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WRAP FEE PROGRAM BROCHURE

October 3, 2013

This wrap fee program brochure provides information about the qualifications and business practices of PPS Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (800) 634-3695 or email clientservices@ppsadvisors.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. Registration with the Securities and Exchange Commission does not imply any particular level of skill or training.

Additional information about PPS Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This update to PPS Advisors, Inc.'s brochure is our first update since our annual update on April 1, 2013 and includes a material change to our Disciplinary Information Disclosure.

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Services, Fees and Compensation

PPS Advisors, Inc. doing business as Professional Planning Services (“PPS”) provides management of investment portfolios for individuals, pension and profit sharing plans, trusts and business entities, in accordance with the investment objective(s) of the client. PPS also provides consulting and financial planning services for a fixed or hourly fee. These services are described in a separate brochure, a copy of which is available upon request.

PPS offers six asset management programs:

1. PPS Strategic Asset Allocation Models
2. PPS ETF Allocation Models
3. PPS Quant Trend Portfolio
4. PPS Quant Trend Dividend Achievers Portfolio
5. PPS Quant Trend Country ETF Portfolio
6. PPS Quant Behavioral Portfolio

PPS Strategic Asset Allocation Models

PPS is a quantitative manager that does not employ overlay managers for the management of its models. Its key decision points on the positions selected are based on several criteria, including performance, manager tenure, tax efficiency, risk and up and down market capture. Asset allocation decisions, investment selection, buy/sell disciplines, performance and screening methodology are reviewed in entirety at the beginning of each quarter at PPS’s Investment Committee meeting led by our Chief Investment Officer. The decisions made at this meeting determine the macro investment philosophy for the allocation models and risk tolerances that correspond to the allocation market benchmarks, as well as make any required strategic or tactical changes. Mutual fund, ETF or individual equity positions that fail to meet our screening process are removed and replaced. Additionally, mutual fund positions that show an increase in standard deviation and beta are further examined to ensure that the holdings are consistent with the mutual fund’s prospectus.

PPS has developed five models that it manages on a discretionary basis that include:

- Income with Capital Preservation
- Income with Moderate Growth
- Growth and Income
- Growth
- Aggressive Growth

These models are created and tested through the Morningstar Advisor Workstation for appropriate risk/return ratios within each model. The model allocations allow for up to a 5% variance from the established model before rebalancing is required. This prevents excess trading that may impact tax

consequences and performance on the portfolios. Asset classes that can be used in the models are Domestic and Foreign Equities in all market cap disciplines including sovereign, corporate and high yield debt of both domestic and foreign issuers. Other Fixed Income securities may include the use of MLPs, REITs, Preferred Stock and other dividend plays. PPS also employs alternative asset classes that may include sector bets, real estate, natural resources, hard assets and hedged positions.

Within these portfolios, PPS does not view itself as an active trader, but does trade/adjust client accounts based on the economic environment, interest rates and business forecast.

PPS ETF Asset Allocation Models

PPS has six ETF asset allocation models that it manages on a discretionary basis. These models include:

- Income with Capital Preservation
- Income with Moderate Growth
- Growth and Income
- Growth
- Aggressive Growth
- Tactical Growth

Similar to PPS's Strategic Asset Allocation Models, these models are created and tested through the Morningstar Advisor Workstation for appropriate risk/return ratios within each model. The model allocations allow for up to a 5% variance from the established model before rebalancing is required. This prevents excess trading that may impact taxes and performance of the portfolios. The models utilize ETFs from the following asset classes, Domestic and Foreign Equities in all market cap disciplines, including sovereign, corporate and high yield debt of both domestic and foreign issuers. Fixed income securities may include the use of individual MLPs, ETF REITs, ETFs inclusive of preferred stock and other dividend plays. PPS ETF models also employ alternative asset classes that may include ETFs centered on real estate, natural resources and hard assets. PPS does not use any leveraged ETFs in its ETF models.

Other than the ETF Tactical Growth model, PPS does not view itself as an active trader, but does trade/adjust client accounts based on the economic environment, interest rates and business forecast. Active trading can affect investment performance, particularly through increased taxes.

