

SSN Advisory, Inc. |

Form ADV Part 2A – Appendix 1

Encompass SMA Brochure

Item 1 – Cover Page

This wrap fee program brochure provides information about the qualifications and business practices of SSN Advisory, Inc (SSNAI). If you have any questions about the contents of this brochure, please contact us at 800/264-5499. 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 does not imply a certain level of skill or training.

Additional information about SSNAI also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

The following information discusses only material changes since the initial creation of this brochure on March 11, 2015.

Multiple items were updated to reflect the program name change from Encompass SMA to Encompass SMA

Item 3 - Table of Contents

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

Item 4 – Services, Fees and Compensation

SSN Advisory, Inc. (SSNAI) is an investment advisor registered with the Securities and Exchange Commission (SEC) since April 2003. SSNAI is owned by a FINRA member introducing broker-dealer firm, Securities Service Network, Inc. (SSN). SSN is a fully disclosed introducing broker-dealer and a wholly-owned subsidiary of Ladenburg Thalmann Financial Services, Inc. (LTFS). LTFS is listed on the NYSE_MKT under the symbol LTS. Dr. Phillip Frost and related entities Gamma Trust and Nevada Trust are beneficial owners of over 25% of LTFS. More information on SSN and LTFS is available in Item 9 – Additional Information. SSNAI offers financial planning and consulting services, asset management services, referrals to third party investment advisors and a wrap fee program. This brochure describes Encompass SMA which is sponsored by SSNAI. For information and descriptions of SSNAI's other advisory services, please refer to the SSNAI Form ADV Part 2A which you may obtain from your Investment Advisor Representative (IAR) or from www.adviserinfo.sec.gov.

Encompass SMA is a discretionary asset management program, offered through IARs of SSNAI and by other registered investment advisers (collectively referred to as Solicitor or Solicitors). For Encompass SMA SSNAI uses the asset allocation, manager selection, and portfolio construction services of Sub-Advisors. Current Sub-Advisors are:

- Ibbotson Associates, Inc. (Ibbotson), a registered investment advisor and wholly owned subsidiary of Morningstar, Inc.
- JAFornlines Global Investment Management (JFG)

Based on investment objectives, financial and tax status, risk tolerance, and time horizon information you provide to your Solicitor, your Solicitor will assist you in choosing an appropriate Portfolio. Portfolios are not structured to meet the needs or objectives of specific clients; rather, clients are matched with the Portfolio that is most in line with the client's stated goals and objectives. There is no guarantee that the Portfolio will achieve your investment objectives.

Encompass SMA may cost you more or less than purchasing similar services separately. Factors to consider include the type and size of the account, the securities to be bought or sold and the historical and/or expected size or number of trades. Your Fee may be more or less than the Fee of other Encompass SMA clients. Multiple accounts will not be "householded" or combined for billing purposes. SSNAI does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets).

SSNAI will deduct the Fee directly from clients' accounts but does not otherwise have custody of clients' funds or securities. Deduction of the Fee will be made by the qualified custodian holding your funds and securities. Further, the qualified custodian agrees to deliver a monthly or quarterly account statement directly to you, and never through SSNAI, showing all disbursements from the account. You are encouraged to review all account statements for accuracy. SSNAI will form a reasonable belief that such statements are delivered to you. You may terminate authorization for automatic deduction of the Fee by notifying your IAR in writing. In turn, your IAR will notify the SSNAI home office promptly.

Some Solicitors may generate account statements or performance reports for clients. You are urged to compare the account statements from the custodian with those from your Solicitor.

If assets are transferred in-kind into your account, such assets may be liquidated at the discretion of SSNAI. In this situation, you will be responsible for any and all transaction charges (including ticket charges, confirmation fees, deferred sales charges, and short term redemption fees) related to such liquidations. You will be responsible for any and all transaction charges related to any transaction placed at your direction. This includes liquidations for account transfers and money movement requests (checks, wire transfers, electronic fund transfers, ACAT, etc.). Additionally, the custodian of your account may impose additional fees for checks, wire transfers, electronic fund transfers, etc. You may pay other fees as required by law. You may pay short term redemption fees on certain mutual fund transactions. You will pay separately for IRA custodial services.

All fees paid to SSNAI for investment advisor services are separate from fees and expenses charged to owners of mutual fund shares and ETF shares by the investment companies. As a result, you may pay two management fees. SSN will, from time-to-time, receive 12b-1 fees, revenue sharing, or trail commissions ("Additional Compensation") from investment companies in connection with the placement of client funds into investment companies. In certain instances multiple share classes of the same mutual fund may be available for investment, with one share class charging higher ongoing expenses and paying Additional Compensation to SSN and the other share class charging lower ongoing expenses and not paying Additional Compensation to SSN. SSNAI may select the fund share class that pays Additional Compensation even when you are eligible to own the lower cost share class. The default fund for your cash balances is a money market mutual fund that pays a 12b-1 fee to SSN; this may result in a lower return on your cash investments than if your cash were invested in a money market mutual fund that did not pay a 12b-1 fee.

Ibbotson Active/Passive Portfolios:

Ibbotson is the Sub-Advisor for this program. Ibbotson will provide five risk-based model portfolios (Portfolio(s)) with underlying holdings consisting of open-end mutual funds and exchange-traded funds. Ibbotson is responsible for the construction of the

Portfolios, selection of funds for the Portfolios based on an investment universe defined by SSNAI, on-going monitoring of the Portfolios on a quarterly basis, and communication of Portfolio changes to SSNAI. SSNAI, in its sole discretion, will implement any changes in Portfolio allocations and fund selections in Client accounts. Asset allocations and/or securities in the Portfolios may be adjusted or replaced at any time. Reallocation of assets may trigger short-term redemption fees and will trigger taxable events except where Individual Retirement Accounts or other qualified retirement plans or accounts are involved.

The total annual fee (Fee) for Ibbotson Active/Passive Portfolios is a flat percentage of all account assets under management (AUM) and is negotiable between you and your Solicitor. The maximum Fee is 2.50%. Fees are calculated quarterly in arrears based on the prior period's average daily account balance and are debited from your account. The Fee includes a platform fee and a solicitor's fee payable to your Solicitor. The platform fee includes custody, trading, and performance reporting costs. The annual platform fee is the greater of 0.45% or \$450.00; the platform fee is billed in arrears either monthly or quarterly and is included in the total fee disclosed in the Agreement. The portion of the Fee in excess of the platform fee will be paid by SSNAI to your Solicitor as a solicitor's fee. The annual platform fee may be increased in the future. If this platform fee increase will cause your total fee to be increased your IAR will have you sign a new Agreement.

Ibbotson Active/Passive Portfolios accounts may only be carried by National Financial Services, LLC, a Fidelity Investments Company.

JAForldines Global Tactical Allocation Portfolio:

JFG is the Sub-Advisor for this program. When you choose the JAForldines Global Tactical Allocation Portfolio (GTA), you will open a brokerage account through SSN and grant JFG trading discretion over the investments in the account. SSN provides a trading platform for JFG and JFG never receives any commissions on trading transactions. JFG's total fee is predetermined in advance by Agreement with SSNAI and is solely determined as a flat percentage of assets under management. JFG is not a party to the Client Agreement except as to designation as manager.

The total annual fee (Fee) for the GTA portfolio is a percentage of all account assets under management (AUM) and is negotiable between you and your Solicitor. The maximum Fee is 2.50%. The Fee schedule is tiered, which means that each level of assets is charged its own corresponding percentage rate. For example, a tiered fee schedule might charge 2.50% on the first \$499,999.99 and 2.00% on the next \$500,000.00, effectively giving you a blended and lower rate than the maximum 2.50%. Fees are calculated monthly in arrears based on the prior period's average daily account balance and are debited from your account. The Fee includes a platform fee and a solicitor's fee payable to your Solicitor. The platform fee is non-negotiable and includes custody, trading, and reporting costs. The maximum platform fee will be the greater of \$83.33 per month (\$1,000 annually) or 1.00% of AUM. The portion of the Fee in excess of the platform fee will be paid by SSNAI to your Solicitor as a solicitor's fee. The annual platform fee may be increased in the future. If this platform fee increase will cause your total fee to be increased your IAR will have you sign a new Agreement.

The maximum Fees are outlined below:

Assets Under Management	Total Maximum Annual Fee	Platform Fee
\$0.00 - \$249,999.99	2.50%	1.00%
\$250,000.00 - \$499,999.99	2.50%	0.95%
\$500,000.00 - \$999,999.99	2.50%	0.90%
\$1,000,000.00 - 2,499,999.99	2.50%	0.80%
\$2,500,000.00 - \$4,999,999.99	2.50%	0.75%
\$5,000,000.00 - \$9,999,999.99	2.50%	0.65%
\$10,000,000.00 - Unlimited	2.50%	Negotiable

JAForldines Global Tactical Allocation Portfolio accounts may be carried by National Financial Services, LLC, a Fidelity Investments Company, or Pershing, LLC, a subsidiary of Bank of New York Mellon Corporation.

Item 5 – Account Requirements and Types of Clients

Ibbotson Active/Passive Portfolios:

The minimum account size is \$50,000. If your account should fall below this minimum, your account may be closed. New deposits to your account will be invested as soon as is practical, but no later than quarterly. Cash amounts less than \$10,000 in excess of a

Portfolio's cash target will not be invested until SSNAI receives a quarterly rebalance notification from Ibbotson. For example, if an account's target cash allocation is \$4,000, cash deposited to the account must bring the cash balance in excess of \$14,000 to be invested into the Portfolio prior to the next quarterly notification.

Systematic Withdrawal Plans (SWP) may be set up for your account. Accounts with a SWP will have 12 months of cash generated separate from the Portfolio allocation. SWP cash amounts will be reviewed annually in January, and additional cash will be generated if necessary. With the exception of cash available for a SWP, accounts will not hold assets that are not part of the Portfolio.

JAForlines Global Tactical Allocation Portfolio:

The minimum account size is \$100,000. If your account should fall below this minimum, your account may be closed. New deposits to your account will be invested as soon as is practical, but no later than quarterly. Systematic Withdrawal Plans (SWP) may be set up for monthly distribution on the 15th of the month and may not exceed 6% of the account per annum. With the exception of cash available for a SWP, accounts will not hold assets that are not part of the Portfolio.

SSNAI makes Encompass SMA available to individuals, IRAs, trusts, estates, charitable organizations, and corporations or business entities.

Accounts are carried by National Financial Services, LLC, a Fidelity Investments Company, located at PO Box 77001, Cincinnati, OH 45277 and Pershing, LLC, a subsidiary of Bank of New York Mellon Corporation, located at PO Box 2054, Jersey City, NJ 07303.

Item 6 – Portfolio Manager Selection and Evaluation

SSNAI acts as portfolio manager for Encompass SMA. This creates a conflict of interest in that SSNAI bears the costs related to trading activity, thus giving SSNAI incentive to reduce trading activity in your account. This conflict of interest is addressed due to the fact that SSNAI relies on the Sub-advisor to recommend all changes in Portfolio allocations and fund selections.

SSNAI conducts a detailed review of the services and disclosures provided by a Sub-advisor prior to adding the Sub-advisor to Encompass SMA. This analysis includes a review of the following characteristics: ownership, asset selection methodology, investment selection methodology, attention to compliance issues, marketing and support ability, computer technology, and research capabilities. SSNAI does not review the calculation of, or verify the accuracy of, any performance information provided by Sub-advisors.

SSNAI relies on its Sub-advisor for all Portfolio analysis, strategies and recommendations. Current investment strategies utilized in Encompass SMA are as follows:

