

ACCOUNT PACKET

WISE MANAGED INVESTMENT PORTFOLIOS PROGRAM BROCHURE

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This brochure provides information about the qualifications and business practices of NestWise LLC ("NestWise"). If you have any questions about the contents of this brochure, please contact your NestWise advisor or NestWise at Compliance@NestWise.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.

Additional information about NestWise also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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|--------|------------------|
| ITEM 1 | COVER PAGE       |
| ITEM 2 | MATERIAL CHANGES |

This brochure is dated August 17, 2012, and is our first brochure. In the future, this section, Item 2- Material Changes, will summarize material changes that have been made to our brochure since the date of our last brochure.

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ITEM 4

SERVICES, FEES AND COMPENSATION

NestWise LLC ("NestWise") is an investment advisor registered with the Securities and Exchange Commission (SEC). Registration does not imply a certain level of skill or training. NestWise is a newly formed subsidiary of LPL Financial Holdings, Inc., a publicly traded company. NestWise is 100% owned by LPL Financial Holdings, Inc. LPL Financial LLC ("LPL Financial") is an affiliate of NestWise and is a broker/dealer registered with the Financial Industry Regulatory Authority (FINRA) and an investment advisor registered with the SEC. NestWise's advisory services are made available to clients primarily through individuals associated with NestWise as investment advisor representatives ("IARs"). For more information about the IAR providing advisory services, the client should refer to the Brochure Supplement for the IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure before or at the time the client engages the IAR. If the client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or NestWise at Compliance@NestWise.com.

NestWise offers various types of advisory services and programs, including a wrap fee program, educational services, and financial planning services. This Brochure provides a description of the advisory services offered under NestWise's Wise Managed Investment Portfolios ("Wise Portfolios") program. For more information about NestWise's advisory services and programs other than Wise Portfolios, please contact your IAR for a copy of a similar brochure that describes such service or program or go to <http://www.adviserinfo.sec.gov>.

The Wise Portfolios program is a professionally managed mutual fund and exchange-traded fund ("ETF") asset allocation program in which NestWise and its investment advisor representatives provide ongoing investment advice and management. The IAR obtains the necessary financial data from the client, assists the client in determining the suitability of the program and assists the client in setting an appropriate investment objective. The IAR selects a model portfolio of funds ("Portfolio") designed by the NestWise Investment Team or a third party investment strategist ("Outside Strategist") consistent with the client's stated investment objective. The IAR provides ongoing advice on the selection or replacement of a Portfolio or an Outside Strategist based on the client's individual needs.

The NestWise Investment Team or the Outside Strategist is responsible for selecting the mutual funds and/or ETFs within a Portfolio and for making changes to the funds selected. NestWise has discretion to buy and sell securities in the account according to the Portfolio selected and liquidate previously purchased securities that are transferred into the account. Exchange-traded notes ("ETN") and closed-end funds may also be purchased in an account. The client authorizes NestWise and the IAR to have discretion by executing the Account Agreement and Application.

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The Outside Strategists are independent investment advisor firms that provide NestWise on an ongoing basis with a Portfolio that includes recommended asset allocations and funds. NestWise enters into an agreement with the Outside Strategist for these Portfolio services. The Outside Strategist does not have discretion from the client to implement the Portfolio and does not provide individualized investment advice to specific program clients. In certain cases, a Portfolio may consist only of mutual funds and/or ETFs within the same fund family or within affiliated fund families. In such a Portfolio, the NestWise Investment Team or the Outside Strategist (as applicable) will select only those funds within the fund family or affiliated fund families.

NestWise acts as the overlay portfolio manager ("OPM") in coordinating the trades in the account. NestWise as the OPM is responsible for rebalancing accounts in accordance with the allocations in the Portfolio. NestWise will review an account to determine if rebalancing is appropriate based on the frequency selected by the client at account opening or as altered by the client or the IAR from time to time. The choices for frequency of rebalancing review are quarterly (four times per year), semi-annually (two times per year) or annually (once per year). At each rebalancing review date, NestWise will rebalance the account only if at least one fund position is outside a pre-determined range, subject to a minimum transaction amount established by NestWise in its discretion. In addition, NestWise will review an account for rebalancing in the event that the NestWise Investment Team or the Outside Strategist changes the allocation targets.

NestWise, at the request of the client or IAR, under certain conditions, also will accommodate requests for all or a portion of an account to remain allocated to cash for a period of time. Such customized requests, liquidation requests in connection with withdrawals, and changes to the model portfolios or investment objective selected may take up to 5 business days to process, and, in certain circumstances, may take longer.

In connection with the program, LPL Financial, an affiliated entity of NestWise, acts as custodian to accounts, provides brokerage and execution services as the broker-dealer on transactions, and performs administrative services, such as quarterly performance reporting to clients.