PPS Quant Trend Portfolio

PPS offers a Quant Trend Portfolio (QTP), which is an all cap, multi-strategy, long/short investment strategy. The investment objective of the QTP is to achieve absolute returns. This is in contrast to traditional return objectives that seek relative returns by benchmarking a portfolio to an index. QTP seeks to manage money by removing the emotional and opinionated biases that often determine investment decisions.

Trading decisions are determined via the results of an automated computer generated screening methodology. That methodology is based on the satisfaction of both technical and fundamental criteria of the screening population ("Universe") of publicly traded equity securities. Although the total Universe of

all publicly traded stocks in the U.S. exceeds 6,000, our processes focus on approximately 2,000 stocks, eliminating all stocks that are not listed on a U.S. securities exchange or NASDAQ, as well as those listed issues that do not satisfy certain size and liquidity requirements.

The portfolio incorporates five distinct Market Indicators allocated across four distinct and simultaneous strategies. Those indicators will dictate the degree of investment exposure at any given point in time per strategy.

The objective of combining five distinct indicators with four proprietary strategies is to mitigate risk allowing the portfolio to move with the overall market in either direction. The portfolio employs an agnostic approach, i.e., being neither a bull nor a bear, while also not becoming fully invested in reaction to confirmation of the first indicator. Money is invested with the validation of each indicator. This philosophy aims to prevent investing into unconfirmed market directions. A list of our indicators and strategies are listed below:

The five Market Indicators are:

1. Volatility Stop (VST);
2. New High/Low (NH-NL);
3. Advance-Dcline (ADV-DEC);
4. Accumulation-Distribution (AD); and
5. Institutional Sponsorship (IP).

The four strategies are:

1. Relative Strength – RS (Long & Short) - This is an indicator that measures the performance of one stock relative to the performance of all stocks in the Universe. A rank of 80 or higher indicates superior relative over-performance, while ranks of below 30 will indicate inferior relative under-performance. RS tends to be a longer-term hold strategy.
2. Riding the Waves – RTW (Long & Short) - RTW is a short to intermediate term trading strategy whereas Relative Strength is more of a long-term investment strategy. The bull-run will not be without some speed bumps, as stocks tend to move in waves of base-building periods. Riding the Waves attempts to trade the waves the stock is creating throughout that bull run.
3. TECHFUN – TF (Long Only) - TECHFUN is a long-only strategy. The strategy utilizes a very strict set of fundamental metrics, including but not limited to growth in sales, earnings, cash flow and ROE.
4. Market Extreme Lows/Market Extreme Highs – Market Extreme Lows seeks to go Long for the First 30 to 60 days of the Bear Market rallies those stocks that have dropped the most in the last 6 to 12 months after extreme Bear Market corrections while Market Extreme Highs seeks to go Short for the First 30 to 60 days of the Bull Market corrections those stocks that have gained the most in the last 6 to 12 months after extreme Bull Markets.

Thus the overall investment approach is based on five Market Indicators, which drive four Strategies into which investment capital will be proportionately deployed. Each Market Indicator earmarks 1/5th, or a 20% tranche, of the portfolio to be invested across the strategies.

The portfolio may at times short the market. As each of the indicators becomes activated either long or short, positive indicators would dictate that the portfolio be fully invested and as each indicator turns negative, the portfolio would begin to go Short up to 20% tranches across the strategies. The same process continues as each indicator goes from being positive to negative. Therefore, as the market begins to change direction the portfolio seeks to change position in lockstep with the market.

Although, it is very unlikely that the portfolio will ever have more than 40% allocated to any one market cap, 20% in any one industry and 6% in any one stock, the portfolio does not have any mandated exposure limitations.

QTP is an actively managed strategy that is designed for aggressive investors; the portfolio has the potential for short-term and long-term tax implications.

PPS Quant Trend Dividend Achievers Portfolio

PPS offers a Quant Trend Dividend Achievers Portfolio (QTDAP), which focuses on the mid to large cap securities that pay dividends greater than the mean of the S&P 500. QTDAP utilizes the QTP indicators and strategies while sorting the equity database to exclude those securities with no or low dividend yields.

