personal Capital Advisors Corporation began offering FDIC insured high-yield banking services. Personal Capital Advisors Corporation and their representatives entered into Banking Services Independent Contractor arrangements for the sole purpose of providing banking services to our Clients and reviewing opportunities to earn higher-yields on their cash. Personal Capital Advisors Corporation and its representatives are not otherwise affiliated with these banking institutions. These changes were initially disclosed in our prior FORM ADV Part 2 update, dated December 21, 2011.

See *Personal Capital Advisors Fees and Expenses* and *Advisor Representative Compensation* below for additional information.

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SERVICES, FEES, AND COMPENSATION

Introduction

Personal Capital Advisors Corporation (hereinafter “*Personal Capital Advisors*” or the “*Firm*”) is an investment advisor registered with the Securities and Exchange Commission. The Firm provides investment management services to its Clients (individually, the “*Client*”). Registration does not imply a certain level of skill or training.

Personal Capital Advisors offers a discretionary advisory services program (the “*Advisory Services*”) whereby the Firm manages Client accounts for a single all-inclusive fee.

Advisory Services Program

- ongoing discretionary investment management
- automatic rebalancing
- tax optimization and tax loss harvesting, as applicable
- portfolio personalization, as applicable
- U.S. equity portfolio equal weighting, as applicable
- custody services included at no additional charge
- securities transaction costs included at no additional charge
- assigned personal financial advisor
- unaffiliated, qualified custodian used
- minimum account (size: \$100,000).

An assigned personal financial advisor is available during business hours and may be reached via telephone, email, web chat, Facetime or in person at our offices. Advice is based on your financial situation as evidenced by accounts you have linked through Personal Capital’s financial aggregation service as well as detailed information about your personal circumstances which may include your age, investment time horizon, risk tolerance, expectations, goals, investment restrictions, etc.

Personal Capital Advisors may hire third-party Portfolio Managers to manage all or a portion of Client’s assets. Under those Advisory Services, Personal Capital Advisors offers discretionary investment advice designed to assist Clients in obtaining professional investment management for a convenient single fee.

The Advisory Services are provided in two formats: Personal Strategies, comprehensive investment portfolios intended to help individuals and families achieve financial success, and Personal Funds, tactical investment portfolios intended to better achieve exposure for a specific objective.

Personal Capital Advisors, as part of an integrated wealth management service, may provide or recommend banking and cash management solutions from third-party financial institutions, in addition to the aforementioned Advisory Services.

Personal Capital Advisors Corporation is a subsidiary of Personal Capital Corporation (“*Personal Capital*”). Personal Capital offers a suite of integrated money management services, including personal portfolio management, cash management, and personal financial management services. The web,

mobile, tablet, and personal financial management software portion of the Advisory Service is delivered through Personal Capital Technology Corporation, another subsidiary of Personal Capital.

Personal Capital Advisors Fees and Expenses

Personal Capital Advisors charges a single fee based on the value of the Client's assets. The single fee includes portfolio management, trading commissions, and custody service. Fees are calculated and deducted on a monthly basis in arrears. The daily market value of the assets under management is used to calculate the fee.

Clients are required to establish accounts at Penson Financial Services, Inc ("*Penson*"), member FINRA/SIPC. Penson is the custodian for all Personal Capital Advisors' Advisor Services Client's assets. For more information on Penson, please visit www.penson.com. Penson is not affiliated with Personal Capital Advisors.

The Client authorizes Personal Capital Advisors to debit the fee from the Client's account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. On an annualized basis, Personal Capital Advisors' fee for the Advisory Services is based on the following tiered fee schedule:

The first \$250,000	0.95%
Next \$250,000	0.90%
Next \$500,000	0.85%
Next \$4,000,000	0.80%
Above \$5,000,000	0.75%

Personal Capital Advisors reserves the right to reduce the fee at its discretion. The fee rate also has been reduced for personnel (including employees and consultants) of Personal Capital Advisors and its affiliates. These reductions apply to members of the same households, and Personal Capital Advisors may include former employees and consultants.

In determining whether to establish an account, a Client should be aware that the overall cost to the Client of the Advisory Services may be higher or lower than the Client might incur by purchasing separately the types of securities available through the Advisory Services. In order to compare the cost of the Advisory Services with unbundled services, the Client should consider the turnover rate in Personal Capital Advisors' investment strategies, trading activity in the account, standard advisory fees and brokerage commissions that would be charged at other broker-dealers and investment advisers.

Third-party Portfolio Managers selected for the Advisory Services program may receive as compensation for their portfolio management between 5% and 30% of the fee depending on various terms, expense arrangements and other factors.

Personal Capital Advisors may be compensated by third-party financial institutions for certain banking and cash management services that are offered within the Advisory Services program. Personal Capital Advisors does not charge Clients a fee for the placement of deposits at such third party financial institutions performing banking or cash management services. Clients do not pay any compensation to

Personal Capital Advisors for these services and are not charged any additional incremental fees by the third party financial institution providing banking or cash management services for purposes of compensating Personal Capital Advisors or its representatives. Personal Capital Advisors may charge a fee for other cash management services provided.

