

WEALTH MANAGEMENT PLATFORM  
GENESIS MODEL PORTFOLIOS PROGRAM  
**PART 2A**  
**APPENDIX 1**  
PROGRAM BROCHURE

Current as of June 14, 2019.

**VISION2020 Wealth Management Corp.**

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This wrap fee program brochure provides information about the qualifications and business practices of VISION2020 Wealth Management Corporation. If you have any questions about the content of this brochure, please contact us at 800-821-5100. VISION2020 Wealth Management Corporation is registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. Registration does not imply any level of skill or training. 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 VISION2020 Wealth Management Corporation also is available on the SEC's website at **[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**.

## **Item 2 - Material Changes**

This Item discusses only specific material changes that are made to this Brochure and provides clients with a summary of such changes. The last amendment of the Genesis Model Portfolios Program Form ADV, Part 2A (Appendix-1), was March 29, 2019. Since the last update to this Appendix-1, the following material changes to the Appendix-1 have occurred:

- Item 4 – Services, Fees and Compensation: Disclosure added regarding the impending sale of Advisor Group.

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## Item 4 - Services, Fees and Compensation

The Genesis Model Portfolios Program (also referred to as, the “Program”, “Genesis Program”, “Genesis”, “Model Portfolio Program” or “Model Portfolios”) is sponsored by VISION2020 Wealth Management Corp., (“VISION2020”, the “Firm,” “us”, “we” or “our”), an SEC-Registered Investment Adviser. VISION2020 is a subsidiary of Advisor Group, Inc., a wholly-owned subsidiary of Advisor Group Holdings, Inc., which is owned by a consortium of investors that includes Lightyear Fund III, L.P. (an investment fund affiliated with Lightyear Capital LLC) and PSPIB Lunar Investments Inc. (a wholly-owned vehicle of the Public Sector Pension Investment Board).

The Program is presented to the client (“you” or “your”) by Investment Adviser Representatives (“Advisory Representatives”) of a registered investment adviser (“Advisor”) that may be a “Related Person” (as defined in Form ADV) to us. Please refer to the Advisor’s Form ADV, Part I to determine if your Advisor is a Related Person to us.

To join the Program, you will enter into an investment advisory client agreement (“Client Agreement”) with us and your Advisor and establish a brokerage account (“Program Account”) on a fully disclosed basis with the Advisor’s associated broker-dealer.

### Impending Sale of the Advisor Group

Reverence Capital Partners (“RCP”), a private equity firm focused on investing in financial services businesses, has announced that investment funds affiliated with RCP have signed a definitive agreement (the “Merger Agreement”) to acquire Advisor Group Holdings, Inc. and all of its subsidiary companies, including the Firm. Under the terms of the Merger Agreement, investment funds affiliated with RCP and its co-investors will acquire 75% or more of Advisor Group. The transaction, which is subject to customary regulatory and other approvals, is expected to be completed in the third quarter of this year. The transaction is not expected to result in any changes in the services you and your advisory representative receive from the Firm, or otherwise materially impact the Firm’s business operations. Under the Investment Advisers Act of 1940, as amended, the change of control of the Firm is considered an “assignment” of your Client Agreement, for which your consent is required. By receiving this Brochure and signing the Client Agreement, you consent to the pending assignment.

### Advisory Services

The Program, is a professionally managed mutual fund and exchange-traded fund (“ETF”) asset allocation program. The Program offers you managed asset allocation models (“Asset Allocation Models”) invested primarily in mutual funds and ETFs diversified across various investment styles and strategies. The Asset Allocation Models are constructed by various third party managers (“Program Managers”), The list below comprises the Program Managers offered to new clients as of the last amendment of the Appendix-1.

*Astor Investment Management*

*Beacon Capital*

*BlackRock Investment Management, LLC*

*Capital Group / American Funds*

*Caprin Asset Management, LLC*

*Clark Capital Management Group, Inc.*

*Envestnet Asset Management, Inc. (PMC)*

*Frontier Asset Management, LLC*

*Horizon Investments, LLC*

*J.P. Morgan Asset Management*

*LWI Financial Inc.*

*New Frontier Advisors, LLC*

*Russell Investment Management Company, LLC*

*S & P Investment Advisory Services, LLC*

*Vanguard Advisers, Inc.*

Program Managers that construct Asset Allocation Models using shares of ETFs, load waived or no-load mutual funds (collectively “Funds”). The cost of purchasing and holding Funds through the Program may be more or less than investing in Funds in a brokerage account, depending upon the amount of the advisory fees and the specific Funds selected for investment within the Program.

Your Advisory Representative will select an Asset Allocation Model based upon your risk tolerance and financial objectives. The Advisor, with our assistance, will open a Program Account and your assets will be invested in the specific investments contained within the selected Asset Allocation Model. All investment recommendations are made on a discretionary basis meaning your specific authorization is not required prior to selecting an Asset Allocation Model or executing each transaction.

We, through a sub-agreement with Envestnet Asset Management, Inc. (“Envestnet”), an independent investment adviser, will: i) provide you and your Advisor with Funds research and the ongoing review and evaluation of Asset Allocation Models, and ii) recommend Asset Allocation Models. iii) Generate, on a quarterly basis, a report outlining your Funds performance, iv) calculate the quarterly advisory fee and instruct the Custodian to withdraw the fee from your Program Account, v) provide a web site and associated technology to assist you and your Advisory Representative with the selection of Asset Allocation Models and generation of the Investment Strategy Proposal and other associated documents, and vi) direct the investment, reinvestment and periodic rebalancing of Asset Allocation Models in the Program Account, in accordance with the information and instructions provided by you and your Advisor. The Program offers Asset Allocation Models to accounts with initial minimum balances ranging from \$5,500 to \$50,000.

You have the opportunity to place reasonable restrictions on the investments held within your Program Account. Such restrictions can cause; (i) a divergence in account performance from the Asset Allocation Model originally presented to you; (ii) a delay in the reporting of account performance, and (iii) a delay in the rebalancing of the portfolio funds within your account.

We make no representations regarding the future performance of any Asset Allocation Model. As always, past performance is not a guarantee of future results. There can be no assurance that any of your investment goals will be met or that the net return on an investment in a portfolio of ETFs and/or Mutual Funds will exceed what could have been obtained through other investment or savings strategies.

To participate in the Program, you agree to establish a brokerage account on a fully disclosed basis at your Advisor’s associated broker-dealer in order to effect mutual fund transactions and exchange traded fund transactions and to hold these positions in connection with the Program.

We will provide monitoring and review of Asset Allocation Models. We have the discretion to modify and/or rebalance a Program Manager’s Asset Allocation Model and its associated Program Accounts without your consent consistent with your investment objectives and risk tolerance.

## **Other Models**

In addition to the Program Managers referenced above, you may be offered or allowed to maintain investments in Asset Allocation Models from other Program Managers (“Other Models”). Generally, the availability of Other Models is limited to accounts where you already maintain investments in the Other Model. Please refer to the Statement of Investment Selection (“SIS”) for the initial Asset Allocation Model chosen for your account.

## **Trading**

You will approve the initial Program Manager and Asset Allocation Model presented to you. The Asset Allocation Models are provided by Program Managers; therefore, you grant discretion to Program Managers to purchase and sell securities without your prior consent according to the Asset Allocation Models' stated investment objectives.

We utilize Envestnet, an independent investment adviser, to execute the transactions on your behalf. Envestnet will use discretionary authority to execute securities transactions that are recommended by the Program Managers. Envestnet acts to coordinate Program Manager trading activity including whether and how to implement trading instructions received from the Program Managers.

## **Best Execution**

In placing orders for purchase and sale of securities and directing brokerage to effect these transactions, Envestnet seeks to obtain prompt execution of orders at the most favorable conditions. In doing so, Envestnet considers a number of factors, including, without limitation, the overall direct net economic result to the Client, the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other factors involved in the receipt of brokerage services. In general, Envestnet routes trades directly to the Pershing or NFS (as applicable).

## **“Step-out” Trades**

Occasionally, in order to obtain best execution and minimize market impact, certain thinly traded securities, illiquid or ETF trades, for example, can be ‘stepped-out’ in order to gain best execution and minimize market impact. In some instances, stepped-out trades are executed by the other firm without any additional commission or markup or markdown, but in other instances, the executing firm may impose a commission or a markup or markdown on the trade. If trades are placed with a firm that imposes a commission or equivalent fee on the trade, including a commission that may be imbedded in the price of the security, the client will incur trading costs in addition to the fee you pay your Advisory Representative. It is important to know that you may pay a commission in addition to your advisory fee for those stepped-out trades. Envestnet has procedures in place to monitor these transactions. Envestnet's Best Execution Committee meets quarterly to review the results of the documented monitoring conducted during the quarter. We periodically review Envestnet's procedures and results and may rely on a third party review as well.

## **Transaction Aggregation**

Envestnet may aggregate transactions in the same security on behalf of more than one client to facilitate best execution and to possibly reduce the price per share and other costs. Envestnet effects the aggregated transactions in a manner designed to ensure that no participating client is favored over any other client. With respect to the aggregated order, you will participate at the average share price for all Envestnet transactions in that security on that business day. When possible, securities bought or sold in an aggregated transaction are allocated pro-rata to the participating Client's accounts in proportion to the size of the orders placed for each account. When Envestnet is unable to fully execute an aggregated order, Envestnet will allocate such transactions on a pro-rata basis or in a manner Envestnet determines in good faith to be a fair and equitable allocation.

## Program Costs

You will be charged an annual fee based upon the value of the Program assets you have under management which covers management, administrative and transaction costs ("Account Fee" or "Wrap Fee"). Account Fees are negotiable and range up to 2.39% of the assets under management that are collected by your Advisor, the Advisory Representative's associated broker-dealer and Related Persons.

Your Account Fee will bill quarterly, in advance, based upon the market value of the Program assets as of the last business day of the preceding calendar quarter. Quarterly Account Fees are determined by prorating the applicable rate in the annual account fee schedule for the number of calendar days for each quarter. The initial account fee schedule is illustrated in the Statement of Investment Services ("SIS"). In the event that additions to, or withdrawals from, the account are made in excess of \$10,000 during any given quarter, the Account Fee will be adjusted on a pro-rata basis to the account from which the charge was debited. Adjustments are calculated as follows:

- a. Prior fees paid in advance for the remaining calendar days in the quarter, as of the date of the addition or withdrawal, will be refunded ("Prior Fees Paid").
- b. Fees will be recalculated for the remaining number of calendar days as of the date of the addition or withdrawal ("Recalculated Fees"). Recalculated Fees are determined by pro-rating the applicable rate in the annual account fee schedule for the number of calendar days remaining in the quarter.
- c. The applicable rate for the Recalculated Fees will be determined based on the market value of the assets as of the date of the addition or withdrawal. This may result in a different rate for Recalculated Fees versus Prior Fees Paid for the same period.
- d. The net difference of the Recalculated Fees and the Prior Fees Paid may result in a credit or debit to the account.

## Schedule of Account Fees

In the Program, clients pay an ongoing Account Fee. The Account Fee is composed of two components, "Advisory Fee" and a "Program Fee." The rates charged for these components are determined based on several factors described in more detail below, including but not limited to the Asset Allocation Model selected, the size of your account, services provided, and the Advisory Fee negotiated. The annual Account Fee schedule applied to your account will not exceed 2.39% of Program Assets.

The Account Fee charged in any given quarter will be reflected in the account statements sent to client. In addition, clients can request a fee statement from the Advisor at any time which will reflect the amount of the quarterly Account Fee and the asset-based fee rate applied.

Program Accounts under \$40,000 will be assessed an annual small account fee of \$35 (the "Small Account Fee"). The Small Account Fee will be billed quarterly, in advance, based on the number of days in the quarter. When applied, the Small Account Fee may cause the Maximum Account Fee applied to exceed the amount specified below. The Small Account Fee is being waived on all accounts under \$40,000 until further notice.

## Advisory Fees

Subject to the maximum Account Fee limitations, each Advisory Representative: (i) negotiates with clients their own Advisory Fee schedule, and (ii) determines on a client by client basis the Accounts that will be included in the same "household" for purposes of calculating the Account Fee. The actual Advisory Fee schedule will be shown in the SIS for each account.

Advisory Fees and terms are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, the requirements of your particular Advisory Representative, your relationship with your Advisory Representative, the size of the Account, the amount of work anticipated and the attention needed to manage the Account, among other factors.



The maximum Advisory Fee for the Program is 1.75% of the market value of the Program assets. The Advisory Fee is primarily paid to your Advisory Representative for services provided on behalf of the Advisor as outlined above. Your Advisory Representative's supervisor and associated Broker-Dealer typically also receive a small portion of the Advisory Fee for supervisory and administrative services.

## **Program Fees**

Program fees are those that we and each Program Manager charge you for investment advisory services. Portions of the Program Fee are remitted to: 1) Program Managers, for investment management services, 2) Envestnet, for services provided through sub-agreement with us as referenced above and 3) the Custodian, for execution of transactions with respect to assets and custodial services. The remainder of the Program Fee is retained by us or our Related Persons.

Subsequent to initial Client approval of the account asset allocation and the Program Managers, the Asset Allocation Model for the Program Account may be adjusted by the Advisor within predetermined limits. Since the Advisory Fee remains constant, to the extent that Program Managers represent more or less of the assets in the client Program Account, the Program Fee rate and ensuing Account Fee rate can increase or decrease each quarter depending on total account value and the fee rates charged by the Program Managers in the Program Account. The Program Fee is made up of the fee charged by 1) the Program Manager and 2) Envestnet, custodian and related party fees.

### *Program Manager Fees*

Different Program Managers charge different fee rates for the provision of their investment management services to the Program. The fee earned by Program Managers range up to 47 basis points (0.47%) per year. To the extent that Program Managers are added or removed in any given quarter from a client's Program Account, the Program Manager Fee and, as a result, the Program Fee can increase or decrease depending on the fee rate charged by the Program Manager.

The Maximum Program Fees quoted has been calculated assuming the highest rate that any Program Managers would charge.

### *Envestnet, Custodian, and Related Party Fees*

Envestnet, Custodian and Related Party Fees can range up to 17 basis points (0.17%) for Program Accounts.

Depending on the aggregated total Account Fee billings of all clients maintained by an Advisory Representative in the Program, we or our Related Persons provide the Advisory Representative Program discounts (ranging from a 10% to 80% of the fees retained by us and our Related Persons). An Advisory Representative's compensation will increase or decrease by the amount of the discount received, but your Account Fee and cost will remain unchanged.

## **Methods of Calculating Account Fees**

Your Account Fee is billed using either the "Tiered" or "Linear" method. To illustrate, please refer to the sample billing schedule below:

Total Account Value:	Account Fee:
\$0 - \$249,999	X%
\$250,000 - \$499,999	Y%

- Under the Tiered billing method, a Total Account Value of \$400,000 would be billed as follows: the first \$249,999 would be billed at X% with the remaining \$150,001 to be billed at Y%.
- Under the Linear billing method, a Total Account Value of \$400,000 would be billed at Y%.

The SIS, designates how your Account Fee is calculated.

### **General Information Concerning Fees and Other Client Charges**

Account Fees charged to you are shared among your Advisor, your Advisory Representative, its associated broker-dealer and us. Part of the fee is remitted to the custodian who serves as the associated broker-dealer's clearing firm.

All mutual funds comprising the portfolio of funds will be purchased at Net Asset Value without the imposition of any sales charges. Certain Program Managers use mutual funds that assess 12b-1 distribution fees as described in each mutual fund's prospectus. The 12b-1 fees received by us or our broker-dealer affiliates will be rebated to the client.

You will bear a proportionate share of the fees and expenses of any mutual funds selected and for money market funds used as "sweep vehicles" for uninvested cash balances. These fees and expenses typically include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in mutual funds and are in addition to the Account Fee. Please read the prospectuses of the mutual funds selected for a more complete explanation of these fees and expenses.

You have the option to purchase shares of mutual funds outside of the Program directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of the Program or paying the Account Fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge is determined by the mutual fund (as described in the mutual fund prospectus) and may be more or less than the applicable account fee.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you normally incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Accordingly, you should review the Account Fee and the other fees outlined above to fully understand the total amount of fees you pay.

Please consider that depending upon the level of the Account Fee charged, the amount of portfolio activity in your account, the value of services that are provided under the Program, and other factors, the Account Fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Depending upon the level of the Account Fee, your Advisor may receive more compensation:

- 1) as a result of your participation in this Program rather than participating in other programs that your Advisor offers.
- 2) since your Advisor charges you the Wrap Account Fee which wraps management, administrative and transaction costs into one fee rather than having you pay for these services separately.

As such, your Advisor could have a financial incentive to recommend the Program to you over other programs or services.

You or your Adviser Representatives may purchase or transfer certain securities products outside of an advisory account, but which are held in the client's advisory account. Though these assets are not subject to the advisory account fee, you should be aware that the purchases are subject to commissions or loads which are earned by the Adviser Representative.

### **Termination of Program Investments**

We reserve the right to terminate the offering of any Asset Allocation Model or any Mutual Fund or ETF therein at any time and in any manner. In the event of termination, you will be given reasonable advance notice of the termination.

### **Section 31 SEC Transaction Fee**

In accordance with Section 31 of the Securities Exchange Act of 1934, self-regulatory organizations (SROs) -- such as the Financial Industry Regulatory Authority (FINRA) and all of the national securities exchanges -- must pay transaction fees to the Securities and Exchange Commission (SEC) based on the volume of securities that are sold on their markets ("Section 31 SEC Transaction Fee"). The Section 31 SEC Transaction Fee is designed to recover the costs incurred by the government, including the SEC, for supervising and regulating the securities markets and securities professionals. The SROs have adopted rules that require their broker-dealer members to pay a share of these fees. Broker-dealers, in turn, impose fees on their customers that provide the funds to pay the fees owed to their SROs.

Section 31 SEC Transaction Fees imposed on your Program Account are calculated as number of shares x price per share x a specified rate set by the SEC- a small fraction of a cent that will fluctuate periodically. The applicable fee will appear on your trade confirmation. To find the current rate for Section 31 transaction fees, please visit the Division of Market Regulation's Frequently Requested Documents webpage, and click on the most recent Fee Rate Advisory under "Section 31 Fees."

Neither the Firm, your Adviser Representative, nor your Adviser receives any portion of the Section 31 SEC Transaction Fee.

### **CASH SWEEP PROGRAM (PERSHING & NFS)**

Your Program Account is maintained at Pershing or NFS, which are the clearing agents for Advisor Group and its four affiliated broker-dealers; FSC Securities Corporation, Royal Alliance Associates, Inc., SagePoint Financial, Inc., and Woodbury Financial Services, Inc. The Free Credit Balance will be automatically deposited or "swept" into to a deposit account at one or more banks whose deposits are insured by the FDIC, or, in limited cases, a money market mutual fund product.

