

Wrap Fee Brochure

March 27, 2013

Strategic Wealth Partners, LLC

a Registered Investment Adviser

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This wrap fee brochure provides information about the qualifications and business practices of Strategic Wealth Partners, LLC (hereinafter "Strategic Wealth Partners"). If you have any questions about the contents of this brochure, please contact Moira Fahey-Ullrich at (224) 632-1600. 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 Strategic Wealth Partners, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Strategic Wealth Partners, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Item discusses only the material changes that have occurred since Strategic Wealth Partners' last annual update dated March 28, 2012. Strategic Wealth Partners does not have any material changes to disclose in this Item.

Item 3. Table of Contents

Item 1. Cover Page	i
Item 2. Material Changes	ii
Item 3. Table of Contents.....	iii
Item 4. Services, Fees, and Compensation	4
Item 5. Account Requirements and Types of Clients.....	6
Item 6. Portfolio Manager Selection and Evaluation	6
Item 7. Client Information Provided to Portfolio Managers	8
Item 8. Client Contact with Portfolio Managers.....	9
Item 9. Additional Information	9

Item 4. Services, Fees, and Compensation

The SWP Separately Managed Account Program (the “Program”) is an investment advisory program sponsored by Strategic Wealth Partners. Strategic Wealth Partners provides its clients with investment advisory services through the Program where the firm has enlisted third parties, including Envestnet Asset Management, Inc. (“Envestnet”), to offer various investment management products and services. The Program provides clients the ability to have assets managed by *Independent Managers* (as defined below) that trade in individual securities, exchange-traded funds (“ETFs”), and other eligible securities without incurring separate brokerage commissions or transaction charges. Envestnet and Strategic Wealth Partners are not affiliated other than with regard to jointly providing services through the Program.

To join the Program, a client must:

- (1) Complete the investment advisory wrap fee agreement (the “*Agreement*”) with Strategic Wealth Partners;
- (2) Complete a new account agreement with Fidelity Institutional Wealth Services (“*Fidelity*”) or another broker dealer Strategic Wealth Partners approves for participation in the Program (“*Financial Institution*”); and
- (3) Open a securities brokerage account with the *Financial Institution* and deposit those assets designated for participation in the Program into the account.

After an analysis of any information provided by the client to Strategic Wealth Partners, Strategic Wealth Partners assists the client in developing an appropriate investment strategy for the assets in their accounts. Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with Strategic Wealth Partners and to keep Strategic Wealth Partners informed of any changes thereto. Strategic Wealth Partners contacts ongoing clients at least annually to review its previous services and/or recommendations and to determine whether changes should be made to their investment strategy.

Management of Client Portfolios

All clients in the Program authorize the active discretionary management of a portion of their assets among one or more independent investment managers (hereafter “*Independent Managers*”) to implement a particular investment strategy. The *Independent Managers* have discretionary authority to buy, sell, and otherwise trade in individual equity and debt securities, ETFs, and other eligible investments, and to liquidate previously-purchased securities that the client has transferred to their accounts. As detailed in Item 6, Strategic Wealth Partners continues to render advisory services to the client regarding their investment strategies, the ongoing suitability and performance of each *Independent Manager*, and the quarterly monitoring and review of the overall performance of their accounts.

Fees for the Program

Clients in the Program pay a single annualized fee for participation in the Program (the “*Program Fee*”). The *Program Fee* is prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The *Program Fee* varies (generally between 0.75% and 1.75%) depending upon the market value of the assets under management and the type of investment management services rendered. Strategic Wealth Partners, in its sole discretion, may negotiate to charge a lesser *Program Fee* based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fee Comparison

Under the Program, clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee, the *Program Fee*. The *Program Fee* also includes the management fees charged by the *Independent Managers*. Participation in the Program may cost the client more or less than purchasing such services separately. The number of transactions made in the client’s accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The *Program Fee* may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Other Charges

Clients may incur certain charges imposed by third parties in addition to the *Program Fee* such as charges imposed directly by a mutual fund or ETF in the account if such investment is purchased by an *Independent Manager*, which is disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. For accounts custodied at *Fidelity*, the firm offsets its fees by an amount equal to the ongoing 12b-1 fees received by the firm’s *Supervised Persons* for mutual fund purchases for all clients, including ERISA accounts.

Clients may make additions to and withdrawals from their account at any time, subject to Strategic Wealth Partners’ right to terminate an account. Additions may be in cash or securities provided that Strategic Wealth Partners reserves the right to liquidate any transferred securities or decline to accept particular securities into a client’s account. Clients may withdraw account assets on notice to Strategic Wealth Partners, subject to the usual and customary securities settlement procedures. However, the firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter.

