

# **THE ADVOCATE**

## **A MANAGED ACCOUNT PROGRAM**

EGE Advisors, Ltd.  
Parkview Tower  
1150 First Avenue, Suite 600  
King of Prussia, PA 19406  
(610) 783-1800

*This brochure provides clients with information about EGE Advisors, Ltd. and the Advocate, its Managed Account Program, that should be considered before becoming a client of the Advocate. This information has not been approved or verified by any governmental authority.*

**THE ADVOCATE**  
**A MANAGED ACCOUNT PROGRAM**

**Table of Contents**

<b>Code of Ethics .....</b>	<b>2</b>
<b>I. EGE ADVISORS, LTD. (“EGE”) AND ITS MANAGED ACCOUNT PROGRAM SERVICES .....</b>	<b>3</b>
<b>A. SERVICES</b>	
i. Investment Advisory Services .....	3
ii. Brokerage Services.....	4
iii. Performance Reporting Services .....	4
iv. Custodial Services .....	5
<b>B. FEES FOR THE MANAGED ACCOUNT PROGRAM.....</b>	<b>5</b>
<b>C. SEI INVESTMENTS .....</b>	<b>6</b>
<b>D. RAYMOND JAMES FINANCIAL SERVICES.....</b>	<b>7</b>
<b>II. FINANCIAL PLANNING SERVICES (FEE-FOR-SERVICE) .....</b>	<b>10</b>
<b>III. EGE’S OTHER BUSINESS AND FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATES .....</b>	<b>12</b>
<b>IV. EGE’S PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND AND CERTAIN CONFLICTS OF INTERESTS.....</b>	<b>12</b>
<b>V. CERTAIN EGE PERSONNEL.....</b>	<b>13</b>
<b>A. Principal Executive Officers and Supervisory Personnel.....</b>	<b>13</b>
<b>B. Portfolio Managers .....</b>	<b>14</b>

EGE Advisors, Ltd.  
Code of Ethics

*As an investment advisor we act as fiduciary and owe our clients a duty of undivided loyalty, competence, and honesty. To that end all supervised persons of EGE Advisors, Ltd. (“EGE” or the “Firm”) are subject to and bound by this Code of Ethics (the “Code”).*

- *The interests of clients shall at all times take precedence over those of a supervised person.*
- *Competency and proficiency of work will be maintained through continuing education.*
- *Services will be charged at fair and reasonable rates based on the amount of time and skill required.*
- *The federal securities laws and regulations governing the activities of supervised persons will be abided by.*

*The Code establishes standards of conduct that are expected of the Firm’s supervised persons and that reflect the Firm’s fiduciary duties. All employees of EGE are required to be fully familiar with the legal and ethical requirements that govern their conduct and must follow the procedures that have been designed to implement this Code. Areas of specific interest include fiduciary principles, safeguarding nonpublic information, personal securities reporting, pre-approval of certain transactions, and reporting of code violations by supervised persons.*

*Except where otherwise indicated in this Code, the procedural requirements to be met apply to all EGE employees, regardless of whether they are access persons or not. However, the particular standards applied in evaluating the propriety of a personal investment or the application of an investment restriction may differ for access and non-access persons.*

*You should be aware that trades by your immediate family members living at home, household members, or any person who you materially support are considered to be personal transactions by you for the purposes of this Code and its requirements.*

*Although every attempt has been made to address those situations that may arise relating to your personal trading activities or that may otherwise present a conflict of interest, questions may arise from time to time that this Code does not specifically cover. You should immediately direct those questions to the Director of Compliance who will advise you of EGE’s policy.*

*Senior management has approved this Code and failure to comply with the principles and procedures set herein may result in disciplinary action, including termination of employment.*

**All supervised persons must acknowledge, in writing, their initial receipt of this Code of Ethics and annually, thereafter.** A copy of this code will be provided to any client or prospective client upon request.

## **I. EGE ADVISORS, LTD. AND ITS MANAGED ACCOUNT PROGRAM SERVICES**

EGE Advisors, Ltd. (“EGE”) was founded in 1999 as a registered investment advisor with the Securities and Exchange Commission. Its affiliate, Emerging Growth Equities, Ltd., is a full service brokerage and investment banking firm, Securities and Exchange Commission registered broker/dealer and a member of the National Association of Securities Dealers, Inc.

Under EGEs Managed Account Program, EGE offers its client’s comprehensive investment advisory, brokerage, performance measurement, custodial and other account-related services for a single fee (a “Wrap Fee”), which is based on a percentage of assets under management. EGE: 1) assists each client in formulating his or her investment objectives, policies, restrictions, and risk tolerances through extensive asset allocation planning (asset allocation is used as the primary determinant in structuring a client’s portfolio); 2) manages the client’s portfolio on a discretionary or non-discretionary basis; 3) effects transactions in securities (account transactions will generally be effected through EGE’s affiliate Emerging Growth Equities, Ltd.); 4) periodically evaluates performance and compares account performance; 5) provides the client with trade confirmations and monthly statements from its affiliate’s clearing agent, which maintains custody of the assets in the client’s portfolio; and 6) provides continuing consultation on investment objectives, all for an inclusive Wrap Fee.

EGE offers the Managed Account Program to individuals, banks, thrift institutions, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business and governmental entities.

### **A. SERVICES**

#### **i. Investment Advisory Services**

As the investment adviser under the Managed Account Program, EGE is generally granted full investment discretion and determines without consultation with the client the type and amount of securities to be bought and sold. Purchases and sales will be made in a manner consistent with the investment objectives, guidelines, restrictions and instructions of the client.

EGE furnishes continuous advice as to the investment of funds on the basis of the individual needs of each client. Individual portfolio structure will be based on the stated investment goals and objectives of the client (i.e., maximum capital appreciation, growth, income, growth and income) as determined predominantly through the use of various asset allocation models. While there may be some individual investments within any asset class that may be characterized as aggressive, the overall structure of any asset class will be moderate to conservative, on balance. Occasionally, an aggressive growth portfolio structure consisting of individual securities may be used for accredited investors and others whose investment needs and tolerance for risk justify the aggressive stance. Account portfolios will be structured with a blend of both domestic and foreign equity, fixed income, alternative investments, cash, and cash equivalent investment vehicles. Consideration is given to the allocation of assets to equity, fixed income securities, and alternative investments. Recommendations and selections are tailored to the individual’s overall investment objective.

An EGE portfolio manager conducts an initial interview with each prospective client, where possible in person, and obtains from each client financial and personal information to ascertain the degree of risk the client is willing to take and to discover other factors relevant to the management of assets for the client. An EGE portfolio manager generally interviews each client at least annually, either in person or by telephone, to determine whether there has been a material change in the client’s financial situation, investment objectives, policies, restrictions or risk tolerance.

On a quarterly basis, the portfolio manager responsible for management of the account reviews it for conformity to asset allocation guidelines and to see that the investments continue to meet the client's investment objectives. Each client is requested to contact EGE in the event there has been a change in the client's financial situation, investment objectives, policies, restrictions or risk tolerance. The portfolio manager also provides the client with a quarterly statement of the account. The EGE portfolio manager considers, before a transaction is effected, the client's account and his or her financial and personal data in order to determine whether the transaction would be appropriate for a particular client.

During normal business hours, the EGE portfolio manager is generally available both for consultation and to answer questions from clients who desire explanations concerning the administration of their accounts and their financial situation and investment needs.

Under the Managed Account Program, EGE serves as investment adviser, and designates a specific EGE portfolio manager to assume responsibility for the account. The client may terminate the advisory agreement with EGE at any time upon written notice, and may ask EGE to replace an EGE portfolio manager. Otherwise, EGE will not ordinarily replace an EGE portfolio manager. EGE may terminate the advisory agreement with a client upon written notice.

## **ii. Brokerage Services**

Under the Managed Account Program, clients are not charged separate commissions on each trade so long as Emerging Growth Equities, Ltd. executes the trade. EGE's compensation for brokerage transactions is normally included in the Wrap Fee. Thus, agency trades will generally be executed only by Emerging Growth Equities, Ltd. so as to avoid incurring incremental brokerage charges of other brokers. Principal transactions will be executed by Emerging Growth Equities, Ltd. or through a dealer, which makes a market in the securities for compensation that is included in the price of the security.

EGE is not obligated to effect any transaction with or for a client's account if, in EGE's reasonable judgment, effecting such transaction would violate any applicable federal or state law or any applicable rule or regulation of any regulatory agency or self-regulatory body.

## **iii. Performance Reporting Services**

Clients will receive statements at least quarterly and performance reports at least annually. If not received directly from the custodian or EGE the client's performance report will be incorporated into the annual review with his portfolio manager. Performance reports for accounts managed at the firm are available containing a transaction history and current list of assets categorized by asset class and indicating market value and cost. Performance reports for all accounts will account performance against generally recognized objective indices of investment performance (e.g., the Standard & Poor's 500 Stock Index, Dow Jones Industrial Index, etc). Performance reports are created pursuant to agreements between our various custodians and EGE. The reports are reviewed for accuracy by the portfolio manager.

### **Notes:**

SEI – For SEI to prepare performance reports, a minimum account asset valuation of \$150,000 is required. Related accounts can be linked to meet this minimum. If asset value falls below this threshold, no performance report is issued until the account value reached \$100,000. At which time a report will be delivered upon client request. All accounts have performance reports incorporated into their annual reviews with the Advisor.

NFS – For NFS to prepare performance reports, no minimum asset value is required. However, accounts do not receive their initial report until they have been open for a full three months.

Raymond James – Performance reports are produced by Raymond James quarterly for Freedom accounts. All other accounts receive performance reports prepared by EGE at least annually.

#### **iv. Custodial Services**

The clearing agent of EGE's affiliate, will maintain custody of the assets held in each client account.

### **B. FEES OF THE MANAGED ACCOUNT PROGRAM**

The fee schedule for the Managed Account Program is as follows:

<b>Value of Assets Under Management</b>	<b>Fee-Equities Only (Annualized)</b>	<b>Fee-Mutual Funds Only (Annualized)</b>
\$0 - \$500,000	3.0%	1.5%
\$500,001 - \$1,000,000	2.5%	1.25%
OVER - \$1,000,000	2.0%	1.00%

The portion of the fee paid to portfolio managers for providing investment advisory services range from .20% to 1.50%.

The minimum wrap fee account asset level is \$10,000. Fees are payable quarterly and in advance. The initial fee for the Managed Account Program will be chargeable as of the date on which EGE commences the management of those assets and will be based on the net asset values of those assets on that date (the "Commencement Date"). The initial fee will be for the period from the Commencement Date through the last business day of the calendar quarter in which the Commencement Date falls and will be pro-rated for the portion of the calendar quarter that the account was under management under the Managed Account Program. Thereafter, fees will be calculated based on the market value of the account as of the last business day of the preceding calendar quarter. Each time that funds in the amount of \$10,000 or more are added to, or withdrawn from an account during a quarter, the applicable fee will be adjusted at such time, on a pro rata basis, to reflect such addition or withdrawal. In the event an advisory agreement is terminated prior to the last day of a calendar quarter, a pro rata portion of the quarterly fee paid in advance will be refunded to the Client.

Some fees may be negotiated. To the extent that fees charged are negotiable, they may differ from client to client based upon a number of factors, including, but not limited to, the type and size of the account, number of other accounts with EGE, the historical and/or expected size or number of trades for the account, and the number and range of supplemental advisory and client related services to be provided to the account.