QTDAP's investment objective is to capture the intermediate- to long-term moves in high dividend paying securities while collecting above average dividend yields.

Trading decisions are determined via the results of an automated screening methodology. That methodology is based on the satisfaction of both technical and fundamental criteria of the screening population of publicly traded equity securities that pay dividends greater than the mean of the S&P 500, as well as satisfy certain size and liquidity requirements. The portfolio employs five indicators that drive four strategies. QTPAP takes an agnostic approach, i.e., being neither a bull nor a bear, while also not becoming fully invested in reaction to confirmation of the first indicator. Each indicator earmarks 20% of the portfolio to be invested across the strategies. This systematic deployment of capital, based on the validation of each indicator, manages the risk of investing on false-positive signals.

QTDAP allows the computer to perform the analysis through a series of technical and fundamental indicators removing the emotional and opinionated biases that often determine investment decisions. The computer makes decisions purely on quantitative measurements of price and volume.

QTDAP runs on a database of about 350 stocks that qualify based on our dividend achievers criteria. This list restricts the purchase of REITs, MLPs and oil and gas trusts.

PPS Quant Trend Country ETF Portfolio

PPS offers a Quant Trend Country ETF Portfolio, which is a long and short strategy that focuses on ETFs designed to track the performance of major international markets.

The portfolio's investment objective is to generate exposure in international markets as we attempt to outperform the MSCI World Index while trying to reduce risk and draw-downs during corrections and bear markets.

The portfolio employs market indicators that are based on our proprietary worlds index that will determine our long, short or cash position in the portfolio. Finally, the strategy applies a ranking algorithm to invest in those countries where their indices are rising faster during up trends and shorting those countries where their indices are falling faster during down trends relative to all other countries.

Trading decisions are determined via the results of an automated screening methodology. That methodology is based on the satisfaction of both technical and fundamental criteria of the screening population of publicly traded ETFs that are designed to track the performance of major international markets. The portfolio employs five indicators that drive four strategies. Quant Trend Country ETF Portfolio takes an agnostic approach, i.e., being neither a bull nor a bear, while also not becoming fully invested in reaction to confirmation of the first indicator. Each indicator earmarks 20% of the portfolio to be invested across strategies. This systematic deployment of capital, based on the validation of each indicator, manages the risk of investing on false-positive signals.

Quant Trend Country ETF Portfolio allows the computer to perform the analysis through a series of technical and fundamental indicators removing the emotional and opinionated biases that often determine investment decisions. The computer makes decisions purely on quantitative measurements of price and volume.

Quant Trend Country ETF Portfolio runs on a database of ETFs that are designed to track the performance of major international markets.

PPS Quant Behavioral Portfolio

PPS offers a Quant Behavioral Portfolio (QBP), which is a very actively traded long/inverse/neutral strategy, designed to effectively manage the increasing volatility and uncertainty of today's markets by deftly trading short-term and intermediate shifts in key asset classes regardless of trend direction.

QBP's investment objective is to outperform key market indices by utilizing the powerful, quantifiable and predictable directional impact the pervasive 24/7 news and headlines flow has on short-term market movements.

Trading decisions are determined by "QBP-Signals" (Quant Behavioral Portfolio Signals) emanating from time series forecasting models that capture and synthesize the ever-changing mix and flow of behavior-changing news and headlines. QBP-Signals yield short-term to intermediate price direction and price magnitude projections for several asset classes. Bi-weekly QBP-Signals are used to determine long, short or neutral positions to be taken in each selected asset class. For any asset class in which a "Neutral" position is indicated by the QBP-Signal, funds for that asset class will be held in cash until either a "Long" or "Short" signal emerges in the weeks that follow.

Unlike conventional reports and surveys that report economic outcomes after the fact, QBP-Signals provide the first alert to fast-changing market conditions and imminent shifts in key market indices well before conventional methods. The forecasting models driving QBP-Signals remove emotional and opinionated biases that far too often influence investment decisions. The QBP-Signals are derived purely from the known and reliable relationship between news flow and market outcomes.