Item 5. Account Requirements and Types of Clients

The Program participants generally include individuals. However, Strategic Wealth Partners may also provide services to pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Account Size or Fee

As a condition for participating in the Program, Strategic Wealth Partners generally imposes a minimum portfolio size of \$1,000,000. Strategic Wealth Partners, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. Strategic Wealth Partners only accepts clients with less than the minimum portfolio size if, in the sole opinion of Strategic Wealth Partners, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Strategic Wealth Partners may aggregate the portfolios of family members to meet the minimum portfolio size.

Generally, Strategic Wealth Partners may impose a minimum annual fee of \$5,000 in cases where Strategic Wealth Partners accepts clients with less than the minimum portfolio size. This minimum fee may have the effect of making Strategic Wealth Partners' service impractical for certain clients.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than Strategic Wealth Partners. In such instances, Strategic Wealth Partners may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 6. Portfolio Manager Selection and Evaluation

Methods of Analysis, Investment Strategies and Risk of Loss

As stated above, Strategic Wealth Partners generally allocates Program assets to *Independent Managers* through Envestnet. The firm continues to render advisory services to the client regarding their investment strategies, the ongoing suitability and performance of each *Independent Manager*, and the quarterly monitoring and review of the overall performance of their accounts.

Strategic Wealth Partners utilizes independent data services, a strict screening methodology, qualitative research, and the experience of its Investment Committee to evaluate potential investment solutions for its clients. To assist with the firm's investment research, Strategic Wealth Partners utilizes the services of Capital Market Consultants, Inc. ("CMC"), a leading provider of investment manager, capital market and economic research. The firm believes this partnership further strengthens its investment manager research, performance evaluation, and due diligence.

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Strategic Wealth Partners, in conjunction with CMC, seeks to find investments that have demonstrated consistent returns and good risk-controls. Investment performance during rising and falling markets is reviewed in an effort to provide protection of clients' capital in down markets while still allowing them to participate in up markets.

Independent Managers are evaluated using data and information gathered from several sources, including the *Independent Manager* itself as well as independent databases. Among the types of information analyzed are investment philosophy, investment style, historical performance, reputation, financial strength, reporting, pricing, and research.

In addition, the firm typically reviews (i) investment philosophy and process; (ii) manager team tenure and experience and number of investment professionals; (iii) size and stability of the organization and firm ownership; and (iv) asset growth and capacity for the strategy.

After identifying what Strategic Wealth Partners' believes to be qualified investments, CMC typically conducts initial interviews with each of the prospective investment management teams. Strategic Wealth Partners' Investment Committee will then meet to determine the final selection. Once a final selection has been made, an implementation strategy for the new manager is created. The firm's Investment Committee subsequently reviews the investment results on a monthly or quarterly basis depending on availability of data. Individual manager monitoring is part of Strategic Wealth Partners' ongoing due diligence process. In conjunction with CMC, the performance, style drift, management changes, organizational changes, asset growth, and philosophy changes are monitored.

Strategic Wealth Partners understands that all investments will have periods of underperformance. When underperformance is identified, the firm will inquire as to the reasoning for the underperformance. If the explanation is consistent with his or her original investment thesis, Strategic Wealth Partners will continue to closely monitor the investment, but may not immediately look for a replacement. If the explanation did not sufficiently explain the performance issues, Strategic Wealth Partners may seek out a replacement manager.

Market Risks

The profitability of a portion of Strategic Wealth Partners' or *Independent Manager*' recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Strategic Wealth Partners or *Independent Managers* will be able to predict those price movements accurately.

Use of Independent Managers

As stated above, Strategic Wealth Partners may recommend the use of *Independent Managers* for certain clients. The firm will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, Strategic Wealth Partners does not have the ability to supervise the

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Independent Managers on a day-to-day basis other than as previously described in response to this Item, above.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Advisory Business

Since May 2008, Strategic Wealth Partners has been in business as an SEC registered investment adviser. Founded by the firm's managing members, Neal Price and David Copeland, Strategic Wealth Partners works with clients with the goal of preserving and growing wealth through insightful planning and objectively selected investment and financial vehicles.

Strategic Wealth Partners has \$1,006,195,449.40 of assets under advisement as of December 31, 2012. \$753,593,766.26 of these assets are advised on a discretionary basis, and \$252,601,683.14 are advised on a non-discretionary basis.

This Wrap Fee Brochure describes the business of Strategic Wealth Partners. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Strategic Wealth Partners' officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Strategic Wealth Partners' behalf and is subject to Strategic Wealth Partners' supervision or control.

Performance-Based Fees and Side-by-Side Management

Strategic Wealth Partners does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Voting of Client Securities

Strategic Wealth Partners is required to disclose if it accepts authority to vote client securities. Strategic Wealth Partners does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*. Proxies may be voted by the *Independent Manager* unless the client and *Independent Manager* agree otherwise.

Item 7. Client Information Provided to Portfolio Managers

The firm will provide *Independent Managers* with the *Agreement* and any other information it believes is necessary.

Item 8. Client Contact with Portfolio Managers

There are no restrictions on a clients' ability to contact and consult with Strategic Wealth Partners.