Other Fees and Expenses

All fees paid to Personal Capital Advisors, for Advisory Services are separate and distinct from the fees and expenses charged by exchange traded funds, mutual funds, closed-end investment companies or other managed investments to their shareholders. The specific fees and expenses are described in each fund's prospectus.

In addition to the aforementioned, there may be other costs assessed, which are not included in the Advisory Services fees, such as charges for transactions not executed through Personal Capital, costs associated with exchanging currencies, wire transfer fees, or other fees required by law.

Advisor Representative Compensation

Registered Investment Advisor Representatives of Personal Capital Advisors may receive compensation for recommending the Advisory Services, as well as for recommending third-party banking and cash management solutions. The compensation to the Advisor is not based on the type of service or solution. Therefore, there is no financial incentive to recommend one type of service over another service.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Personal Capital Advisors primarily provides investment advisory services to individuals, trusts, and families.

Personal Capital Advisors Advisory Services has a minimum relationship size of \$100,000. Certain Personal Funds and certain third-party Portfolio Managers may institute a higher minimum relationship size and/or account size. The minimum values can be reduced or waived at the Firm's discretion. The minimum account size also has been reduced for personnel (including employees and consultants) of Personal Capital Advisors and its affiliates. These reductions apply to members of the same households, and Personal Capital Advisors may include former employees and consultants.

PORTFOLIO MANAGER SELECTION AND EVALUATION

When selecting third-party portfolio managers to be included in the Advisory Services, Personal Capital Advisors will recommend and use the services of managers it has researched. Managers having relatively better or worse performance may not be selected for the Advisory Services. Personal Capital Advisors attempts to match the recommendation of third-party managers with a particular Client's investment risk tolerance and objectives. In cases where the Client prefers a certain third-party Portfolio Manager,

Personal Capital Advisors will help the Client compare their investment risk tolerance and objectives with the particular Portfolio Manager.

Third-party portfolio manager performance is reviewed periodically by Personal Capital Advisors and made readily available to the Client. In most cases, recommendations to replace a third-party portfolio manager are not made based upon short-term performance. When a third-party portfolio manager is replaced, Personal Capital Advisors will attempt to notify the client orally or in writing to obtain the client's consent for the change. However, Personal Capital Advisors is granted authority to change managers even if a Client's consent is not obtained. When a third-party portfolio manager is selected, Clients will receive that firm's Form ADV Part II brochure for review. Clients are encouraged to carefully review the information in the brochure upon receipt. The performance of third-party managers will not be reviewed by an outside source.

Personal Capital Advisors acts as a Portfolio Manager for the Advisory Services. The Personal Capital Advisors' Investment Committee serves in the capacity of Portfolio Manager and is not subject to the same evaluation criteria as a third-party Portfolio Manager. The Investment Committee is comprised of individuals with significant industry and portfolio management experience. Since Personal Capital Advisors acts as both the sponsor of the Advisory Services and a Portfolio Manager within the Advisory Services, there is a potential incentive for Personal Capital Advisors to recommend itself as Portfolio Manager over a third-party portfolio manager. However, there is no financial incentive provided to the Personal Capital Advisors' Representative that is involved in the Client portfolio selection process to recommend Personal Capital Advisors portfolio management services over of a third-party portfolio manager.

Advisory Business

Within the Advisory Services, portfolio management is provided in two formats: Personal Strategies, comprehensive investment portfolios intended to help individuals and families achieve financial success, and Personal Funds, tactical investment portfolios intended to better achieve exposure for a specific objective.

A Personal Strategy is a comprehensive investment portfolio. It is focused on achieving the Client's financial goals, and is designed to grow with the Client over time. Portfolios in a Personal Strategy are custom designed and are entirely flexible to meet the Client's needs or wants. Personal Strategy asset allocations go beyond basic stock and bond portfolios. They invest globally, primarily utilizing individual equities and ETFs. Our unique tactical index weighting approach adds further diversification and potential return by ensuring exposure to all areas of the market while avoiding being overweight to high-risk segments. Personal Capital Advisors believes that asset allocation is the most important investment decision. The goal-based nature of a Personal Strategy means the Client's asset allocation is continuously linked to their evolving situation, thereby maximizing the likelihood of long-term success. Personal Strategies utilize state of the art tax management previously only available to ultra-high net worth individuals. Effective tax management is proven to tangibly increase long-term wealth.

A Personal Fund is a tactical investment portfolio designed to better achieve exposure to fulfill a specific investment objective. A Personal Fund is designed with individual securities and ETFs, and can be personalized to meet the specific needs and objectives of the Client. A Personal Fund may provide

exposure to a broad or narrow aspect of the market, or provide exposure to a particular economic theme. As appropriate, Personal Funds may utilize state of the art tax management previously only available to ultra-high net worth individuals. Clients may select their own Personal Fund(s), or may seek the assistance of an adviser in making those selections.

Performance Based Fees

Personal Capital Advisors does not offer performance based fee arrangements.