Quant Behavioral Portfolio runs on a database of major asset classes, including the S&P 500, as well as gold, energy, emerging markets, long-term Treasuries and corporate bond indices.

Other Assets

With respect to that portion of a client's account that is not invested in accordance with the above models, PPS manages those assets in accordance with the client's Investment Policy statement.

Fees

PPS charges an annual fee, payable quarterly in advance, based on the account value as of the last business day of the immediately preceding calendar quarter. The management fee depends upon the specific type of investment services rendered and upon the market value of assets under management and in certain cases may be negotiable. The portion of the total fee paid to an external portfolio manager or subadviser will generally equal 10% to 50% of PPS's fee. The maximum annual rate charged per value of a client's account(s) is 3.00%, subject to a minimum quarterly fee of \$75, or in some circumstances, a minimum annual fee of \$2,500.

PPS may charge "qualified clients" in any of its PPS Quant Portfolios (described above) a performance-based fee. For those clients, PPS charges its fees based upon a percentage of the value of the assets being managed by PPS ("base fee") in addition to a fee based on the performance of the account ("performance fee"). PPS charges a performance fee up to 15% of the net performance, subject to a high-water mark. PPS also charges a base fee unless otherwise negotiated. The performance fee and/or base fee will not exceed the maximum rate set forth in the table above.

PPS deducts its fee from client accounts. PPS's management fee covers the investment advisory services of PPS, as well as charges for execution of transactions, custody of account assets and account reporting. Clients may pay more or less for these services than if they were purchased separately. Factors that bear upon the cost of the program in relation to the cost of the same services purchased separately include, among other things, the type and size of the account and the historical and/or expected size or number of transactions in the account. This fee does not cover certain charges assessed by the custodian and brokerage firm from time to time. For partial quarters, the fee is determined by daily proration. If a client deposits more than \$1,000 into the client account after the beginning of a quarter, the fees payable for that quarter with respect to those assets is prorated based on the number of days remaining in the quarter. Fee adjustments are also made for partial withdrawals made during a billing period. Upon termination of the advisory agreement, the advisory fee is prorated to the date of termination and any prepaid fees with respect to those days after the date of termination are promptly returned to the client. If a client terminates the advisory agreement within one year of its acceptance, the client bears any transaction costs incurred during the term of the advisory agreement.

With respect to mutual funds or other pooled investment products held in a client's account, fees payable to PPS are in addition to expenses and ordinary fees borne by these holdings, including sales charges, transaction fees and redemption or surrender fees. PPS's fees could be avoided if the client invested directly in mutual funds and other pooled products.

PPS may engage one or more subadvisers from time to time and delegate to them any of its authority to provide investment services. If PPS engages a subadviser on a client's behalf, PPS will pay the subadviser's fee out of its fee. If a client signs an agreement with a subadviser, the client will pay the subadviser's fee out of the client's account and the subadviser's fee will be in addition to any fees PPS charges.

Investment adviser representatives of PPS who recommend the program to a client receive compensation as a result of the client's participation in the program. The amount of this compensation may be more than what the investment adviser representative would receive if the client participated in other programs

of PPS or paid separately for investment advice, brokerage and other services. Accordingly, in many cases, the investment adviser representative may have a financial incentive to recommend the Program over other PPS programs or services.

Investment adviser representatives of PPS who are also registered representatives of American Portfolios Financial Services, Inc. ("APFS"), a registered broker-dealer, may receive commissions on sales of annuity products in their individual capacities as registered representatives of APFS. These commissions are from the sale of the annuity product and are separate from PPS's advisory fee that may be charged for the ongoing portfolio allocation strategies and oversight. This practice presents a conflict of interest and gives the PPS/APFS representative an incentive to recommend investment products based on the compensation they receive rather than the client's needs. To address this conflict, for clients of PPS with respect to which a PPS investment adviser representative receives commissions on the sale of an annuity product as a registered representative of APFS, the advisory fee charged to the account will be reduced by the amount received by the investment adviser representative for selling the annuity product.

PPS may invest client assets in alternative investments, including private securities offerings and private investment funds. Officers or employees of PPS as registered representatives of APFS may receive an upfront brokerage commission for the sale of these alternative investments. This practice presents a conflict of interest and gives PPS employees an incentive to recommend investment products based on the compensation received, rather than on a client's needs. To address the conflict that arises, for purposes of calculating the advisory fee for your account, the value of the alternative investment will not be included as an asset for the first twelve (12) months following your purchase. While the asset is held in your account, the alternative investment will be valued at the subscription price you paid for the investment. The companies issuing these alternative investments may be affiliated with officers or employees of PPS, officers or employees of PPS may also invest in these alternative investments, and these alternative investments will be illiquid for the duration of your investment, which means that for the duration of the investment you will not be able to sell or transfer the investment or there may be restrictions on your ability to sell or transfer the investment.

Account Requirements and Types of Clients

PPS provides portfolio management services for individuals, pension and profit sharing plans, trusts and business entities.

Clients are required to establish an account with APFS which is maintained at Pershing. PPS requires a minimum account size of \$25,000, which may be waived.

Portfolio Manager Selection and Evaluation

Investment adviser representatives of PPS are selected to act as portfolio managers, based on a number of factors, including overall level of experience and the successful completion of appropriate regulatory examinations. In addition, each prospective portfolio manager must be approved by the President of PPS before he or she may be designated as a portfolio manager. Clients may designate any of the portfolio managers of PPS; a specific portfolio manager is not generally recommended to a client. Each account is periodically reviewed by PPS's principals and associates. Accounts are reviewed quarterly for suitability of the portfolio to the objectives and risk tolerance of the client and investment returns as compared with appropriate market benchmarks.

PPS, through its written service agreement with APA (defined and described below under “Additional Information – Other Financial Industry Activities and Affiliations”), uses Albridge’s performance reporting system to calculate portfolio performance.

Advisory Business

PPS provides management of investment portfolios for individuals, pension and profit sharing plans, trusts and business entities, in accordance with the investment objective(s) of the client. Clients may restrict or prohibit purchases of certain securities or certain types of securities for their accounts. In addition, to the extent specifically requested by a client, PPS may provide consulting and financial planning services to its investment management clients on investment and non-investment-related matters.

Third Party Wrap Fee Programs. PPS participates in wrap fee programs sponsored by third party managers, by providing management services. There are no differences between how PPS manages wrap fee accounts and how PPS manages other accounts. PPS receives a portion of the wrap fee the third party manager charges for the portfolio management services PPS provides to the third party manager’s wrap fee accounts.

Performance-Based Fees and Side-by-Side Management

Certain clients may pay PPS an asset-based management fee, a performance-based management fee or a combination of both. PPS will only charge a performance-based management fee or a combination of asset-based management fee and performance-based fee in its PPS Quant Portfolios. To the extent that PPS charges a performance-based fee, the performance-based fee will comply with the requirements of Section 205 and Rule 205-3 under the Investment Advisers Act of 1940, including clients must meet the standards of a “Qualified Client.” Fees charged under this program will not exceed the maximum rate as detailed in the “Fees and Compensation” section above.

PPS faces a conflict of interest in managing accounts that are charged a performance-based fee and accounts that are charged asset-based fees at the same time, including that PPS may have an incentive to favor accounts which pay a performance-based fee. To mitigate any potential conflict of interest, PPS maintains separate account ranges and portfolio managers for its asset management programs.

Methods of Analysis, Investment Strategies and Risk of Loss

The methods of analysis and investment strategies PPS uses in formulating investment advice are described above in the description of PPS’S six programs under “Services, Fees and Compensation.”

Investing in securities involves risk of loss that clients should be prepared to bear.

Voting Client Securities

PPS generally does not vote proxies for securities held in client accounts. However, PPS votes proxies for clients in the American Portfolios Managed Solutions Program (also known as 19T). For clients where PPS does not vote proxies, the broker-dealer custodian forwards proxies to clients. Clients may contact PPS with questions about a particular solicitation; however, PPS will not advise clients regarding how they should vote.

Client Information Provided to Portfolio Managers

With their portfolio managers, clients complete a risk tolerance questionnaire and develop investment objectives and asset allocation policies for their accounts. Clients may restrict or prohibit their portfolio managers from purchasing certain types of securities. Clients provide updated information to PPS in connection with PPS's annual review of client accounts.

Client Contact with Portfolio Managers

Clients may contact and consult with their portfolio managers during PPS's regular business hours.

Additional Information

Disciplinary Information

On September 12, 2013, Mr. Lawrence Passaretti and FINRA concluded the settlement of a complaint. The complaint alleged one cause of action under NASD Rule 2110 concerning valuations in eight portfolio summaries sent to four customers during January 2006 through February 2008. The allegations concerning the portfolio summaries stem from an investment that Mr. Passaretti introduced to customers in 1997. The settlement brings to closure and fully resolves FINRA's complaint. In settling this matter, FINRA did not find that Mr. Passaretti willfully violated any of its rules, including those relating to management of assets or communications with customers. Mr. Passaretti consented to the settlement without admitting or denying the allegations of the complaint and solely for purposes of this proceeding. Mr. Passaretti agreed to be suspended from associating with a FINRA member for 20 business days and pay a \$30,000 fine.

Other Financial Industry Activities and Affiliations

Mr. Passaretti and Mr. Catanzaro, officers of PPS, as well as other employees and/or investment adviser representatives of PPS, in their individual capacities, are registered representatives of a registered broker-dealer, APFS. As a result, they are licensed to effect securities brokerage transactions on a fully disclosed commission basis and may receive initial and/or annual commissions on sales of certain annuities. The fees that these individuals may receive for providing brokerage services are separate and apart from any fees that PPS may receive for the investment services it provides, which are discussed in "Fees and Compensation" above.

APFS has made loans to officers and employees of PPS, and the related promissory notes include a continued forgiveness provision whereby the loan is forgiven if the individual remains registered with APFS and is in active production as a registered representative. However, the promissory notes do not require specific production minimums for loan forgiveness nor do they provide that the loans will be forgiven at an accelerated rate if any specific production targets are achieved. Accordingly, PPS does not believe these arrangements create a conflict of interest or cause an incentive to place trades with APFS in exchange for having the loans forgiven.

Mr. Catanzaro is also an investment adviser representative of American Portfolios Advisors, Inc. ("APA"), a registered investment adviser, and affiliate of APFS.

PPS has a written service agreement with APA pursuant to which APA provides administrative services to PPS in exchange for a percentage of the revenue PPS earns from clients.

Mr. Passaretti and Mr. Catanzaro, as well as other employees and/or investment adviser representatives of PPS, in their individual capacities, are licensed insurance agents, and are licensed to sell a wide range of insurance products. The fees that these individuals may receive for providing insurance services are separate and apart from any fees that PPS may receive for the investment services it provides, which are discussed in “Fees and Compensation” above. An associate of PPS is also a principal of an accounting firm. The associate may refer accounting clients to PPS for investment advisory services and PPS may refer clients to the accounting firm for accounting services.

PPS recommends or selects other investment advisers or sub-advisers for its clients and PPS receives compensation as a percentage of the overall advisory fee that is set by PPS. PPS is compensated to monitor the investments and performance of the sub-adviser and the sub-adviser is compensated to execute and trade the assets within the account. PPS does not believe this arrangement presents a material conflict of interest for PPS since the total advisory fee is consistent with PPS’s advisory fee schedule.

PPS employees and/or investment adviser representatives may act as solicitors for other investment advisers, pursuant to which they receive compensation from such other investment advisers for recommending advisory clients to them.

PPS may receive from APFS with or without cost (and/or at a discount) support services and/or products, certain of which assist PPS to better monitor and service client accounts. APFS may provide PPS investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by PPS in furtherance of its investment advisory business operations.

Certain of the support services and/or products that PPS may receive from APFS may assist PPS in managing and administering client accounts. Other services or products may not directly provide client account assistance, but rather may assist PPS to manage and further develop its business enterprise. PPS may use these services and other support in servicing any or all of its clients to different degrees and levels. PPS receives substantial benefit from APFS since the support APFS provides relieves PPS from having to maintain its own computer software and other back-office and recordkeeping systems.