### Fee Schedule

In the Wise Portfolios program, clients pay NestWise and its IARs an ongoing advisory fee ("Account Fee"). The Account Fee is non-negotiable between the client and the IAR and is set out in the Account Application based on the NestWise Advisory Fee Schedule. The Account Fee is a straight percentage based on the value of all assets in the account, including cash holdings. The maximum Account Fee is 1.20%. The Account Fee is paid to NestWise, and NestWise retains up to 0.38% for its administrative services, Overlay Portfolio Management services and the Portfolio design services of the NestWise Investment Team. NestWise pays a portion of the Account Fee to the Outside Strategist if a Portfolio designed by an Outside Strategist is selected. NestWise shares up to 80% of the remaining portion of the Account Fee with the IAR based on the agreement between NestWise and the IAR.

If a Portfolio designed by an Outside Strategist is selected, the Outside Strategist will receive a portion of the Account Fee. The portion of the Account Fee paid to the Outside Strategist is negotiated between NestWise and the Outside Strategist and ranges from 0% to 0.20%. The fee rates charged by Outside Strategists vary based on the Outside Strategist and the Portfolio selected. The IAR when determining the Account Fee will factor in any Outside Strategist fee, and the use of an Outside Strategist fee may result in a higher Account Fee to the client.

### How the Account Fee is Charged

NestWise deducts the Account Fee and other fees and charges associated with a Wise Portfolios account from the client account. NestWise calculates and deducts the Account Fee in the method described in the Account Agreement, unless other arrangements are made in writing. If a client wishes to be billed for the Account Fee, rather than a deduction directly from the account, the client needs to make a request to NestWise through the IAR.

### Payment in Advance and Refund of Pre-Paid Fees

NestWise deducts the Account Fee quarterly in advance. If the Account Agreement is terminated before the end of the quarterly period, NestWise will pay the client a pro-rated refund of any pre-paid quarterly Account Fee based on the number of days remaining in the quarter after the termination date. However, if the account is closed within the first six months by the client or as a result of withdrawals that bring the account value below the required minimum, NestWise reserves the right to retain the pre-paid quarterly Account Fee for the current quarter in order to cover the administrative costs of establishing the account (for example, the costs related to transferring positions in and out of the account, data entry in opening the account, reconciliation of positions in order to issue quarterly performance reports, and re-registration of positions). Upon notice of termination, client may instruct NestWise that the account will be liquidated and proceeds sent to the client at the address of record. Alternatively, the account may convert to a brokerage account at LPL Financial where the account is charged for each transaction and the client will no longer receive investment advice. For more information regarding brokerage accounts at LPL Financial, please visit [www.lpl.com](http://www.lpl.com).

### Other Types of Fees and Expenses of NestWise

In addition to the Account Fee, clients also pay LPL Financial other miscellaneous administrative or custodial-related fees and charges that may apply to a Wise Portfolios account. LPL Financial notifies clients of these charges at account opening and NestWise makes available a list of these charges on its website at [www.NestWise.com](http://www.NestWise.com).

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Fees Charged by Third Parties

There are other fees and charges that are imposed by third parties other than NestWise or LPL Financial that apply to investments in Wise Portfolios accounts. Some of these fees and charges are described below. In Wise Portfolios, assets are invested in mutual funds or ETFs and, therefore, there are two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. These fees are generally deducted from the performance of the fund; therefore, the client will not explicitly see these fees being charged in their account. Client will also pay NestWise and IAR the Account Fee with respect to those assets. The mutual funds and ETFs available in the program may be purchased directly. Therefore, clients generally could avoid the second layer of fees by not using the advisory services of NestWise and IAR and by making their own decisions regarding the investment.

For those Portfolios consisting of mutual funds, NestWise selects only no-load and load-waived mutual funds. In some cases, a mutual fund in Wise Portfolios will charge shareholders an asset based sales charge or service fee (e.g., 12b-1 fee) that is paid to LPL Financial. Neither NestWise, IARs, nor the Outside Strategists share in the 12b-1 compensation in the Wise Portfolios program.

Important Considerations About Fees on a Wise Portfolios Account

- The Account Fee is a single wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. Clients do not pay a commission or transaction charge to either NestWise or LPL Financial for the execution of transactions in the account. The Account Fee may cost the client more than purchasing the program services separately, for example, paying an advisory fee plus commissions or transaction charges to a broker-dealer for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:
  - type and size of the account
  - type of securities in the Portfolio (whether mutual funds, ETFs, or ETNs)
  - historical and or expected size or number of trades for the account, and
  - number and range of supplementary advisory and client-related services provided to the client.
- The Account Fee may be higher than the fees charged by other investment advisors for similar services.
- The IAR recommending the program to the client receives compensation as a result of the client's participation in the program. This compensation includes a portion of the Account Fee and also may include other compensation, such as bonuses, awards or other things of value offered by NestWise to the IAR. In particular, NestWise pays its IARs bonuses in different ways, for example, payments based on production. NestWise pays IARs this compensation based on the IAR's overall business production and/or on the amount of assets serviced in NestWise advisory programs. Therefore, the amount of this compensation may be more than what the IAR would receive if the client participated in other NestWise programs, programs of other investment advisors or paid separately for investment advice.
- The investment products available to be purchased in the program can be purchased by clients outside of an Wise Portfolios account, through broker-dealers or other investment firms not affiliated with NestWise.

ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

NestWise requires a minimum account value for a program account to be opened. The minimums vary depending on the Portfolio selected. An account will not be invested, according to the Portfolio, until the minimum has been reached. The program is available for individuals, IRAs, custodial accounts for minors, and guardianships/conservatorships. The account minimum for each strategy is below:

- |   |          |
|---|----------|
| • NestWise Entry Point ETF Portfolios       | \$5,000  |
| • NestWise Strategic MF Portfolios          | \$25,000 |
| • NestWise Strategic ETF Portfolios         | \$25,000 |
| • NestWise Defensive Oriented MF Portfolios | \$25,000 |
| • Morningstar Managed Portfolios ETF        | \$25,000 |
| • BlackRock Strategic Portfolios            | \$25,000 |

ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

In Wise Portfolios, NestWise and IAR are responsible for the overall investment advice and management services offered to clients, and the client selects the IAR who manages the account. Each IAR is generally required to possess a series 65 license, or equivalent. For more information about the IAR managing the account, the client should refer to the Brochure Supplement for the IAR, which the client should have received along with this Brochure at the time the client opened the account.

NestWise makes available Portfolios designed by Outside Strategists. NestWise selects and reviews on an ongoing basis the Outside Strategists available on Wise Portfolios based on quantitative, qualitative and infrastructure criteria, which may include:

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### Quantitative Criteria

NestWise evaluates quantitative criteria, including but not limited to:

- Performance
- Number of employees and accounts
- Years in the business
- Assets under management

### Qualitative Criteria

NestWise evaluates qualitative criteria, including but not limited to:

- Sound investment philosophy
- Assessment of the investment manager and team
- Risk controls
- Legal and compliance issues

### Infrastructure Criteria

NestWise reviews infrastructure criteria to assess whether an Outside Strategist can handle operational requirements including but not limited to:

- Back office review
- Client servicing resources
- Firm-wide program commitment

NestWise takes into consideration all criteria, including the above criteria and other pertinent criteria. No one criterion is necessarily determinant in the selection decision.

NestWise reviews Outside Strategists currently participating in the program and reviews new Outside Strategists prior to their addition to the program. NestWise may elect to remove an Outside Strategist should it determine that the Outside Strategist no longer meets one or more of the above selection criteria or other pertinent criteria (e.g., significant change in management staff). In making a decision to remove an Outside Strategist, NestWise takes into consideration all criteria; no one criterion is necessarily determinant in the removal and/or replacement decision. Additionally, in its review process, NestWise places emphasis on long term overall Outside Strategist performance from a qualitative and/or quantitative viewpoint. Short-term developments are monitored but are not necessarily sufficient for a decision to remove an Outside Strategist.

### Outside Strategist Performance

The NestWise Investment Team uses information provided by the Outside Strategist and also may use independent, third party data sources when evaluating an Outside Strategist. Outside Strategist performance information is not calculated on a uniform and consistent basis. NestWise does not review performance information to determine or verify its accuracy and does not calculate Outside Strategist performance. However, NestWise provides clients with individual quarterly performance reports. Performance reports are distributed by NestWise using third party performance reporting software. Client performance information is calculated by NestWise on a uniform and consistent basis using a time weighted basis. Performance reports are reviewed for accuracy by NestWise prior to delivery to clients and are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices.

It is important to note that Outside Strategists provide the Portfolios to NestWise, and it is NestWise that has discretion for trade implementation and execution in Wise Portfolios accounts. Therefore, Portfolios submitted to NestWise by Outside Strategists may represent activity that has already been implemented on behalf of other clients of the Outside Strategist. Because of this fact and because NestWise (and not the Outside Strategist) has discretionary authority to implement trades, performance of an Wise Portfolios account will differ from the performance of an Outside Strategist's discretionary accounts.

### NestWise as a Strategist

In Wise Portfolios, clients may invest in Portfolios designed by Outside Strategists or by the NestWise Investment Team. The NestWise Investment Team provides various types of advisory services. The NestWise Investment Team may provide research recommendations on asset allocation, mutual funds, and ETFs.

The NestWise Investment Team designs many types of Portfolios for Wise Portfolios to meet the varying needs of clients. The NestWise Investment Team uses the following investment strategies in designing mutual fund and ETF Portfolios. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. Although these descriptions are written in terms of individual equities and/or bonds, they include mutual funds or ETFs whose portfolios consist of the type of equities or bonds referenced.