Methods of Analysis, Investment Strategies and Risk of Loss

Personal Capital Advisors investment strategies and advice may vary depending upon each Client's specific financial situation. In formulating the investments to be utilized for a client's Personal Strategy, the Investment Committee takes in to consideration the client's defined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various financial factors.

Personal Capital Advisors investment analysis efforts emphasize asset allocation research and portfolio diversification techniques over individual security analysis.

Personal Capital Advisors security analysis methods include; sampling and screening relevant baskets or indices of securities in order to select the desired security attributes; correlation analysis (evaluating the historical relationship of two securities or market segments movement in relation to each other); fundamental analysis (evaluating securities based upon its historical and projected financial performance); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically).

All investments involve risk. Neither Personal Capital Advisors, nor the third party managers it may secure, guarantee the results of the advice given. Significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by Personal Capital Advisors.

Voting Client Securities

Personal Capital Advisors endeavors to vote proxies in the manner that it determines will be the most likely to cause the Clients' investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. Personal Capital Advisors believes that voting proxies in accordance with the following guidelines is usually in the best interests of the Client:

Generally, Personal Capital Advisors will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.

Generally, Personal Capital Advisors will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause

management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting. For other proposals, Personal Capital Advisors shall determine whether a proposal is in the best interests of shareholders.

In the event of any actual or potential conflicts of interests in the voting of any Client proxies, Personal Capital Advisors will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of the Clients. Personal Capital Advisors will also determine whether it is appropriate to disclose the conflict to the affected Clients.

Personal Capital Advisors maintains relevant and appropriate proxy records as part of the Firm's Policy & Procedures. Personal Capital Advisors' Investment Committee is responsible for voting the proxies in the best interest of the Client, and submitting the proxies promptly and properly. An investor may obtain a complete copy of Personal Capital Advisors' Proxy Policy & Procedures by contacting their Financial Advisor in writing and requesting such information. The Client may also request in writing from their Financial Advisor information concerning the manner in which proxy votes have been cast on behalf of the Client during the prior annual period. Such information will be provided in writing as soon as practicable.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Personal Capital Advisors receives at the outset of the Client enrollment process and updates at least annually, all Client information necessary to provide investment management services under the program, including Client financial and income information, and risk tolerance information. Personal Capital Advisors will not share any personally identifiable information with third-party Portfolio Managers.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

Clients are welcome and encouraged to contact their Personal Capital Advisors Financial Advisor at any time. Personal Capital Advisors does not provide for contact with third-party Portfolio Managers. Personal Capital Advisors will provide reports, analysis, and insights from third-party Portfolio Managers from time to time.

ADDITIONAL INFORMATION

Disciplinary Information

Personal Capital Advisors has no pending or prior discloseable legal or disciplinary events that are material to a client's evaluation of Personal Capital's advisory business or management.

Other Financial Industry Activities and Affiliations

Personal Capital Advisors has no other financial industry activities and affiliations.

Code of Ethics

Personal Capital Advisors has adopted a Code of Ethics designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The Code establishes rules of conduct for all employees of Personal Capital Advisors and is designed to, among other things; govern personal securities trading activities in the accounts of employees, immediate family/household accounts and accounts in which an employee has a beneficial interest.

The Code is based upon the principle that Personal Capital Advisors and its employees have a fiduciary duty to Personal Capital Advisors clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to clients for their personal accounts. In addition, any of our firm's related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This presents a potential conflict of interest in that an employee of our firm may purchase a security for himself/herself prior to that transaction being implemented in a client's account, thus, receiving a more favorable price, commission, or allocation. Personal Capital Advisors monitors the personal securities trading of its employees and certain related accounts in order to monitor for violations of its code of ethics, such as front running or other suspicious activity. Material violations may result in disgorgement of profits or termination of employment.

The full text of Personal Capital Advisors Code of Ethics policy is available upon request.

Review of Accounts

Personal Capital Advisors utilizes leading edge portfolio management software solutions in concert with the Client's Advisor to monitor and manage Clients accounts on a continual basis. Exception reporting is monitored by a member of the Investment Committee. Deviation from an account's determined asset allocation parameters and the addition or removal of a specific security from the designated model portfolio may trigger periodic rebalancing. Personal Capital Advisors conducts a formal review of all Clients accounts and investments at minimum annually. The formal review consists of reviewing the Client's financial information and risk profile.

Personal Capital Advisors provides access to information generally provided in a report to Clients daily through www.personalcapital.com. In addition, Personal Capital Advisors provides a detailed monthly

report and Penson provides monthly brokerage statements and transaction confirmations. Clients are urged to compare activity, holdings and valuations.

Client Referrals and Other Compensation

Personal Capital Advisors does not currently have any client referral relationships. Personal Capital Advisors, however, i) does intend to enter into third party client referral relationships from time to time, ii) does intend to pay fees to third party for making client referrals, and iii) will disclose to a prospective Client that a referral arrangement and referral compensation apply, as appropriate.

FINANCIAL INFORMATION

Personal Capital Advisors is required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients. .

The Firm is not subject to any financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients.