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## **SPA MANAGEDCHOICE IRA PROGRAM**

FORM ADV Part2A

Appendix 1: The ManagedChoice Program Brochure

This brochure provides investors with information about Sentinel Pension Advisors, Inc. and the SPA ManagedChoice Program (“SPA Program” or “Program”) that should be considered before becoming a client of the SPA Program. This information has not been approved or verified by any state or federal governmental authority.

This ManagedChoice IRA Program brochure provides information about the qualifications and business practices of Sentinel Pension Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 781-914-1450. 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 Sentinel Pension Advisors, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **The SPA Program is sponsored by:**

Sentinel Pension Advisors, Inc.

55 Walkers Brook Dr., Suite 100

Reading, MA 01867

### **Questions? Contact us anytime at:**

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## **MATERIAL CHANGES**

### **Annual Update**

This brochure is filed as the annual update to the Form ADV Part 2A Appendix 1: ManagedChoice IRAManagedChoice IRA ProgramBrochure. The last annual update was December 31, 2014. The Material Changes section of this brochure will be updated annually, and when material changes occur.

### **Material Changes Since the Last Update**

There have not been any material changes to the program or brochure since the last annual update that occurred on March 30, 2014.

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## I. SERVICES, FEES AND COMPENSATION

The SPA ManagedChoice IRA Program is a fee-based program sponsored by SPA. Under the Program, SPA develops, monitors, and manages an investment portfolio of no load, low cost mutual funds with a variety of objectives. The client may select the appropriate model portfolio to help achieve their investment objectives. The client grants discretionary authority over the client's assets to SPA to buy, sell and trade mutual funds. In addition to the fees related to the Program itself, clients will also pay maintenance and distribution fees.

There are 5 model portfolios—Aggressive, Growth, Balanced, Moderate, and Conservative, so clients can select the portfolio that will work best for their investment goals. An investment advisor can assist clients in their decision regarding which portfolio most closely matches their investment strategy. SPA does not require an account minimum for participation in the Program. However, all accounts will pay an administrative fee.

The custodian of the client's funds and securities under the Program (the "Custodian") is MG Trust. Although the funds will be maintained at the custodian, per SEC regulations SPA is deemed to have custody of client funds or securities under the ManagedChoice IRA Program. By participating in the ManagedChoice IRA Program, each client instructs SPA to direct all orders for the purchase and sale of securities for the client's account to MG Trust.

SPA follows a disciplined research and evaluation process to determine appropriate investments for each model portfolio based on its target allocation. Along with this disciplined approach to managing client portfolios, SPA has the expertise and analytical tools to choose from thousands of funds and fund families with a wide range of investment managers. This provides SPA with the flexibility to analyze leading investments in each asset class and develop risk based portfolios designed to develop investment strategies used by five model portfolios offered by the Program.

The SPA Program diversified portfolios provide clients with access to professional investment management services to help them invest confidently for their future. Each portfolio is created with SPA's in depth analysis and screening criteria. There are five model portfolios— conservative, moderate, balanced, growth and aggressive—so clients can select the portfolio that will work best for their investment goals.

Each of the model portfolios is comprised of a different mix of investments depending upon the criteria shown below. A SPA Advisory Representative can assist clients in their decision regarding which portfolio most closely matches their investment strategy.

### A. Investment Portfolios

**Conservative Portfolio:** Account objective is to pursue current income and lower portfolio volatility with minor consideration for capital growth. The target allocation for this portfolio is 70% in fixed-income and cash equivalent mutual funds and 30% in other asset classes such as US and foreign equity funds to complement the core fixed-income holdings. You should consider this portfolio if you:

- ▶ Have a short/intermediate-term investment time horizon
- ▶ Seek income generation and stability of principal as a primary objective
- ▶ Can tolerate risk similar to that of fixed-income markets

**Moderate Portfolio:** Account objective is to pursue current income with

consideration for capital growth by investing approximately 60% of the portfolio's assets in fixed-income mutual funds and 40% in other asset classes such as US and foreign equity funds to complement the core fixed-income holdings. You should consider this portfolio if you:

- ▶ Have a short/intermediate-term investment horizon
- ▶ Seek income generation with modest potential for increase in the value of your investment as the primary objective
- ▶ Can tolerate a low-to-medium level of principal risk