- *Strategic Mutual Fund Portfolios*- These Mutual Fund portfolios reflect a long-term approach to investing. Seeking to generate more consistent excess returns than the market, they add to asset class diversification with different styles of mutual fund management and/or non-traditional asset classes, such as real estate or commodities

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- *Strategic ETF Portfolios*- These ETF portfolios reflect a long term approach to investing. Seeking to generate more consistent excess returns than the market, they add to asset class diversification with non-traditional asset classes, such as real estate or commodities
- *Defensive Oriented Mutual Fund Portfolios*- These Mutual Fund portfolios are designed to adjust their investments so that their overall performance profile has smaller ups and downs, especially when the stock market is decreasing.
- *Entry Point ETF Portfolios*- These ETF Portfolios are designed to deliver diversification and exposure to various asset classes at a lower investment level.

#### Types of Investments and Risks

The Portfolios may include different types of securities, such as mutual funds, closed end funds, ETFs and ETNs. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some particular risks associated with some types of investments available in the program.

- *Alternative Strategy Mutual Funds*. Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.
- *Closed-End Funds*. Clients should be aware that closed-end funds available within the program may not be readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- *Exchange-Traded Funds (ETFs)*. ETFs are typically investment companies that are legally classified as open end mutual funds or unit-investment trusts. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.
- *Exchange-Traded Notes (ETNs)*. An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.
- *Leveraged and Inverse ETFs, ETNs and Mutual Funds*. Leveraged ETFs, ETNs and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

#### Voting Client Securities

In Wise Portfolios, NestWise and IARs do not accept authority to vote client securities. Clients retain the right to vote all proxies that are solicited for securities held in the account. Clients will receive proxies or other solicitations from NestWise. If clients have questions regarding the solicitation, they should contact the contact person that the issuer identifies in the proxy materials or their IAR. In addition, NestWise and IARs do not accept authority to take action with respect to legal proceedings relating to securities held in the account.

#### ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

The IAR obtains the necessary financial data from the client and assists the client in setting appropriate investment objectives for the account. The IAR obtains this information by having the client complete an Account Application which is a part of the Account Agreement. In quarterly communications, NestWise asks clients to contact the IAR if there have been any changes in the client's financial situation or investment objective or if they wish to

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impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Because the Outside Strategist's role is limited to providing Portfolios to NestWise, and does not provide individualized discretionary advisory services to Wise Portfolios clients, NestWise generally does not communicate specific client information to Outside Strategists

Clients should understand that the investment objective selected for the program in the Account Application is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Clients also should be aware that achievement of the stated investment objective is a long-term goal for the account.

### ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS

NestWise does not place any restrictions on a client's ability to contact and consult with IARs. Because the Outside Strategist's role is solely to provide Portfolios to NestWise, and not to provide individualized discretionary advisory services to Wise Portfolios clients, Outside Strategists generally are not available to be contacted or consulted by Wise Portfolios clients.

### ITEM 9 ADDITIONAL INFORMATION

#### Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our advisory business or integrity of our management. We have no information applicable to this item.

#### Other Financial Industry Activities and Affiliations

NestWise and LPL Financial are related persons.

LPL Financial is a broker/dealer registered with the Financial Industry Regulatory Authority ("FINRA"), an investment advisor registered with the Securities and Exchange Commission ("SEC"), and as a transfer agent with the SEC and as a futures commission merchant with the Commodity Futures Trading Commission. In addition, LPL Financial is qualified to sell insurance products in all 50 states.

Certain executive officers and other employees of NestWise are also executive officers, employees, registered representatives, insurance agents and investment advisor representatives of LPL. These individuals may spend as much as 75% of their time focusing on the activities of LPL.

NestWise and The Private Trust Company ("PTC"), a federally chartered non-depository bank licensed to provide trust services in all 50 states, are related persons. PTC serves as IRA custodian for program accounts set up as IRAs and receives an annual maintenance fee for this service. PTC also provides personal trustee services to clients for a variety of administrative fiduciary services. PTC's IRA custodian and trustee services and related fees are established under a separate engagement between the client and PTC.

#### NestWise Code of Ethics and Personal Trading

NestWise has adopted a code of ethics that includes guidelines regarding personal securities transactions of its employees and IARs. The code of ethics permits NestWise employees and IARs to invest for their own personal accounts in the same securities that NestWise and IARs purchase for clients in program accounts. This presents a conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. NestWise addresses this conflict of interest by requiring in its code of ethics that NestWise employees and IARs report certain personal securities transactions and holdings to NestWise. NestWise has procedures to review personal trading accounts for front-running. In addition, employees in the NestWise Investment Team is required to obtain pre-clearance prior to purchasing certain securities for a personal account. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the code of ethics is available to clients or prospective clients upon request and is available on NestWise's website [www.NestWise.com](http://www.NestWise.com).

#### Participation or Interest in Client Transactions

NestWise does not engage in principal transactions with its clients in Wise Portfolios. NestWise's parent company, LPL Financial Holdings Inc., is a publicly traded company. LPL Financial Holdings Inc. stock may not be purchased in Wise Portfolios accounts.

LPL Financial performs recordkeeping and administrative services on behalf of mutual funds and receives compensation for the services based on positions held by Wise Portfolios clients. These services include establishing and maintaining sub-account records reflecting the issuance, exchange or redemption of shares by each program account. The compensation LPL Financial receives for these services may be paid based on Wise Portfolios client assets in the fund (up to 0.25%) or number of positions held by Wise Portfolios clients in the fund (up to \$20 per position). In addition, LPL Financial may charge mutual fund product sponsors a one-time set up fee of up to \$5000 per mutual fund to add the fund to its recordkeeping platform. This compensation presents a potential conflict of interest to NestWise, and NestWise addresses the potential conflict by disclosing the compensation to clients. Outside Strategists do not share in this compensation and therefore an Outside Strategist does not have a financial incentive to select one mutual fund over another because of this compensation. NestWise does not share this compensation with IARs.

NestWise makes available programs for cash in a Wise Portfolios account to be automatically swept to a money market fund or an interest-bearing Federal Deposit Insurance Corporation ("FDIC") - insured deposit account. For more information about which types of accounts are eligible to use the different sweep options, please speak to your IAR.



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For accounts that are set up for cash to sweep to a money market fund -- the available sweep money market funds typically pay higher 12b-1 fees than other money market funds. In addition, LPL Financial receives compensation of up to 0.35% of the NestWise client assets invested in the sweep money market funds for recordkeeping services it provides for the funds. LPL Financial also receives up to 0.15% of the NestWise client assets invested in the sweep money market funds in connection with marketing support services LPL Financial provides to the money market fund sponsors.

For accounts that sweep to the multi-bank insured cash account program offered by NestWise (the "ICA") – NestWise receives a fee equal to a percentage of the average daily deposit balance in the ICA. The fee paid to NestWise may be at an annual rate of up to an average of 200 basis points as applied across all ICA deposit accounts taken in the aggregate; therefore, on some accounts, fees to NestWise may be higher or lower than this amount. The compensation NestWise receives with respect to the ICA may be higher than if a client invests in other sweep investment options.

The compensation related to the insured cash account and sweep money market funds presents a conflict of interest to NestWise because NestWise has a financial benefit if cash is invested in the insured cash account or the sweep funds. However, Outside Strategists do not share in this compensation and therefore an Outside Strategist does not have a financial incentive to allocate a Portfolio to cash instead of other holdings. In addition, NestWise Research does not take into account this compensation when it makes decisions on a Portfolio's allocation to cash. NestWise does not share this compensation with IARs.

### Review of Accounts

NestWise provides clients with regular written reports regarding their accounts. NestWise provides detailed quarterly performance reports describing account performance and positions. In addition, LPL Financial, as the custodian, transmits to clients account statements showing transactions, positions, and deposits and withdrawals of principal and income. IARs review monthly or quarterly accounts statements as well as quarterly performance reports. Portfolio values and returns shown in performance reports for the year-end time period may include mutual fund dividends paid out prior to December 31 but that were posted to the account within the first 2 business days of the subsequent year. The inclusion of such dividends in the year-end performance report may cause discrepancies between the report and the account statement clients receives from NestWise for the same period.

### Other Compensation

The IAR, NestWise and NestWise employees may receive additional compensation from product sponsors, such as an Outside Strategist. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, client events, or marketing or advertising initiatives. Product sponsors may also pay for, or reimburse NestWise for the costs associated with, education or training events that may be attended by NestWise employees and IARs and for NestWise-sponsored conferences and events.

LPL Financial as broker-dealer may receive compensation for directing orders in securities to particular broker-dealers or market centers for execution. The source and nature of compensation received in connection with trades for client accounts is available at [www.lpl.com](http://www.lpl.com) and can also be furnished upon written request. LPL Financial does not share this compensation with NestWise or its IARs.

If a Portfolio is selected that only consists of mutual funds and/or ETFs within the same fund family or within affiliated fund families, The NestWise Investment Team or the Outside Strategist (as applicable) will select only those funds within the affiliated fund families. Because mutual funds or ETFs in a Portfolio may be affiliated with the Outside Strategist that designs the Portfolio, an investment in the affiliated fund generates compensation to the Outside Strategist or its affiliates, including, among other types of compensation, fund-level management fees, in addition to any portion of the Account Fee it receives.

### Brokerage Practices

In Wise Portfolios, NestWise requires that clients direct LPL Financial as the sole and exclusive broker-dealer to execute transactions in the account. Clients should understand that not all advisors or program sponsors require their clients to direct brokerage. The fact that NestWise and LPL Financial are affiliated entities on the account presents a conflict of interest. By directing brokerage to LPL Financial, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money. However, clients should understand that LPL Financial is not paid a commission or transaction charge for executing transactions in Wise Portfolios accounts. In addition, in the case of mutual funds, execution is made at the net asset value of the fund.

NestWise will aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. NestWise also will aggregate rebalancing transactions for an account with other program accounts. Due to the large number of accounts that may be involved in rebalancing transactions on a single day, NestWise may effect transactions for some accounts on one day and for other accounts on the following day or days. In such case, NestWise will have discretion to sequence the accounts involved in rebalancing transactions with the goal of treating all accounts equitably over time.

### Brochure Supplements

Accompanying this Brochure are Brochure Supplements for individual employees of NestWise. Note that although these individuals are responsible for investment advice provided by NestWise, they are not IARs responsible for the ongoing individualized investment advice provided to a particular client. For more information about the IAR managing the account, the client should refer to the Brochure Supplement for the IAR, which should have been provided by the IAR along with this Brochure at the time the client opened the account. If the client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or NestWise at [Compliance@NestWise.com](mailto:Compliance@NestWise.com).

## ACCOUNT PACKET

# WISE MANAGED INVESTMENT PORTFOLIOS PROGRAM BROCHURE

Brochure Supplements for certain NestWise Employees:

John Canally Jr.  
John Armistead Guthery  
Kirby L. Horan-Adams  
Jeffrey Nelson Kleintop  
Michelle A. Shell  
George Burton White

NestWise  
444 Spear Street, Suite 210, San Francisco, CA 94105  
1-855-444-6378  
[www.nestwise.com](http://www.nestwise.com)

NestWise  
75 State Street, 24<sup>th</sup> Floor, Boston, MA 02109

August 17, 2012

This Brochure Supplement provides information about certain NestWise employees that supplements the NestWise Brochure that is attached to this Brochure Supplement. Please contact NestWise at the number above if you did not receive the NestWise Brochure or if you have any questions about the contents of this Brochure Supplement. You may also contact your advisor with questions.

Additional information about these NestWise employees is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Note that although these NestWise employees included in this Brochure Supplement are responsible for investment advice provided by NestWise, they are not the individuals responsible for the ongoing individualized investment advice provided to a particular client. For more information about the Advisor servicing the account, client should refer to the Brochure of the Advisor and the Brochure Supplement for the applicable associated person of Advisor, which should have been provided by the Advisor along with the NestWise Brochure and this Brochure Supplement at the time client opened the account. If client did not receive a Brochure for the Advisor, client should contact the Advisor.

### JOHN J. CANALLY JR.

Year of Birth: 1964

NestWise LLC  
75 State Street, 24<sup>th</sup> Floor  
Boston, MA 02109  
(866) 558-7567

#### Note:

The following supplementary brochure outlines the background information and qualifications of a member of NestWise LLC's Research staff. This individual is not your designated Investment Advisory Representative, but does offer investment advice to NestWise clients as a function of his role in NestWise Research.

#### Educational Background And Business Experience

##### Education

Institution: Villanova University  
Degree Attained: BA in Economics

##### Business Experience

LPL Financial LLC; Senior Vice President – Research (3/2007 – Present)  
NestWise LLC; Senior Vice President – Research (7/2012 – Present)  
PNC Wealth Management; Senior Investment Strategist (4/2002 – 3/2007)

##### Professional Designations

John J. Canally Jr. holds the following designations:

Designation: Chartered Financial Analyst ("CFA")

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the 3 levels)

Continuing Education: None

##### Disciplinary Information

There are no legal or disciplinary events required to be disclosed in response to this item.



## ACCOUNT PACKET

# WISE MANAGED INVESTMENT PORTFOLIOS PROGRAM BROCHURE

### Other Business Activities

John J. Canally Jr. is involved in the following investment-related business or occupation:

John J. Canally Jr. is also a registered representative with LPL Financial, a registered broker/dealer and member of FINRA. John J. Canally Jr. does not currently participate in the sale or solicitation of brokerage accounts.

### Additional Compensation

As an employee of LPL Financial and NestWise LLC, John J. Canally Jr. receives a regular salary and bonus.

### Supervision

John J. Canally Jr.'s advisory activities primarily relate to the financial markets in general. He reports to Burt White, the Chief Investment Officer of LPL and NestWise. Any advice he provides to clients is subject to LPL and NestWise's policies and procedures and to any guidelines established for the applicable advisory program. Paul Middlemiss, Chief Compliance Officer - Advisory, is responsible for administering the NestWise and LPL Financial policies and procedures for investment advisory activities and for regularly evaluating their effectiveness. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

## JOHN ARMISTEAD GUTHERY

Year of Birth: 1968

NestWise LLC  
75 State Street, 24<sup>th</sup> Floor  
Boston, MA 02109  
(866) 558-7567

### Note:

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### Educational Background And Business Experience

#### Education

Institution: Babson College  
Degree Attained: MBA  
Institution: Georgetown University  
Degree Attained: BA

#### Business Experience

LPL Financial LLC; Vice President – Alternative Investment Strategist (2/1996 – Present)  
NestWise LLC; Vice President – Alternative Investment Strategist (7/2012 – Present)  
UVEST Financial Services; Vice President – Alternative Investment Strategist (8/2009 – 4/2012)

#### Professional Designations

John Armistead Guthery holds the following designations:

Designation: Chartered Financial Analyst ("CFA")

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the 3 levels)

Continuing Education: None

#### Disciplinary Information

There are no legal or disciplinary events required to be disclosed in response to this item.

### Other Business Activities

John Armistead Guthery is involved in the following investment-related business or occupation:

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### WISE MANAGED INVESTMENT PORTFOLIOS PROGRAM BROCHURE

John Armistead Guthery is also a registered representative with LPL Financial, a registered broker/dealer and member of FINRA. John Armistead Guthery does not currently participate in the sale or solicitation of brokerage accounts.

#### Additional Compensation

As an employee of LPL Financial and NestWise LLC, John Armistead Guthery receives a regular salary and bonus.

#### Supervision

John Armistead Guthery's advisory activities primarily relate to the financial markets in general. He reports to Burt White, the Chief Investment Officer of LPL and NestWise. Any advice he provides to clients is subject to LPL and NestWise's policies and procedures and to any guidelines established for the applicable advisory program. Paul Middlemiss, Chief Compliance Officer - Advisory, is responsible for administering the NestWise and LPL Financial policies and procedures for investment advisory activities and for regularly evaluating their effectiveness. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

#### KIRBY L. HORAN-ADAMS

Year of Birth: 1976

NestWise LLC  
75 State Street, 24<sup>th</sup> Floor  
Boston, MA 02109  
(866) 558-7567

#### Note:

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#### Educational Background And Business Experience

##### Education

Institution: Boston College Law School  
Degree Attained: Juris Doctor  
Institution: Boston College Carroll Graduate School of Management  
Degree Attained: MBA and MS in Finance  
Institution: Trinity College  
Degree Attained: BA in Mathematics and Economics

##### Business Experience

LPL Financial LLC; Senior Vice President – Research (1/2006 – Present)  
NestWise LLC; Senior Vice President – Research (7/2012 – Present)  
Cerulli Associates; Analyst (7/2001 – 1/2006)

##### Professional Designations

Kirby L. Horan-Adams holds the following designations:

Designation: Chartered Financial Analyst ("CFA")

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the 3 levels)

Continuing Education: None

##### Disciplinary Information

There are no legal or disciplinary events required to be disclosed in response to this item.

##### Other Business Activities

Kirby L. Horan-Adams is involved in the following investment-related business or occupation:

Kirby L. Horan-Adams is also a registered representative with LPL Financial, a registered broker/dealer and member of FINRA. Kirby L. Horan-Adams does not currently participate in the sale or solicitation of brokerage accounts.

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### WISE MANAGED INVESTMENT PORTFOLIOS PROGRAM BROCHURE

#### Additional Compensation

As an employee of LPL Financial and NestWise LLC, Kirby L. Horan-Adams receives a regular salary and bonus.

#### Supervision

Kirby L. Horan-Adams' advisory activities primarily relate to the financial markets in general. She reports to Burt White, the Chief Investment Officer of LPL and NestWise. Any advice she provides to clients is subject to LPL and NestWise's policies and procedures and to any guidelines established for the applicable advisory program. Paul Middlemiss, Chief Compliance Officer - Advisory, is responsible for administering the NestWise and LPL Financial policies and procedures for investment advisory activities and for regularly evaluating their effectiveness. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

#### JEFFREY NELSON KLEINTOP

Year of Birth: 1969

NestWise LLC  
75 State Street, 24<sup>th</sup> Floor  
Boston, MA 02109  
(866) 558-7567

#### Note:

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#### Educational Background And Business Experience

##### Education

Institution: Pennsylvania State University  
Degree Attained: MBA  
Institution: University of Delaware  
Degree Attained: BS in Business Administration

##### Business Experience

LPL Financial LLC; Chief Market Strategist (3/2007 – Present)  
NestWise LLC; Chief Market Strategist (7/2012 – Present)  
PNC Capital Markets; Chief Investment Strategist (6/2001 – 3/2007)  
PNC Advisors; Senior Investment Strategist (01/2000 – 3/2007)

##### Professional Designations

Jeffrey Nelson Kleintop holds the following designations:

Designation: Chartered Financial Analyst ("CFA")

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the 3 levels)

Continuing Education: None

##### Disciplinary Information

There are no legal or disciplinary events required to be disclosed in response to this item.

##### Other Business Activities

Jeffrey Nelson Kleintop is involved in the following investment-related business or occupation:

Jeffrey Nelson Kleintop is also a registered representative with LPL Financial, a registered broker/dealer and member of FINRA. Jeffrey Nelson Kleintop does not currently participate in the sale or solicitation of brokerage accounts.