- **The Ibbotson Active/Passive Aggressive Growth 95/5 Model Portfolio** – seeks long-term capital appreciation through investments in mutual funds and exchange-traded funds (ETF) underlying the Portfolio. The Portfolio's target asset allocation is split 95%/5% between equity (including alternative assets) and taxable fixed-income (including cash). The Portfolio consists of assets in actively-managed mutual-funds and ETFs that passively track an index. The Portfolio's actively-managed mutual-fund holdings target areas that its Sub-advisor, Ibbotson, believes present greater opportunities to active-managers, such as small-cap equities and emerging market equities. The Portfolio's underlying ETF holdings can provide low-cost exposure to more efficiently-priced market segments. The Portfolio is susceptible to stock-market volatility and, thus, is intended for clients with at least a 15-year time horizon.
- **The Ibbotson Active/Passive Growth 80/20 Model Portfolio** – seeks long-term capital appreciation through investments in mutual funds and exchange-traded funds (ETF) underlying the Portfolio. The Portfolio's target asset allocation is split 80%/20% between equity (including alternative assets) and taxable fixed-income (including cash). The Portfolio consists of assets in actively-managed mutual-funds and ETFs that passively track an index. The Portfolio's actively-managed mutual-fund holdings target areas that its Sub-advisor, Ibbotson, believes present greater opportunities to active-managers, such as small-cap equities, emerging market equities, and non-US bonds. The Portfolio's underlying ETF holdings can provide low-cost exposure to more efficiently-priced market segments, such as government bonds. The Portfolio will experience some level of volatility, but its fixed-income holdings should provide it with a cushion in difficult stock-market climates. The Portfolio is intended for clients with at least a 10- to 15-year time horizon.
- **The Ibbotson Active/Passive Moderate 60/40 Model Portfolio** – seeks balanced and varied exposure to the stock and bond markets through investments in mutual funds and exchange-traded funds (ETF) underlying the Portfolio. The Portfolio's target asset allocation is split 60%/40% between equity (including alternative assets) and taxable fixed-income (including cash). The Portfolio consists of assets in actively-managed mutual-funds and in ETFs that passively track an index. The Portfolio's actively-managed mutual-fund holdings target areas that its Sub-advisor, Ibbotson, believes present greater

opportunities to active-managers, such as small-cap equities, emerging market equities, and non-US bonds. The Portfolio's underlying ETF holdings can provide low-cost exposure to more efficiently-priced market segments, such as government bonds. The Portfolio is intended for clients who primarily seek long-term capital appreciation with some volatility. Generally, such clients have at least a five- to seven-year time horizon.

- **The Ibbotson Active/Passive 40/60 Moderately Conservative Model Portfolio** – balances its assets between stocks and bonds through investments in mutual funds and exchange-traded funds (ETF) underlying the Portfolio. The Portfolio's target asset allocation is split 40%/60% between equity (including alternative assets) and taxable fixed-income (including cash). The Portfolio consists of assets in actively-managed mutual-funds and in ETFs that passively track an index. The Portfolio's actively-managed mutual-fund holdings target areas that its Sub-advisor, Ibbotson, believes present greater opportunities to active-managers, such as small-cap equities, emerging market equities, and non-US bonds. The Portfolio's underlying ETF holdings can provide low-cost exposure to more efficiently-priced market segments, such as government bonds. The Portfolio is intended for clients seeking both moderate capital appreciation and income. Generally, such clients seek income and stability and have at least a three- to five-year time horizon.
- **The Ibbotson Active/Passive 20/80 Conservative Model Portfolio** – primarily seeks current income through investments in mutual funds and exchange-traded funds (ETF) underlying the Portfolio. The Portfolio's target asset allocation is split 20%/80% between equity (including alternative assets) and taxable fixed-income (including cash). The Portfolio consists of assets in actively-managed mutual-funds and in ETFs that passively track an index. The Portfolio's actively-managed mutual-fund holdings target areas that its Sub-advisor, Ibbotson, believes present greater opportunities to active-managers, such as high yield bonds and non-US bonds. The Portfolio's underlying ETF holdings can provide low-cost exposure to more efficiently-priced market segments, such as government bonds. The Portfolio is intended for clients who value current income and stability. Generally, such clients have at least a one- to three-year time horizon.
- **The JAForldines Global Tactical Allocation Portfolio** - is the flagship portfolio for JFG and was inceptioned in 2004. It is a core portfolio that contains three asset classes in one brokerage account—equities, fixed income and alternatives (commodities, real estate and hard assets). The macro top-down approach strategy targets long term global macro-economic trends while analyzing shorter term economic variables in assessing potential price movements in the three main asset classes. All non-cash positions are ETFs, giving JFG immense flexibility in terms of low cost asset allocation. The GTA portfolio holds fixed income investments in almost all market conditions, but there is wide discretion in holding percentages of equities and alternatives. All of JFG's investments are global and usually include foreign bonds and equities. It is important to note that this portfolio is a "core" investment vehicle. Therefore, a conscious effort is made to hold down trading costs, despite having the ability to make tactical shifts in strategy. JFG uses proprietary methodology to rate risk in each holding and the portfolio as a whole. It is based on a combination of value and macro analysis that seeks to avoid much of the "whip-saw" problems inherent in purely technical trading methodologies.

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

Risks associated with the Portfolios include:

- Capital risk – The risk that your investments may lose value.
- Currency risk – If the assets you invest in are held in another currency there is a risk that currency movements alone may affect the value.
- Financial risk – The risk that there may be a disruption in the internal financial affairs of the investment, thereby causing a loss of value.
- Market risk – The risk that the value of a security or portfolio will decrease due to the change in value of the overall market.
- Credit risk – The risk of loss arising from a borrower who does not make payments as promised.
- Interest rate risk – The risk that an interest-bearing asset, such as a bond, will lose value due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.

Underlying ETFs are subject to the following risks:

- The market price of an underlying ETF's shares may trade above or below net asset value.
- There may be an inactive trading market for an underlying ETF.
- The underlying ETF may employ an investment strategy that utilizes high leverage ratios.
- Trading of an underlying ETF's shares may be halted, delisted, or suspended on the listing exchange.
- The underlying ETF may fail to achieve close correlation with the index that it tracks.

For the Global Tactical Allocation Portfolio, JFG utilizes Global Macro analysis which takes in account the performance of asset classes at different periods in a credit cycle as its main method of analysis. Other methods of analysis include charting analysis, technical analysis, and other cyclical analysis. Each month, JFG overlays a risk analysis, by security, which incorporates currency-

adjusted standard deviation. JFG uses both long term and short term trading strategies. Cyclical analysis involves the analysis of business and credit cycles to find favorable conditions for buying and/or selling a security and assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of. Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short term trading generally hold greater risk and Clients should be aware that there is a material risk of loss using any of those strategies.

SSNAI does not vote client securities.

Item 7 – Client Information Provided to Portfolio Managers

Your Solicitor will obtain all information necessary to open your account. This information is obtained through the completion of the SSN New Account Form, Encompass SMA Client Advisory Services Agreement, and applicable custodian new account paperwork and is provided to SSNAI.

From time-to-time, SSNAI will provide its Sub-advisors a report, for fee billing purposes, of aggregated assets for each of the Portfolios. No client specific information is provided to the Sub-advisor.

Item 8 – Client Contact with Portfolio Managers

You may not contact SSNAI or the Sub-advisor directly. You may contact your Solicitor for questions, to update personal information, or to obtain account information.

Item 9 – Additional Information

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SSNAI or the integrity of SSNAI's management.

In March 2015 SSNAI, and our affiliated broker dealer firm SSN, entered into a Consent Order from the State of Missouri. From January 2010 through December 2011 an Investment Advisory Representative/Agent ("IAR") of SSNAI and our affiliated broker dealer firm SSN utilized a market timing strategy for 18 client accounts. The strategy involved two inverse ETF transactions (non-leveraged) and the State of Missouri has alleged that the strategy was not suitable for clients with a moderate risk tolerance. The State further alleges that the Firm failed to supervise the IARs activity. SSNAI and SSN agreed to a Consent Order whereby \$500,000 was paid in restitution, \$35,000 was paid to the State's Investor Education and Protection Fund and \$15,000 was paid for investigative costs.

Other Financial Industry Activities and Affiliations

The principal business of SSNAI is the provision of advisory services. SSNAI is owned by SSN, a FINRA member introducing broker-dealer firm. SSN is a wholly-owned subsidiary of Ladenburg Thalmann Financial Services, Inc. (LTFS). SSNAI's executive officers are registered representatives SSN.

Other companies that are owned by LTFS and thus affiliated with SSNAI are:

Ladenburg Thalmann Asset Management, Inc. (LTAM)	100% owned by LTFS
Ladenburg Thalmann Fund Management, LLC (LTFM)	50% owned by LTAM
Ladenburg Thalmann & Co. Inc. (LTCO)	100% owned by LTFS
Ladenburg Capital Agency Inc.	100% owned by LTFS
Triad Advisors, Inc.	100% owned by LTFS
Triad Hybrid Solutions, LLC	100% owned by LTFS
Investacorp, Inc.	100% owned by LTFS
Investacorp Advisory Services	100% owned by LTFS
Premier Trust, Inc.	100% owned by LTFS
Securities America Financial Corporation (SAFC)	100% owned by LTFS
Securities America, Inc.	100% owned by SAFC

Securities America Advisors, Inc.	100% owned by SAFC
Arbor Point Advisors, LLC	80% owned by SAFC
KMS Financial Services, Inc	100% owned by LTFS
HCHC Acquisition, Inc. (HCHC)	100% owned by LTFS
Highland Capital Brokerage, Inc.	100% owned by HCHC

Boyar Value Fund and Alternative Strategies Fund

LTAM owns 50% of Ladenburg Thalmann Fund Management, LLC, ("LTFM"), which is a registered investment adviser. LTFM is an adviser to an open-end registered investment company, the Boyar Value Fund, Inc. This fund is an open-end diversified management investment company. LTCO is the distributor of the fund. LTAM is the investment adviser to the Alternative Strategies Fund (LTAFX). The Alternative Strategies Fund is a closed end interval fund that incorporates quality alternative products and allows clients to access these investments with lower minimums and no accreditation. Your IAR may recommend that you invest in the Boyar Value Fund or in the Alternative Strategies Fund for which LTAM acts as investment adviser, and LTCO acts as distributor.

Ladenburg Thalmann High Income Portfolio (Unit Investment Trust)

LTAM provides a recommended list of securities to First Trust Portfolios, L.P. (First Trust); the sponsor of the Ladenburg Thalmann High Income Portfolio (UIT). The UIT's objective would emphasize income generation through non-traditional yield sources such as Real Estate Investment Trusts (REITs), Business Development Companies (BDC), and Master Limited Partnerships (MLPs). The portfolio is made up of individual securities, closed end funds, exchange traded funds (ETFs) and or BDCs. Ladenburg Thalmann & Co. Inc. is compensated to facilitate orders for the UIT amongst its affiliate firms, and receive concessions in conjunction to these order entry of the UIT. For information about the material risks associated with the UIT investment strategy, see the prospectus.

The Ladenburg Total Portfolio Series (Collective Investment Trusts)

LTAM is the investment adviser to The Ladenburg Thalmann Total Portfolio Series which is a series of Collective Investment Trusts ("CITs"). The CITs are a series of 5 portfolios established for qualified retirement plans, such as 401(k) plans and Profit Sharing Plans. The portfolios are generally comprised of Exchange Traded Funds ("ETF") which closely mimic LTAM's traditional LAMP ETF models. The CITs are maintained by a bank trust, and are offered in 2 share classes, Advisory or Investor.

Your IAR may recommend the Ladenburg Thalmann High Income Portfolio, which LTAM and LTCO receive compensation as described in previous sections. These recommendations create a conflict of interest because LTAM and LTCO generally receive more compensation in connection with the purchase of these investments than they do in connection with the purchase of other investments. In addition, these funds pay fees in connection with services or distribution, such as 12b-1 fees. SSNAI has policies and procedures to address such conflicts of interest.

Your IAR may recommend Premier Trust to provide trust and administrative services. Premier Trust provides full disclosure with respect to its trust and administrative services and related costs.

LTCO acts as a dealer with respect to certain securities, and as such, may execute transactions for SSNAI clients as principal. As a dealer, LTCO may receive a "mark-up", "mark-down", and/or spread in the net price at which principal transactions are executed. This compensation is in addition to other compensation that client pays to SSNAI and its affiliates. Thus, SSNAI will address this conflict of interest in the following ways: After receiving disclosures about a specific principal transaction with LTCO, clients have the opportunity to reject the transaction before it is completed, to the extent required by applicable law. In addition, IAS has policies and procedures in place to assure that clients receive best execution with respect to principal trades, regardless of whether the trade is executed by LTCO or an unaffiliated dealer.

Conflicts disclosure

LTCO may share a portion of payments received from a mutual fund, UIT, CIT, or in connection with an initial public offering, a secondary offering, and/or a private placement with your IAR. If available, your IAR will also receive compensation, such as 12(b)-1 or services fees, in connection with the sale of funds or investments, including the Alternative Strategies Fund, Boyar Fund, Ladenburg Total Portfolio Series CITs, and Ladenburg High Income Portfolio UIT. Therefore, your IAR has an incentive to recommend implementing the recommendations made through the consulting services through LTCO. This conflict of interest is heightened when your IAR recommends securities where LTCO acts as underwriter because your IAR typically receives more compensation in connection with these securities than in connection with other types of securities. Your IAR may also have a heightened conflict of interest when recommending funds, CITs, and UITs that pay compensation, including the Alternative Strategies Fund, Boyar Value Fund, the Ladenburg Total Portfolio Series (CIT), or Ladenburg Thalmann High Income Portfolio UIT.

For accounts carried by National Financial Services, Inc. and Pershing LLC, SSN receives transaction costs and charges assessed to its clients' accounts. This gives SSNAI incentive to recommend SSN in its capacity as a broker-dealer if you are in need of brokerage and/or custodial services. Lower fees for comparable services may be available from other sources, including Fidelity

Institutional Wealth Services and TD Ameritrade Institutional. This conflict of interest is fully disclosed to you in this brochure. For more information on brokerage services, please refer to Item 12 – Brokerage Practices

SSN owns and operates a full service insurance agency under the name of Network Agency, Inc. SSN also has a number of state specific insurance corporations that conduct insurance business across the country; Network Agency of Alabama, Inc., Network Agency of Ohio, RSB, Inc., SSN Agency of Texas, Inc., SSN Agency, Inc., and SSN Insurance Agency, Inc. Other affiliated entities are Renaissance Capital Corporation, which purchases equipment that is leased to SSN/SSNAI, and Fort Loudon Insurance Co, Ltd., and insurance agency for errors and omissions insurance for registered representatives of SSN.

SSNAI, its IARs, or SSN may receive administrative, investment advisory or other fees for providing support services, administrative support and/or client referrals to other investment advisory firms. If applicable, these arrangements are fully disclosed to you.

Through its Strategic Partner and Vendor Relationship Program SSN receives revenue sharing payments and or marketing reimbursements from certain product providers. Such payments create a conflict of interest in that SSN may receive a higher level of compensation for sales in such products. SSN has negotiated payments from various product sponsors for participation in our Strategic Conference Partner Program. In addition, SSN may also receive revenue sharing payments from other product sponsors or vendors outside of the Strategic Conference Partner Program. We receive payments from mutual fund companies, insurance companies, fixed insurance marketing organizations, registered investment advisory firms and alternative investment sponsors. Payment may be in the form of a fixed dollar fee of up to \$22,000 and/or include a variable component of up to 1.5% of the amount of sales conducted through SSN in the particular product. SSN may also receive revenue sharing payments from our clearing firms, National Financial Services, Inc. and Pershing LLC as well as from the investment products offered on their respective platforms. This may include payments for balances within client money market funds and FDIC insured deposits. Such payments will reduce the yield received by the investor on such accounts. Investors are free to select money market funds that do not pay a 12b-1 or similar fee as described in the prospectus. SSN does not receive any revenue sharing or conference participation payments based upon product sales to ERISA qualified accounts. Additional details of the Strategic Partner and Vendor Relationship Program are available under the Disclosures section of SSN's website, www.ssnetwork.com. This program presents a conflict of interest and gives SSNAI or your IAR an incentive to recommend investment products based on the compensation received, rather than on your needs. These conflicts, which are disclosed in this brochure, are addressed through ongoing training, annual compliance meetings, and a review of all transactions by SSNAI's compliance staff.

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

Pursuant to SEC Rule 204A-1, SSNAI has adopted a Code of Ethics for all access persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the personal securities transactions, trading, confidentiality and privacy, prohibition on insider trading, conflicts of interest, outside affiliations, and fair compensation, among other things. All supervised persons at SSNAI must acknowledge the terms of the Code of Ethics. The firm will provide a copy of our Code of Ethics to any client or prospective client upon request.

SSNAI does not engage in principal transactions as an investment advisor. SSN, as a broker-dealer, may engage in such transactions, however, not for any SSNAI investment advisor account transaction.

SSNAI, as an investment advisor, does not affect transactions for compensation for any investment advisor clients. SSN may do so in its capacity as a broker-dealer. SSN will receive transaction costs and charges assessed to the investment advisor clients.

SSNAI does not affect agency cross transactions for any investment advisor clients. SSN may do so in its capacity as a broker-dealer.

SSNAI does not recommend securities or investment products to its investment advisor clients in which SSNAI has a financial interest other than fully disclosed commissions or referral fees. SSN may do so in its separate capacity as a broker-dealer.

SSNAI or individuals associated with SSNAI may buy or sell securities identical to those recommended to customers for their personal accounts. All such orders placed on the same day must be placed in the customers' account prior to being placed in the IAR's account. Additionally, any related person(s) may have an interest or position in certain securities that may also be recommended to a client. As such, transactions are likely to be statistically insignificant in relation to the market as a whole.

SSNAI does not permit the aggregate blocking of personal securities transactions with those of advisory clients.

As these situations may represent a conflict of interest, SSNAI has established the following restrictions in order to comply with its fiduciary responsibilities:

- a. A director, officer or employee of SSNAI 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 upon reasonable inquiry. No director, officer or employee of SSNAI shall prefer his or her own interest to that of the advisory client.

- b. SSNAI maintains a record of securities holdings via account statements for itself, and anyone associated with its advisory practice with access to advisory recommendations. An appropriate officer or manager of SSNAI reviews these statements on a regular basis.
- c. SSNAI emphasizes the unrestricted right of the client to decline to implement any investment advice rendered, except in situations where SSNAI is granted discretionary authority over the client's account.
- d. SSNAI requires that all directors, officers and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- e. Any director, officer or employee of SSNAI found to have failed to observe the above-listed principles may be subject to internal disciplinary sanctions, which may include termination.

Review of Accounts

Clients participating in Encompass SMA will have their accounts reviewed on a periodic basis, but no less frequently than each calendar quarter by SSNAI, Sub-Advisor, or Solicitor. If Sub-advisor recommends changes to the Portfolios, such changes will be made to clients' accounts on a discretionary basis. Asset allocations and/or securities in the Portfolios may be adjusted or replaced at any time.

Client Referrals and Other Compensation

SSNAI as Solicitor: SSNAI, its IARs, or SSN may receive administrative, investment advisory or other fees for providing support services, administrative support and/or client referrals to other investment advisory firms. If applicable, these arrangements are fully disclosed to you.

SSNAI's Use of Solicitors: SSNAI may compensate outside professionals or firms, such as attorneys, accountants, or other broker/dealers and investment advisers, for referring your advisory business to SSNAI. These professionals or firms are known as "Solicitors" SSNAI will pay a portion of the advisory fee you pay us to the Solicitor, typically for as long as you maintain an advisory relationship with us, to compensate the Solicitor for the referral. SSNAI will not charge a client who is referred to SSNAI by a Solicitor any amount for the cost of obtaining the client that is in addition to the fee normally charged by SSNAI for its investment advisory services. Such solicitation arrangements are disclosed to clients at the time of the solicitation via execution of a Solicitor Disclosure Statement or similar document that outlines the nature and amount of the compensation we pay to the Solicitor and whether or not the Solicitor is affiliated with or related to SSNAI. Solicitors are required to provide prospective clients with a current copy of SSNAI's Form ADV Part 2 no later than the date on which the client enters into an advisory relationship with SSNAI.

General Responses: Your IAR may receive non-cash compensation in the form of due diligence trips or marketing support from product sponsors. Non-cash compensation will not be based on the number or amount of sales, client referrals, or new accounts. This presents a conflict of interest and gives your IAR an incentive to recommend investment products based on the non-cash compensation received, rather than on your needs.

Financial Information

SSNAI 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.