**Balanced Portfolio:** Account objective is to achieve a mix between capital growth and income generation by investing approximately 40% of the portfolio's assets in fixed-income and 60% in other asset classes such as US and foreign equity funds. You should consider this portfolio if you:

- ▶ Have an intermediate/long-term investment time horizon
- ▶ Seek a balance between growth of capital and current income, with a greater focus on capital growth
- ▶ Can tolerate some share price volatility

**Growth Portfolio:** Account objective is to achieve capital growth with some consideration for income generation by investing approximately 20% of the portfolio's assets in fixed-income and 80% in other assets classes such as US and foreign equity funds. You should consider this portfolio if you:

- ▶ Have an intermediate/ long-term investment time horizon
- ▶ Seek growth of capital as the primary objective , with minor consideration given to current income
- ▶ Can tolerate more share price volatility, but not as much as a portfolio invested exclusively in equities

**Aggressive Portfolio:** Account objective is to achieve capital growth by investing 100% of the portfolio's assets in US equity and foreign equity funds. You should consider this portfolio if you:

- ▶ Have a long-term investment time horizon
- ▶ Seek growth of capital as the primary objective, with no consideration given to current income
- ▶ Can tolerate the likelihood of substantial year-to-year volatility in exchange for potentially higher returns

## **B. Account Rebalancing**

SPA's investment committee contributes their expertise to create and monitor a comprehensive strategy to help clients reach their investment goals by managing the asset allocation and the investment selection within each client portfolio. SPA monitors financial market conditions and the effect on investments, and makes changes to keep the right balance of risk and return. As a result, client accounts will be reviewed and rebalanced as needed to maintain stated investments objectives. As detailed in the "Investment Selection Process" section, SPA's investment committee follows a disciplined approach to research, evaluate and monitor client portfolios.

Client accounts will be rebalanced at least annually. Client account rebalancing may occur more frequently depending on the investment committee's assessment of overall market conditions. Client account rebalancing will be accomplished by buying and selling Mutual Funds that are approved by the Program, to the then-current suggested asset allocation. Any future updates to the asset allocation corresponding

to the model portfolio and/or the client's investor profile will become the new target asset allocation for the next scheduled rebalancing, and will be reflected in the account's next report.

### **C. Terms**

The terms and conditions for client participation in the Program are set forth in the Client Agreement (as defined herein) and this program brochure, which is presented to all prospective and existing Program clients in accordance with the disclosure requirements of Rule 204-3 under the Advisers Act of 1940, as amended, and Form ADV (Uniform Application for Investment Adviser Registration).

### **D. Purpose of the Program**

The Program enables clients to pursue their financial objectives through the active discretionary trading by SPA of a variety of mutual funds approved for the Program, without transaction fees or brokerage commissions.

### **E. Minimum Account Size**

SPA does not require an account minimum for participation in the Program.

### **F. Brokerage and Custody**

The custodian of the client's funds and securities under the Program ("Custodian") is MG Trust. For the ManagedChoice IRA program, SPA is deemed to have custody. Sentinel Benefits Group, Inc. sends account statements showing all transactions, positions, and all deposits and withdrawals of principal and income on a quarterly basis. Clients should carefully review those account statements. The program will be audited at least annually by an independent public accountant and Sentinel will distribute audited financial statements (prepared in accordance with generally accepted accounting principles) to the investors within 120-180 days of each Fund's fiscal year end.

The Program fee includes compensation for services provided by MG Trust for the client account as well as custodial, clearing, settlement and execution services. The Program fee does not cover, and clients will be responsible and charged for, certain additional fees and charges as set forth under "Additional Charges."

### **G. Suitability and Investment Strategy**

Prior to opening an account, SPA determines an investor's profile for the Program by obtaining the appropriate financial and personal information from the investor including investment objectives, risk tolerance, and investment time horizon, as well as any reasonable restrictions that the client wishes to impose upon the management of the portfolio. SPA reviews the suitability of the investment strategy selected by the client based upon an assessment of the information provided by the client. Subsequently, SPA will invest client assets in accordance with the Model Portfolio selected by clients.

SPA specifically does not make any representations as to the abilities, experience or character of any of the managers of the mutual funds in the Program. The client is responsible for advising SPA of any changes to the client's financial situation or objectives that may impact the prior determined investment strategy. SPA may accept or reject a client for any reason.

The SPA Program may not be suitable for everyone. In determining whether the SPA

Program is right for you, you should consider, among other things, your investment goals and strategies. It is particularly important that you consider the costs and potential benefits of the SPA Program as compared to paying commissions on a per trade basis.

#### **H. Program Fees**

Clients pay a single asset-based fee. The fee will be set forth in the Client Agreement and is based on a percentage of the client's total account assets under management in the Program. The Program fee is calculated and charged on a quarterly basis in advance. Client's must pay the fees in advance. The annual account fee for clients in this Program is 1%.

Under the Program, an investor receives both investment advisory services and the execution, clearing and settlement of securities transactions for a single specified fee. An investor's participation in the Program may cost the investor more or less than purchasing such advisory, brokerage and other services separately. In addition, the Program fee may be higher or lower than that charged by sponsors of other comparable wrap fee programs.

Program fees will be automatically deducted from the client's account. Fee deductions will be funded from available cash or the proceeds of the sale of securities in the client's account. Please see the Client Agreement for additional information regarding fees.

#### **I. Additional Charges**

The client may be responsible for paying certain charges in addition to the Program fees. Such charges include, but are not limited to, charges imposed directly by a mutual fund purchased for the client's account, which shall be disclosed in the mutual fund's prospectus (e.g., fund management fees and other fund expenses), certain deferred sales charges on previously purchased mutual funds, wire transfer and electronic fund fees charged by the Custodian. The Custodian may also charge maintenance fees and other fees on securities transactions mandated by law. SPA does not receive, directly or indirectly any of these fees charged to you. They are paid to the custodian or the mutual fund you hold.

A percentage of the advisory fees paid by the client is provided to the Advisory Representative for advisory services rendered. Similar investment advisory programs may be available from other investment advisors for a lower fee. The advisory fee (which includes transaction costs) may be more or less costly than paying for the services separately. Some of the factors that may cause a differential in cost are the investment advisory fees charged, the number of transactions for the account, the level of brokerage and other fees that would be payable if the client obtained the services available under the program individually.

#### **J. Termination**

Either client or SPA may terminate the Client Agreement effective as of the end of a quarter upon advance written notice to the other prior to the end of such quarter. In the event of termination of the Client Agreement, SPA shall have no obligations whatsoever to recommend any action with respect to or to liquidate the assets in the client's account. SPA shall be entitled to be paid its fees in connection with its services provided under the Client Agreement for the period to such effective termination. Thus, SPA may withhold a pro rata portion of the prepaid advisory fees

for bona fide advisory services actually rendered during the quarter prior to such effective termination. Notwithstanding the foregoing, pursuant to applicable laws, SPA will refund excess advance payment to the extent that bona fide services have not been provided during such period.

Upon termination of any account, any prepaid unearned fees will be promptly refunded based upon the number of days remaining in the quarter after the termination date, and any earned unpaid fees will be due and payable.

#### **K. Conflicts of Interest**

SPA, together with its affiliated entities (as discussed above under “Other Business Activities”), and in its capacity as an investment adviser, is routinely engaged in various securities transactions and trading activities for various clients and customers (in addition to the Program clients) which could create conflicts of interest among its duties to the Program clients and its duties to other clients.

SPA, its affiliates and each of their respective associated persons may purchase or sell securities for his, her or its own account that have been recommended to, or have been purchased or sold by, or on behalf of, clients in the Program. SPA, in accordance with applicable state and federal securities laws, rules and regulations, maintains and enforces written policies reasonably designed to: (1) prevent the misuse of material nonpublic information by SPA or any person associated with SPA, and (2) monitor the personal securities transactions of its associated persons to prevent any potential material conflicts of interest between SPA, any person associated with SPA, and any of its clients.

SPA, its affiliates and each of their respective associated persons may give advice or take action in performing their duties on behalf of a client, or for their own account, that differs from advice given or action taken on behalf of other clients. Neither SPA, nor its affiliates, nor any of their respective associated persons is obligated to buy, sell or recommend for any client any investment that such person may buy, sell or recommend for any other client or for their own account.

Furthermore, as discussed above under “Brokerage and Custody,” SPA may receive access to certain services provided by, and distribution assistance fees (i.e., Rule 12b-1 fees and other shareholder servicing fees), with respect to account balances for certain investments (including, among others, money market funds) held by SPA clients, which may include Program clients.

#### **L. Risk of Loss**

Client understands, acknowledges and agrees that no assurance has been or can be given to client that client will achieve his or her investment objectives by participating in the Program.

Securities markets fluctuate substantially over time. All investments in securities include a risk of loss of money invested (principal) and any unrealized profits (i.e., profits in the account that have not been liquidated, sometimes called “paper profits”). In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets SPA manages that may be out of our control. SPA cannot guarantee any level of performance or that clients will not experience a loss of account assets. SPA does not represent, warrant or imply that the services or methods of analysis

used by SPA can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that clients' goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by SPA will provide a better return than other investment strategies.

The managers of the mutual funds that SPA selects to participate in the Program may employ the same or substantially similar investment strategies, and may hold similar portfolios of investments, in other investment products or programs that they manage, such as managed account programs. Such other products or programs may be available through SPA or elsewhere. The costs and the services relating to the other products or programs in which these strategies are offered will differ.

Varied fluctuations in the price of investments are a normal characteristic of securities markets due to a variety of influences. Managed account programs should be considered a long-term investment and thus long-term performance and performance consistency are the major goals.

There is no assurance that the mutual funds, will perform in any particular manner. Past performance of any mutual fund is no guarantee of future performance. Clients should carefully read the prospectus of each mutual fund before they invest.

No guarantees can be offered that client's goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by SPA will provide a better return than other investment strategies.

Client has been informed, understands and acknowledges that unless stated otherwise in a supplemental disclosure document related to a specific investment or program, the investments in client's Program account are not insured by the Federal Deposit Insurance Corporation (FDIC), are not deposits with or the obligation of or guaranteed by SPA or the Custodian or any of their affiliates, are subject to investment risk, including possible loss of principal invested, and that past performance is no guarantee of future results.

## **II. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

### **Minimum Account Size**

SPA does not require an account minimum for participation in the Program.

### **Types of Clients**

SPA provides portfolio management services to individuals, pensions and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

### **Account Opening**

Once suitability for the client is established, the investor opens an account by signing the Program's investment management agreement (the "Client Agreement") with SPA and a new account agreement with MG Trust.

### **Transactions, Confirmations and Account Statements**

SPA will provide the client with account statements not less than quarterly itemizing

all transactions in cash and securities and all deposits and withdrawals of principal and income and listing securities in custody held in the account.

### **III. PORTFOLIO MANAGER SELECTION AND EVALUATION**

#### **A. About Sentinel Pension Advisors, Inc.**

Sentinel Pension Advisors “SPA” is an SEC-registered investment adviser located at 55 Walkers Brook Drive, Reading, MA 01867. SPA provides investment advisory services to individual and institutional clients such as corporate, trust, estate and retirement accounts as well as pension and profit sharing plans outside of this Program. SPA’s investment committee is responsible for identifying and selecting the mutual funds offered under the Program. SPA is a subsidiary of Focus Operating, LLC, which is a subsidiary of Focus Financial Partners, LLC.

The managers of the mutual funds that SPA selects to participate in the Program may employ the same or substantially similar investment strategies, and may hold similar portfolios of investments, in other investment products or programs that they manage, such as managed account programs. Such other products or programs may be available through SPA or elsewhere. The costs and the services relating to the other products or programs in which these strategies are offered will differ.

#### **B. SPA’s Investment Selection Process**

The SPA investment committee follows a disciplined research and evaluation process to determine appropriate investments for each portfolio based on its target allocation.

1. *Mutual Funds:* The process begins with analysis of thousands of mutual funds.
2. *Quantitative Analysis:* The field is narrowed through quantitative analysis, which compares each fund to its peer group in areas such as investment style, track record, performance swings, returns, expense, risk adjustment, and turnover of investments within the fund.
3. *Qualitative Analysis:* The selection is further narrowed through qualitative analysis, which looks at less tangible aspects such as the experience and skill of the investment manager and their research, analysis and decision-making process.
4. *Fundamental Analysis:* The fund selection is further refined through a comprehensive analytical process that takes a thorough look at how each fund performs during market fluctuations and how each funds’ risk affects its returns.
5. *Core Line Up:* Finally, the investment committee reviews all the information and selects the best mix of investments that will be included in the each model portfolio.
6. *Ongoing Reviews:* Performance of each portfolio and the underlying funds are regularly monitored to assess that the investments continue to meet SPA’s strict criteria. The committee also monitors market conditions and, if needed, rebalances the portfolios to return them to their target asset allocation.

### **IV. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

The portfolio managers receive information regarding investment objective and risk

tolerance parameters. SPA does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. SPA may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers. SPA restricts internal access to nonpublic personal information about the Client to those associated persons of the Firm who need access to that information in order to provide services to the Client.

SPA Investment Advisor Representatives meet with clients no less than annually. Any changes in client investment objectives and risk tolerance parameters will be promptly transmitted to the portfolio managers.

SPA will update this Brochure when there are any material changes in this program or the services provided, but in any event SPA will review this brochure no less frequently than annually, and make any necessary changes at that time.

## **V. CLIENT CONTACT WITH PORTFOLIO MANAGERS**

There are no restrictions placed on a client's ability to contact and consult with their financial advisor, or members of the Investment Committee.

## **VI. ADDITIONAL INFORMATION**

### **A. Disciplinary information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

### **B. Other Industry Activities and Affiliations**

The principal executive officers of SPA, are also pension consultants and/or officers of Sentinel Benefits Group, Inc. ("SBG"), a third party administration firm for pension plans. SBG is affiliated with SPA through common ownership and control. SPA clients can choose to use the pension administration services of SBG. Fees for SBG's pension administration services are in addition to SPA advisory fees. No SPA client is obligated to use SBG for pension administration services. SBG may recommend the advisory services of SPA to its clients. There is no referral fee arrangement between SPA and SBG.

The principal executive officers of SPA are also agents, and/or officers of Sentinel Insurance Agency. These individuals are also independent agents for various insurance companies. Therefore, these individuals will be able to purchase insurance products for any client in need of such services. These individuals will be able to receive separate, yet typical compensation for the purchase of insurance products. SPA, its Advisory Representatives and related persons have a conflict of interest to recommend clients purchase insurance products since commissions may be earned in addition to fees for advisory services. Clients are not obligated to purchase insurance products through SPA or its Advisory Representatives.

Clients are under no obligation to purchase or sell securities through SPA agents. However, if a client chooses to implement the recommendations, commissions may be earned by SPA agents (i.e. SSI or Sentinel Insurance Agency) in addition to any fees paid for advisory services.

Commissions may be higher or lower at SSI than at other broker-dealers. SPA

Advisory Representatives may have a conflict of interest in having clients purchase securities and/or insurance related products through SSI, in that the higher their production with SSI the greater potential for obtaining a higher pay-out on commissions earned. Further, Advisory Representatives may be restricted to only offering those products and services that have been reviewed and approved for offering to the public through SSI.

The principal executive officers and other related “employees” of SPA are officers, managers, and/or registered representatives of SSI, a registered broker-dealer and FINRA member. SSI is affiliated with SPA through common ownership and control. These individuals will be able to effect separate securities transactions for advisory clients and SSI may receive separate and customary compensation for this activity and may pay a portion of the compensation to these individuals. In some circumstances, SSI may receive customary compensation from mutual fund companies and/or variable annuity companies, including 12b1 fees, for performing certain administrative and/or shareholder servicing related tasks associated with a SPA client’s investments in such securities. SSI’s securities business is primarily limited to mutual fund shares and variable insurance contracts.

SPA is a subsidiary of Focus Operating, LLC, which is a subsidiary of Focus Financial Partners, LLC (“Focus”). Focus also controls other registered investment advisors, broker-dealers, pension consultants, insurance firms, and other financial services firms (the “Focus Affiliates”). The Focus Affiliates may provide, among other services, wealth management, benefit and other investment consulting services that may serve individuals, families, employers, and institutions. In addition, certain employees of Focus Affiliates are also registered representatives of SSI. SPA may recommend investments managed or advised by Focus Affiliates.

To the extent SPA employees who, in their registered representative capacity with SSI, serve as broker of record for a qualified retirement plan (“Plans”), the registered representatives may recommend the purchase of a group annuity policy as the funding vehicle for the Plan through its affiliated insurance agency, Sentinel Insurance. In no event will such Plan also be a client of SPA. If a registered representative refers a Plan whose funding vehicle is a group annuity to Sentinel Insurance, the registered representative may be paid a portion of commissions received by Sentinel Insurance.

SPA provides certain advisory services with respect to the accounts of Participants of Plans in connection with the investment advisory services that SPA provides to the plan sponsors of such Plans. In some instances, a participant may elect to transfer his/her account (e.g., an IRA) out of the Plan to be managed separately by SPA. SPA may recommend the use of SSI (and other brokers unaffiliated with SPA), who provide brokerage services, to such participant in such event. Under these circumstances, the participant may pay greater fees to SPA and commissions to the selected broker-dealer with respect to his/her account for the same services that the participant would have received had his/her account remained in the Plan. Thus, there may be a financial incentive for SPA (and/or its affiliated broker-dealer, SSI) to encourage participants to transfer their accounts out of their respective Plans to be managed separately by SPA.

Advice offered by SPA’s Advisory Representatives may involve investment in mutual funds. Mutual funds may carry loads (i.e. sales charges) that may be up-front or on a contingent deferred basis, or can be no-loads with no initial or contingent deferred

sales charges. Clients are advised that Advisory Representatives are registered representatives of SSI, a registered broker-dealer, member of the Financial Industry Regulatory Authority (“FINRA”) and SIPC. Therefore, Advisory Representatives have a conflict of interest in recommending mutual funds that carry a load since such mutual funds will pay Advisory Representatives a commission should the purchase be made through Advisory Representatives.

A conflict of interest may exist between the interests of SPA and/or its Advisory Representatives and the interests of the client in that SPA and Advisory Representatives offer financial planning and investment advisory services for a fee and also offer various securities products for which they may be paid a commission. The securities products available through SPA may be limited to certain products that have been reviewed and made available for offering through the broker/dealer with which Advisory Representatives may be registered representatives. Lower fees for comparable services may be available from other sources. Material conflicts of interest disclosed to the client in writing via this Form ADV, Part 2 could cause SPA or its Advisory Representatives to not render unbiased and objective advice.

Clients are advised that the investment recommendations, and advice offered by SPA, are not legal recommendations or advice, nor does it constitute accounting advice. Clients should coordinate and discuss the impact of financial advice with their attorney and/or accountant. Clients are advised that it is necessary to inform SPA promptly with respect to any changes in the client’s financial situation and investment goals and objectives. Failure to notify SPA of any such changes could result in investment recommendations being made that are based upon inaccurate information, thus will not meet the needs of the client.

The level of experience of Advisory Representatives will vary. Additionally, the fees charged by various Advisory Representatives will not exceed the fee schedules disclosed herein but may vary. Therefore, clients receiving similar services may pay higher or lower fees than another client depending on their Advisory Representative. A higher fee is not necessarily commensurate with the experience of the Advisory Representative.

Advisory Representatives who are Registered Representatives of SSI may receive trail commissions (i.e. 12b-1 fees) for a period of time. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees may be initially paid to SSI and a portion passed to the Advisory Representatives. The receipt of such fees could represent an incentive for Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest.

### **C. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

#### **Code of Ethics**

SPA has in place a Code of Ethics that provides for SPA and its Advisor Representatives to exercise its fiduciary duty to clients to act in the best interest of the client and always place the client’s interests first and foremost. SPA takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as SPA’s policies and procedures.

The Code of Ethics (the “Code”) has been adopted by SPA and is designed to comply

with Rule 204A-1 under the Investment Advisors Act of 1940, as amended (“Advisors Act”). The Code establishes rules of conduct for all employees of SPA and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that SPA and its employees owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by SPA continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

A copy of the SPA Code of Ethics is available to clients and potential clients upon request. The SPA Code may also be viewed online at [www.sentinelgroup.com](http://www.sentinelgroup.com).

Pursuant to Section 206 of the Advisors Act, both SPA and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone.

In meeting its fiduciary responsibilities to its clients, SPA expects every employee to demonstrate the highest standards of ethical conduct for continued employment with SPA. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with SPA. SPA reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. SPA employees are urged to seek the advice of the Chief Compliance Officer for any questions about the Code or the application of the Code to their individual circumstances. A material breach of the provisions of the Code by an employee may constitute grounds for disciplinary action, including termination of employment with SPA.

### **Privacy Policy**

SPA recognizes and respects the privacy of each of its customers and their expectations for confidentiality. The protection of customer information is of fundamental importance in SPA's operation and SPA takes seriously its responsibility to protect nonpublic personal information.

SPA collects, retains and uses information that assists SPA in providing the best service possible. This information comes from the following sources:

- ▶ Account applications and other required forms
- ▶ Written, oral, electronic or telephonic communications and
- ▶ Account and transaction histories with us, our affiliates, or others

SPA does not disclose any nonpublic personal information about SPA's customers or former customers to anyone, except as permitted by law. SPA restricts access to nonpublic personal information about you to those employees, affiliates, and service

providers who need to know that information to provide SPA products or services to you. SPA requires that these entities limit the use of the information provided to the purposes for which it was disclosed and as permitted by law.

SPA maintains physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

### **Participation or Interest in Client Transactions and Personal Trading**

As SPA and its Advisory Representatives are aware of recommendations to clients, a conflict of interest exists where there is a possibility that SPA or its Advisory Representatives may take advantage of this knowledge and engage in transactions prior to clients being given recommendations. To address this conflict, it is the express policy of SPA that no person employed by SPA may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts. Thus, Sentinel and its related persons do not recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that Sentinel or a related person buys or sells the same securities for its own (or the related person's own) account.

Notwithstanding the restriction on engaging in transactions prior to clients, SPA, or individuals associated with SPA, may buy or sell securities identical to those recommended to customers for their personal accounts. It is the policy of SPA that such transactions cannot be made to the detriment of the client. SPA's Compliance Department monitors the trading of SPA employees and Advisory Representatives, and has in place processes to address violations of this policy.

Additionally, SPA or its related persons may have a material financial interest in securities which may also be recommended to a client. A conflict of interest exists in these situations whereby client transactions in such entities could have a financial benefit to SPA or its related persons. To address this conflict, in addition to the requirement to always act in the clients' best interest, SPA has established the following restrictions:

1. A director, officer or employee of SPA shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of SPA shall prefer his or her own interest to that of the advisory client.
2. SPA maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of SPA.
3. All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
4. SPA emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where SPA is granted discretionary authority of the client's account.
5. SPA emphasizes the unrestricted right of the client to select and choose any

broker or dealer, and/or insurance company (s)he wishes.

6. SPA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
7. Any individual not in observance of the above may be subject to termination.

#### **D. Review of Accounts**

Account assets for ManagedChoice IRA Program clients are supervised continuously and formally reviewed at least annually by the Advisory Representative assigned to the account. The review process will include, but is not limited to, comparing the current asset allocation to the asset allocation models, or the recommended asset allocation and evaluating the need for rebalancing. Additional account reviews may be triggered by any of the following events; a specific client request, deposit or withdrawal of client funds, or a change in the client's stated goals or objectives.

At a minimum, quarterly reports will be furnished by SPA.

#### **E. Client Referrals and Other Compensation**

SPA does not pay solicitor or referral fees in regard to the ManagedChoice IRA Program.

SPA's principal executive officers and advisor representatives, from time to time, receive incentive awards or non-cash compensation for the recommendation/introduction of investment products. While these individuals endeavor at all times to put the interest of the clients first as part of SPA's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. All non-cash compensation must be disclosed to and, in certain instances, approved by the SPA Compliance Department. The SPA Compliance Department reviews and tracks all non-cash compensation or incentive awards provided to any SPA investment advisory representative from an outside firm to ensure compliance with all applicable rules and regulations.

Certain mutual funds in which you are invested may pay marketing fees, service fees, including shareholder service fees, 12b-1 fees, to SPA for marketing assistance or the performance of certain administrative tasks associated with making an investment in such fund. Any such fees received by us will not be credited against the fees otherwise payable by individual clients to us. Our employees or associated persons on occasion are invited to attend seminars and meetings with the costs associated with such meetings borne by a sponsoring brokerage firm or other party extending the invitation.

#### **F. Financial Information**

SPA has not attached a balance sheet for its most recent fiscal year because it does not require prepayment of more than \$1,200 in fees per client and six or more months in advance. SPA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **VII. REQUIREMENTS FOR STATE REGISTERED ADVISORS**

*Not Applicable*



SPA MANAGEDCHOICE IRA PROGRAM