Jeffrey Nelson Kleintop is the author of the book *Market Evolution: How to Profit in Today's Changing Financial Markets*. The book was published by John Wiley & Sons in May of 2006.

#### Additional Compensation

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As an employee of LPL Financial and NestWise LLC, Jeffrey Nelson Kleintop receives a regular salary and bonus.

#### Supervision

Jeffrey Nelson Kleintop's advisory activities primarily relate to the financial markets in general. He reports to Burt White, the Chief Investment Officer of LPL and NestWise. Any advice he provides to clients is subject to LPL and NestWise's policies and procedures and to any guidelines established for the applicable advisory program. Paul Middlemiss, Chief Compliance Officer - Advisory, is responsible for administering the NestWise and LPL Financial policies and procedures for investment advisory activities and for regularly evaluating their effectiveness. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

#### MICHELLE A. SHELL

Year of Birth: 1975

NestWise LLC  
75 State Street, 24<sup>th</sup> Floor  
Boston, MA 02109  
(866) 558-7567

#### Note:

The following supplementary brochure outlines the background information and qualifications of a member of NestWise LLC's Research staff. This individual is not your designated Investment Advisory Representative, but does offer investment advice to NestWise clients as a function of his role in NestWise Research.

#### Educational Background And Business Experience

##### Education

Institution: Massachusetts Institute of Technology  
Degree Attained: Bachelor of Science  
Institution: Harvard University  
Degree Attained: Master of Business Administration

##### Business Experience

LPL Financial LLC; Senior Vice President – Research (1/2012 – Present)  
NestWise LLC; Senior Vice President – Research (7/2012 – Present)  
Fidelity Investments; Product Manager (05/2003 – 1/2012)

##### Professional Designations

Michelle A. Shell holds the following designations:

Designation: Chartered Financial Analyst ("CFA")

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the 3 levels)

Continuing Education: None

##### Disciplinary Information

There are no legal or disciplinary events required to be disclosed in response to this item.

##### Other Business Activities

Michelle A. Shell is involved in the following investment-related business or occupation:

Michelle A. Shell is also a registered representative with LPL Financial, a registered broker/dealer and member of FINRA. Michelle A. Shell does not currently participate in the sale or solicitation of brokerage accounts.

##### Additional Compensation

As an employee of LPL Financial and NestWise LLC, Michelle A. Shell receives a regular salary and bonus.

#### Supervision

Michelle A. Shell's advisory activities primarily relate to the financial markets in general. She reports to Burt White, the Chief Investment Officer of LPL and NestWise. Any advice she provides to clients is subject to LPL and NestWise's policies and procedures and to any guidelines established for the applicable

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### WISE MANAGED INVESTMENT PORTFOLIOS PROGRAM BROCHURE

advisory program. Paul Middlemiss, Chief Compliance Officer - Advisory, is responsible for administering the NestWise and LPL Financial policies and procedures for investment advisory activities and for regularly evaluating their effectiveness. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

#### GEORGE BURTON WHITE

Year of Birth: 1969

NestWise LLC  
75 State Street, 24<sup>th</sup> Floor  
Boston, MA 02109  
(866) 558-7567

#### Note:

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#### Educational Background And Business Experience

##### Education

Institution: College of William and Mary  
Degree Attained: BBA

##### Business Experience

LPL Financial LLC; Managing Director, Chief Investment Officer – Research (8/2009 – Present)  
NestWise LLC; Managing Director, Chief Investment Officer – Research (7/2012 – Present)  
UVEST Financial Services; Managing Director, Head of Research (11/2007 – 4/2012)  
Wachovia Securities; Managing Director, Head of Research (4/1998 – 10/2007)

##### Professional Designations

None

##### Disciplinary Information

There are no legal or disciplinary events required to be disclosed in response to this item.

##### Other Business Activities

George Burton White is involved in the following investment-related business or occupation:

George Burton White is also a registered representative with LPL Financial, a registered broker/dealer and member of FINRA. George Burton White does not currently participate in the sale or solicitation of brokerage accounts.

##### Additional Compensation

As an employee of LPL Financial and NestWise LLC, George Burton White receives a regular salary and bonus.

##### Supervision

As Chief Investment Officer of LPL and NestWise, Mr. White is responsible for the advice provided by the LPL and NestWise Research Departments through LPL and NestWise's advisory programs. The LPL and NestWise Investment Policy Committee is responsible for general oversight of LPL and NestWise's advisory programs, including review of certain services and products offered through the programs. The advice provided by Mr. White also is subject to LPL and NestWise's policies and procedures and to any guidelines established for the applicable advisory program. Paul Middlemiss, Chief Compliance Officer - Advisory, is responsible for administering the NestWise and LPL Financial policies and procedures for investment advisory activities and for regularly evaluating their effectiveness. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

NestWise LLC, 444 Spear Street; Suite 210, San Francisco, CA 94105