#### **Cash Sweep Program (Pershing)**

##### Eligible products

1. FDIC Insured Deposit Program (*Tiered & Level* Rate)
2. Money Market Mutual Fund

Accounts custodied at Pershing will be eligible for the Pershing sweep program, the "Cash Sweep Program (Pershing)". The Cash Sweep Program automatically transfers free credit balances to a deposit account at one or more banks whose deposits are insured by the Federal Deposit Insurance Corporation (the "FDIC Insured Deposit Program - *Tiered*" or the "FDIC Insured Deposit Program - *Level*"), or, in limited cases, a money market mutual fund product (the "Money Market Mutual Fund Program").

#### **FDIC Insured Deposit Program (*Tiered & Level* Rate)**

##### Eligible account types: all **non- ERISA Title 1 accounts, 403(b)(7), & Keogh plans**

Free credit balances in a deposit account may earn interest that is compounded daily and credited to your account monthly. Interest begins to accrue on the date of deposit within banks participating in the program

("Program Banks"), through the business day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 (or 1/366 on a leap year) of the interest rate.

#### FDIC Insured Deposit Program - Tiered

Advisor Group has established deposit tiers and ordinarily pays different rates of interest on different deposit levels or tiers; higher deposit balances may receive higher rates of interest than deposits with lower balances. The amount of interest paid on deposit accounts will be determined by the amount of interest paid by Program Banks minus the amount of fees charged by Pershing, Advisor Group, and other service providers. Interest rates paid on the deposit accounts may be higher or lower than interest rates available to depositors making deposits directly with Program Banks or other depository institutions in comparable accounts.

#### FDIC Insured Deposit Program - Level

Advisor Group will receive a maximum monthly per account fee of \$31.10 for services in connection with maintaining and administering the Cash Sweep Program for IRA accounts held in an advisory/ fee-based office range, ("Cash Sweep Account Fee"). The Cash Sweep Account Fee is not based on the amount of assets in the FDIC Program or your Program Account and does not depend on or vary with (and is not affected by), the actual amounts held in the deposit accounts or your Program Account. The Cash Sweep Account Fee will generally be paid on your Program Account's behalf by the Program Banks; however, the fee may be deducted directly from your Program Account if, for example, the amounts paid by the Program Banks are insufficient to cover the Fee. Advisor Group may waive any portion of the fee, or the fee in its entirety, received from the Program Banks. Your Advisory Representative will not receive any portion of the fees paid by the Program Banks. The amount of fees received by Advisor Group, Pershing, and any other service provider, will affect the interest rate paid on your deposit account(s).

#### **Money Market Mutual Fund**

##### Eligible Account Types: ERISA only

Free credit balances in the following brokerage account types will be automatically swept into the Federated Government Reserves Fund ("Fund") (GRFXX), which is managed by Federated Investors ("Federated"):

Eligible Account types:

- All ERISA Title 1 account types, including Profit sharing plans, 401(k), Roth 401(k), Simple 401(k), Individual 401(k), qualified deferred compensation plans, defined benefit plans, target benefit plans, and money purchase pension plans.
- All 403(b)(7) accounts.
- Keogh plans

The Federated Government Reserves Fund invests primarily in a portfolio of short-term U.S. Treasury and government securities. These investments include repurchase agreements collateralized fully by U.S. Treasury and government securities. This Fund uses repurchase agreements to provide a liquidity base for the portfolio and a potential yield advantage relative to other short-term securities. This Fund is a money market mutual fund and seeks to maintain a stable share price of \$1.00.

Advisor Group and Pershing may receive additional compensation, in the form of distribution assistance from the Fund.

For additional information about the Cash Sweep Program, please refer to the Disclosure page on [www.advisorgroup.com](http://www.advisorgroup.com) and then locate the section entitled "Cash Sweep Program (Pershing)".

## Cash Sweep Program (NFS)

### Eligible Products

1. FDIC Insured Deposit Program (*Tiered & Level* Rate)
2. Money Market Mutual Fund

Accounts custodied at NFS will be eligible for the NFS sweep program, the “Cash Sweep Program (NFS)”. The Cash Sweep Program automatically transfers free credit balances to a deposit account at one or more banks whose deposits are insured by the Federal Deposit Insurance Corporation (the “FDIC Insured Deposit Program - *Tiered*” or the “FDIC Insured Deposit Program - *Level*”), or, in limited cases, a money market mutual fund product (the “Money Market Mutual Fund Program”).

### **FDIC Insured Deposit Program (*Tiered & Level* Rate)**

#### **Eligible Account types: all non- ERISA Title 1 accounts, 403(b)(7), & Keogh plans**

Free credit balances in a deposit account may earn interest that is compounded daily and credited to your account monthly. Interest begins to accrue on the date of deposit within banks participating in the program (“Program Banks”), through the business day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 (or 1/366 on a leap year) of the interest rate.

#### **FDIC Insured Deposit Program - *Tiered***

Advisor Group has established deposit tiers and ordinarily pays different rates of interest on different deposit levels or tiers; higher deposit balances may receive higher rates of interest than deposits with lower balances. The amount of interest paid on deposit accounts will be determined by the amount of interest paid by Program Banks minus the amount of fees charged by Advisor Group, NFS, and other service providers. Interest rates paid on the deposit accounts may be higher or lower than interest rates available to depositors making deposits directly with Program Banks or other depository institutions in comparable accounts.

#### **FDIC Insured Deposit Program - *Level***

Advisor Group will receive a maximum monthly per account fee of \$20.75 for services in connection with maintaining and administering the Cash Sweep Program for IRA accounts held in an advisory/fee-based office range (Cash Sweep Account Fee). The Cash Sweep Account Fee is not based on the amount of assets in the FDIC Program or your Program Account and does not depend on or vary with (and is not affected by), the actual amounts held in the deposit accounts or your Program Account. The Cash Sweep Account Fee will generally be paid on your Program Account's behalf by the Program Banks; however, the fee may be deducted directly from your Program Account if, for example, the amounts paid by the Program Banks are insufficient to cover the Fee. Advisor Group may waive any portion of the fee, or the fee in its entirety, received from the Program Banks. Your Advisory Representative will not receive any portion of the fees paid by the Program Banks. The amount of fees received by Advisor Group, NFS, and any other service provider, will affect the interest rate paid on your deposit account(s).

### **Money Market Mutual Fund**

Free credit balances in the following brokerage account types will be automatically swept into the Fidelity Government Cash Reserves Fund (“Fund”) (FDRXX), which is managed by Fidelity Investments:

- All ERISA Title 1 account types, including Profit sharing plans, 401(k), Roth 401(k), Simple 401(k), Individual 401(k), qualified deferred compensation plans, defined benefit plans, target benefit plans, and money purchase pension plans.
- All 403(b)(7) accounts.
- Keogh plans

The Fidelity Government Cash Reserves invests at least 99.5% of its total assets in cash, U.S. Government securities and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash or government securities). The Fund invests in U.S. Government securities issued by entities that are chartered or sponsored by Congress but whose securities are neither issued nor guaranteed by the U.S. Treasury. This Fund is a money market mutual fund and seeks to maintain a stable share price of \$1.00.

Advisor Group and NFS may receive additional compensation, in the form of distribution assistance from the Fund.

For additional information about the Cash Sweep Program, please refer to the Disclosure page on [www.advisorgroup.com](http://www.advisorgroup.com) and then locate the section entitled "Cash Sweep Program (NFS)".

### **Material Conflicts of Interest**

For the Cash Sweep Program (Pershing) and Cash Sweep Program (NFS), a conflict of interest arises due to the financial incentive from offering a Sweep Program that generates third party payments to Advisor Group. Since additional compensation is earned by Advisor Group through its Sweep Program, a conflict of interest also arises due to an economic benefit derived by cash balances being swept into the program rather than reinvested in other investment funds or securities.

In addition, a conflict of interest arises as a result of the financial incentive for Advisor Group to recommend and offer a Sweep Program that may be viewed as a proprietary product, and that generates additional compensation, up to a maximum of 400 basis points annually. The foregoing conflicts of interest are mitigated under the Advisor Group's Policies and Procedures, that have been adopted for this purpose, and by the fact that the Advisory Representative who makes investment recommendations for your Program Account does not receive any economic benefit from these payments.

### **Distribution Assistance**

For additional information on distribution assistance, please visit [www.royalalliance.com](http://www.royalalliance.com); [www.sagepointfinancial.com](http://www.sagepointfinancial.com); [www.joinfsc.com](http://www.joinfsc.com); or [www.joinwoodbury.com](http://www.joinwoodbury.com) and refer to the "Indirect Compensation" section underneath the "Disclosures" link. You may also refer to the Fund's prospectus or ask your Advisory Representative for additional information related to such fees. In an effort to maintain a positive yield to a customer, a Fund company may reduce or waive a portion or all of its internal management and/or distribution fees. Please consult the Fund's prospectus, or your Advisory Representative, for additional information on such fee waivers.

## **Item 5 - Account Requirements and Types of Clients**

### **Types of Clients**

The Program is available to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and banks as well as other business entities.

### **Minimum Account Size**

The minimum account size for Program Accounts is disclosed above in Item 4. The minimum account size may be waived in certain situations, such as for a client who intends to bring in additional assets or account depreciation.

## **Item 6 - Portfolio Manager Selection and Evaluation**

We select Program Managers and all Program Managers are subject to a due diligence process which includes annual reviews designed to determine if a manager meets a sufficient level of quality and stability through their policies and practices. Program Managers are evaluated using a variety of data and information from one or more resources, which may include: public or private independent databases, responses to periodic due diligence questionnaires, quantitative and qualitative information, research, performance reports, and other pertinent information concerning the manager. Your Advisory Representative is responsible for determining whether any particular Program Manager or investment strategy is appropriate based on your stated risk tolerance and investment objectives.

We do not review or verify the accuracy of any marketing or other materials, including investment performance history, that a Program Managers may provide to you or your Advisory Representative. As a result, performance information and presentations may not be uniform or consistent between Program Managers.

An explanation of how your Advisory Representative selects a Program Manager can be found in Item 4 of this brochure under Advisory Services. If your situation changes and your Advisory Representative determines that a particular selected Program Manager's Asset Allocation Model is not consistent with your current goals and investment objectives, your Advisory Representative has the discretion to reallocate your assets to another Asset Allocation Model based on your current stated goals and objectives.

On an ongoing basis, Envestnet reviews Program Managers participating in the Program to determine whether they continue to meet Envestnet's guidelines and evaluation criteria. If Envestnet detects relevant information at any time (including qualification and/or performance concerns), we will generally follow Envestnet's recommendation as to whether to continue to include the Program Manager as an investment suitable for the Program or add a Program Manager to the Program. We receive research, performance information and other information from Envestnet about Program Managers but do not independently verify or guarantee the accuracy or validity of this information received from Envestnet, or any other source. Further, there is a chance the performance information that we receive from Envestnet may not be calculated on a uniform or consistent basis.

For approved Program Managers, Envestnet employs a multi-phase approach in its evaluation ("Due Diligence"). As part of the Due Diligence, certain types of information are analyzed, including historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the Program Manager's Form ADV Part 2 disclosure events, as well as portfolio holdings reports that help demonstrate the Program Manager's securities selection process and the prospectuses of the Funds.

No related or supervised persons act as a portfolio manager for any account in the MPP programs.

Neither we nor your Advisory Representative make any representations regarding the future performance of any investment strategy of, or security recommended by, any Program Manager participating in the Program. As always, past performance is not a guarantee of future results.

## **Item 7 - Client Information Provided to Portfolio Managers**

Your personal identification, account and holdings data are disclosed to your Advisor to enable your Advisor to help determine the Program Investments that are suitable for you.

Your Advisor provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you imposed on management of assets); (ii) your investment guidelines (if applicable); and (iii) reports relating to the performance of your account.

A copy of the Firm's privacy notice is available in the disclosure section of our affiliated broker/dealers websites: [www.royalalliance.com](http://www.royalalliance.com); [www.sagepointfinancial.com](http://www.sagepointfinancial.com); [www.joinfsc.com](http://www.joinfsc.com) and [www.joinwoodbury.com](http://www.joinwoodbury.com).

## **Item 8 - Client Contact with Portfolio Managers**

### **Client-Advisor Relationship**

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program investments. You should direct any questions that you have regarding the Program to your Advisor.

## **Item 9 - Additional Information**

### **Disciplinary Information**

Not applicable. Neither we, nor any of our management personnel have been involved in any disciplinary events that are material to your evaluation of our Program or the integrity of our management.

### **Other Financial Industry Activities and Affiliations**

Advisors that offer the Program may be Related Persons to us. You should see the ADV Part 2A of your Advisor that will be provided to you for information regarding any of their other financial industry affiliations and for any associated conflicts of interest.

### **Code of Ethics**

We have adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and your financial circumstances is confidential; and
- The principle that independence in the investment decision-making process is paramount.

We provide a copy of the Code to any client or prospective client upon request to their Advisory Representative.

In limited circumstances, and in compliance with the Investment Adviser's Act of 1940, Section 206(3) and the Rules hereunder (collectively, the "Act"), we perform principal or agency cross transactions as such activities are described in the Act.

Individuals who are covered by our Code ("Access Persons") can buy or sell securities identical to those recommended to you for their personal accounts. In addition, any of our Related Person(s) may have an interest or position in securities which are recommended to you. Our Code requires Access Persons to report their personal securities holdings for review by us.

### **Participation and Interest in Client Transactions**

Your Advisor, who may be a Related Person to us, can recommend or buy and sell securities that it or its Related Persons' have a financial interest in. Please see the ADV Part 2A of your Advisor for further details on these financial interests and associated conflicts of interest.



## **Trade Confirmation Suppression in Wrap Fee Accounts**

Because your Program Account is managed on a discretionary basis and is offered using the Wrap Account, you will have the option to request that we suppress trade-by-trade confirmations and present a periodic account statement, not less often than monthly. The periodic account statement must contain the same information as is required pursuant to Rule 10b-10 ("Trade Confirmation Suppression Option"). If you choose the Trade Confirmation Suppression Option, you will have the opportunity to signify this request by providing your initials as designated in the "Acknowledgement" section of the SIS.

### **Trade Confirmation Suppression Option**

If you elect the Trade Confirmation Suppression Option, you will be able to later change your mind and request, for no additional cost, trade-by-trade confirmations for any transaction since the date of the last periodic statement, as well as for all subsequent transactions. You will also be able to request, for no additional fee, trade-by-trade confirmations for previous transactions for up to a one-year period preceding the last periodic statement. If you elect not to receive trade-by-trade confirmations, you will be able to receive an interim update and further details concerning any transactions conducted between period statements without charge, by contacting your Advisory Representatives or by checking our website. In accessing our website, you will be able to view, no later than the next business day after trade date (T+1), all information required by Rule 10b-10. You will also be able to obtain the same information required by telephoning their representative or by requesting the trade-by-trade confirmation for the particular transaction.

If interested in the Trade Confirmation Suppression Option, you should contact your Advisory Representative to obtain more information or to obtain a SIS to request such option.

### **Trade-by-Trade Confirmations**

We will continue to generate and send trade-by-trade confirmations to you should you elect not to request the Trade Confirmation Suppression Option. In no event will we charge you for trade confirmations in Wrap Accounts.

### **Review of Accounts**

Your Advisor periodically reviews your account and contacts you annually. For further account review details, please see the ADV Part 2A of your Advisor.

### **Client Referrals and Other Compensation**

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above and as disclosed in our Revenue Sharing Disclosure below. For further details on compensation and other economic benefits that your Advisor receives, please see their ADV Part 2A.

### **Revenue Sharing Disclosure**

The Advisor Group Firms maintain revenue sharing arrangements with certain mutual funds, (referred to as "Strategic Partner(s)"). Strategic Partners pay up to 30 basis points (0.30%) of your total purchase amount of a mutual fund. Additionally, some Strategic Partners make a quarterly payment or additional quarterly payment based on the assets you hold in the fund over a period of time of up to 18 basis points (0.18%) per year. Alternatively, the Advisor Group Firms may receive compensation from the mutual fund as: (1) a flat fee regardless of the amount of new sales or assets held in client accounts; or (2) the greater of such flat fee or amount based on assets and/or new sales as referenced above and any ticket charge payments referenced below.

The Advisor Group Firms do not accept the aforementioned mutual fund Strategic Partner revenue sharing payments on sales or assets held in investment advisory accounts of a plan subject to Title I of the Employee Retirement Income Security Act of 1974, described in section 4975(e)(1)(A) of the Internal Revenue Code ("Code") or an individual retirement account or annuity described in Internal Revenue Code section

4975(e)(1)(B) – (F) (“Qualified Advisory Accounts”). Instead mutual fund Strategic Partners will pay a fixed dollar amount annual partnership fee of up to approximately \$475,000 in exchange for certain marketing and services provided by Broker-Dealers in connection with these account types.

Though Advisory Representatives do not receive additional compensation in connection with sales of these products, the Strategic Partners do have greater access to Advisory Representatives to provide training and other educational presentations and product information so that they can serve clients better.

You do not pay more to purchase Strategic Partner investment products through the Advisor Group Firms than you would pay to purchase those products through another broker-dealer. Additionally, revenue-sharing payments received by the Advisor Group Firms are not paid to or directed to Advisory Representatives, and Advisory Representatives do not receive additional compensation for selling Strategic Partner products. Nevertheless, a potential conflict of interest may exist, in that the Advisor Group Firms are paid more if you purchase a Strategic Partner product, and Advisory Representatives may indirectly benefit from Strategic Partner payments when the money is used to support costs of product review, marketing or training, or for waiver of mutual fund ticket charges.

We maintain policies and procedures to ensure recommendations are suitable and require that Advisory Representatives always act in your best interest. We also maintain a supervisory structure to monitor the advisory activities of your Advisory Representative to reduce potential conflicts of interest. You are encouraged to ask us about any conflict presented.

For additional information, please refer to the “Client Information and Disclosures” section of our affiliate websites ([www.royalalliance.com](http://www.royalalliance.com); [www.sagepointfinancial.com](http://www.sagepointfinancial.com); [www.joinfsc.com](http://www.joinfsc.com); [www.joinwoodbury.com](http://www.joinwoodbury.com)).

*This information is current as of March 30, 2018. We will update information regarding revenue sharing arrangements as necessary and contact clients as required.*

## **Financial Information**

Your Program assets will be custodied at Pershing, LLC or on a limited basis, at National Financial Services, LLC. The Program does not allow, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We have no financial condition that might impair our ability to meet our contractual commitments to clients, and has never been the subject of a bankruptcy proceeding.

## **Item 10 - Requirements for State-Registered Advisers**

Not Applicable. We are an SEC registered investment adviser. We are not registered with any state securities authority.