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

PPS has adopted a code of ethics as required by Rule 204A-1 under the Investment Advisers Act of 1940. PPS’s code of ethics sets forth certain standards of business conduct that govern the personal investment activities of employees and officers of PPS, including the standard that the interests of advisory clients must be placed first at all times. The code of ethics requires access persons of PPS to report their personal securities transactions to PPS on a quarterly basis and their securities holdings upon commencement of employment (or upon becoming an access person) and annually thereafter. Access persons also must obtain approval from PPS’s chief compliance officer before they acquire any ownership interest in any security in an initial public offering or limited offering. The code of ethics applies not only to transactions by the individual, but also to transactions for accounts in which the person has an interest individually, jointly or as guardian, executor or trustee, or in which the person or the person’s spouse, minor children or other dependents residing in the same household have an interest. Compliance with the code of ethics is a condition of employment. The code of ethics requires all employees and officers of PPS to comply with applicable federal securities laws and to promptly report any violation of the code to the chief compliance officer. Clients may obtain a copy of PPS’s code of ethics from PPS upon request.

Officers and employees of PPS may invest in shares of mutual funds and other securities, including alternative investments that are recommended for purchase or sale by clients. PPS officers and employees face a conflict of interest when they buy or sell securities at or about the same time that PPS buys or sells the same securities for client accounts or recommends that clients buy or sell the same securities, because PPS officers or employees could take advantage of the information regarding the client transactions and execute their trades prior to the clients (commonly called “front running”). However, PPS’s code of ethics prohibits PPS access persons from buying or selling a security on a day during which a client has a pending buy or sell order in that security until the client’s order is executed or withdrawn. This prohibition does not apply to equity securities of an issuer with a market capitalization greater than \$5 billion and average trading volume of at least \$1 million shares per day, because PPS does not believe the potential for front running is present.

PPS may invest client assets in alternative investments, including private securities offerings and private investment funds. Officers or employees of PPS as registered representatives of APFS may receive an upfront brokerage commission for the sale of these alternative investments. This practice presents a conflict of interest and gives PPS employees an incentive to recommend investment products based on the compensation received, rather than on a client’s needs. To address the conflict that arises, for purposes of calculating the advisory fee for your account, the value of the alternative investment will not be included as an asset for the first twelve (12) months following your purchase. While the asset is held in your account, the alternative investment will be valued at the subscription price you paid for the investment. The companies issuing these alternative investments may be affiliated with officers or employees of PPS, officers or employees of PPS may also invest in these alternative investments, and these alternative investments will be illiquid for the duration of your investment, which means that for the duration of the investment you will not be able to sell or transfer the investment or there may be restrictions on your ability to sell or transfer the investment.

Review of Accounts

PPS’s principals and associates conduct periodic account reviews. PPS performs client reviews at least annually, which includes a year-to-date performance report and a prior calendar year performance report. Clients should advise PPS of any changes in their investment objectives and/or financial situation. All clients, in person or via telephone, should review their financial planning issues, investment objectives and account performance with us on an annual basis, as applicable.

The broker-dealer/custodian for client accounts provides clients with statements on at least a quarterly basis and confirmation notices as transactions are executed.

Client Referrals and Other Compensation

PPS may receive discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support and/or other products used by PPS in furtherance of its investment advisory business from certain distributors and/or wholesalers. These arrangements may present a conflict of interest for PPS since it has an economic incentive to do business with these distributors or wholesalers. However, since PPS’s advisory services are provided in accordance with its screening process in choosing investments for its models, these distributors or wholesalers are not favored over other distributors, wholesalers or product sponsors.

From time to time PPS may enter into agreements providing cash compensation to persons who refer clients to PPS (“solicitors”). These agreements require that the solicitor meet the disclosure and other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as well as comply with other

applicable laws and regulations including state securities laws. The terms of the agreements differ somewhat depending upon the circumstances, but generally provide either for compensation equal to a specified percentage of the fees received by PPS from clients referred, or for fixed compensation.

Financial Information

PPS does not believe there is any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.