Clients may contact *Independent Managers* through Strategic Wealth Partners by providing Strategic Wealth Partners with written request and identification of the questions or issues to be discussed with the *Independent Managers*. After receiving the client's written request Strategic Wealth Partners, at its sole discretion, contacts the *Independent Managers* for the client or arranges for the *Independent Managers* and the client to communicate directly.

Item 9. Additional Information

Disciplinary Information

Strategic Wealth Partners is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Strategic Wealth Partners does not have any required disclosures to this Item.

Other Financial Industry Activities and Affiliations

Registered Representatives of Broker Dealer

Certain pre-existing clients had engaged persons associated with Strategic Wealth Partners (but not Strategic Wealth Partners) to render securities brokerage services under a commission arrangement. Under this prior arrangement, clients could implement securities transactions through certain of Strategic Wealth Partners' *Supervised Persons* in their respective individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), an SEC registered broker-dealer and member of FINRA. Strategic Wealth Partners does not offer this service for new clients.

In these limited situations for pre-existing clients, PKS may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by PKS to such *Supervised Persons*. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers.

A conflict of interest exists to the extent that Strategic Wealth Partners recommended the purchase of securities where Strategic Wealth Partners' *Supervised Persons* receive commissions or other additional compensation as a result of Strategic Wealth Partners' recommendations. Strategic Wealth Partners has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients, and as stated above, the firm does not offer this service for new clients

For those PKS accounts covered by ERISA (and such others that Strategic Wealth Partners, in its sole discretion deems appropriate), Strategic Wealth Partners provides its investment advisory services on a fee-offset basis. In this scenario, Strategic Wealth Partners may offset its fees by an amount equal to the

Strategic Wealth Partners, LLC Wrap Fee Brochure

aggregate commissions earned by Strategic Wealth Partners' *Supervised Persons* in their individual capacities as registered representatives of *PKS*.

Receipt of Insurance Commission for Pre-Existing Clients

Certain of Strategic Wealth Partners' *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While Strategic Wealth Partners does not sell such insurance products to its investment advisory clients, the firm does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to a limited group of pre-existing clients. For these particular clients, a conflict of interest exists to the extent that Strategic Wealth Partners recommends the purchase of insurance products where Strategic Wealth Partners' *Supervised Persons* receive insurance commissions or other additional compensation.

Code of Ethics

Strategic Wealth Partners and persons associated with Strategic Wealth Partners ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Strategic Wealth Partners' policies and procedures.

Strategic Wealth Partners has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Strategic Wealth Partners or any of its associated persons. The *Code of Ethics* also requires that certain of Strategic Wealth Partners' personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When Strategic Wealth Partners is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Strategic Wealth Partners is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

However, unless specifically permitted in Strategic Wealth Partners' *Code of Ethics*, none of Strategic Wealth Partners' *Access Persons* may effect for themselves or for their immediate family (i.e., spouse,

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minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Strategic Wealth Partners' clients. Clients and prospective clients may contact Strategic Wealth Partners to request a copy of its *Code of Ethics*.

Review of Accounts and General Reports

Strategic Wealth Partners monitors assets as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* for assets. Participants may also receive a report from Strategic Wealth Partners that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a periodic basis. **Clients should compare the account statements they receive from the *Financial Institutions* with those they receive from Strategic Wealth Partners.**

Client Referrals and Other Compensation

Strategic Wealth Partners is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 9, above.

In addition, Strategic Wealth Partners is required to disclose any direct or indirect compensation that it provides for client referrals. If a client is introduced to Strategic Wealth Partners by either an unaffiliated or an affiliated solicitor, Strategic Wealth Partners may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from Strategic Wealth Partners' investment management fee, and does not result in any additional charge to the client. If the client is introduced to Strategic Wealth Partners by an unaffiliated solicitor, the solicitor provides the client with a copy of Strategic Wealth Partners' written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Strategic Wealth Partners discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of Strategic Wealth Partners' written disclosure brochure at the time of the solicitation.

Strategic Wealth Partners has entered into an agreement with *Fidelity* to participate in Fidelity Wealth Advisor Solutions ("WAS"), a referral service designed to match investors with an independent investment advisor in their area. Strategic Wealth Partners pays a fee for participating in WAS. Strategic Wealth Partners has agreed not to charge clients introduced through WAS fees or costs greater than the fees or costs Strategic Wealth Partners charges its advisory clients who were not introduced through WAS, and

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who have similar portfolios under management with Strategic Wealth Partners. Strategic Wealth Partners' participation in *Advisor Access* may raise potential conflicts of interest. Although not required by WAS, Strategic Wealth Partners may be more likely to execute transactions for their clients referred through WAS with *Fidelity*, consistent with Strategic Wealth Partners' duty of best execution as further discussed above.

Financial Information

Strategic Wealth Partners does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Strategic Wealth Partners is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Strategic Wealth Partners has no disclosures pursuant to this Item.

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Prepared by:



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