The Wrap Fee does not cover any margin interest, wire transfer fees or other fees required by law. In addition, any profits made by EGE, or its affiliate, on principal transactions (as discussed further below) will not be credited against the fee payable by the client. EGE may invest a portion of a client's assets in shares of mutual funds that are unaffiliated with EGE. In addition to the Wrap Fees paid to EGE, a client whose assets are invested in a mutual fund, along with other mutual fund shareholders, will bear a proportionate share of the expenses of the mutual fund, including a proportionate share of the investment management fee paid to the investment manager of the fund. EGE may receive commissions or other compensation (including 12b-1 fees or similar service fees) from mutual funds or their affiliates for the

initial investment by EGE of a client's assets in such mutual funds or during the period that Client assets remain invested in such investment companies. Such payments will not be credited back to the client in calculating the Wrap Fee. EGE may waive receipt of such fees from the respective mutual funds or EGE may retain such payments itself or these payments may be credited to the client's account.

The Managed Account Program may cost a client more or less than purchasing investment advisory, brokerage, custodial, performance measurement and other account services treated separately. Depending on EGE's portfolio turnover rate and standard advisory fees, the overall cost of the Managed Account Program may be higher or lower than the client might otherwise experience without a Managed Account Program by paying EGE's standard advisory fees and negotiating brokerage transaction charges with EGE or another broker/dealer on a per-transaction basis. In addition, other broker/dealers or investment advisers offer similar wrap fee arrangements, some of, which may be more or less costly than the Managed Account Program.

### **C. SEI INVESTMENTS**

EGE may utilize the services of SEI Investments' Managed Account Program. Through EGE's arrangements with SEI Investments, EGE Clients are provided access to a stable of investment advisors which participate in SEI Investments' Managed Account Program. Under the Managed Account Program, EGE, with the assistance of SEI Investments, helps Clients select a portfolio manager, and monitors and evaluates the ongoing performance of the portfolio manager. EGE, with SEI Investments' assistance, also provides strategic asset allocation, investment style allocation and rebalancing recommendations. EGE's fees for Client's which utilize the services of SEI Investments range from .25% to 1.5%.

In addition to the fees charged by EGE, SEI and the portfolio manager also charge combined fees to EGE Clients who participate in the program. These fees will vary depending on the investment strategy or strategies employed. The range of SEI's fees are as follows:

<b>Assets Under Management</b>	<b>Fee</b>
<b>Large Cap Core/Transition Strategy</b>	

For the first \$1,000,000	0.85%
For the next \$2,000,000	0.82%
For the next \$2,000,000	0.75%

<b>Assets Under Management</b>	<b>Fee</b>
<b>U.S. Large Cap Growth Strategy and U.S. Large Cap Value Strategy</b>	

For the first \$3,000,000	0.90%
For the next \$2,000,000	0.85%

<b>Assets Under Management</b>	<b>Fee</b>
<b>U.S. Small Cap Strategy (Small Cap Growth, Small Cap Value, Small Cap Core) and International Equity Strategy</b>	

For the first \$1,000,000	1.20%
For the next \$2,000,000	1.10%
For the next \$2,000,000	1.00%

<b>Assets Under Management</b>	<b>Fee</b>
--------------------------------	------------

## **U.S. Fixed Income Strategy and Active Municipal Bond Strategy**

For the first \$1,000,000	0.70%
For the next \$2,000,000	0.65%
For the next \$2,000,000	0.60%

### **Assets Under Management      Fee Laddered Municipal Bond Strategy**

For the first \$5,000,000	0.30%
---------------------------	-------

### **Assets Under Management      Fee Core Fixed Income Strategy**

For the first \$1,000,000	0.70%
For the next \$2,000,000	0.65%
For the next \$2,000,000	0.60%

EGE may use the services of SEI through its mutual fund asset allocation program. Under the program, EGE assists its Clients in establishing investment objectives, developing an investment plan and selecting a portfolio of SEI mutual funds, mutual funds from other investment companies, and individual equity securities and bonds. EGE monitors the performance of the mutual funds, equity securities and bonds recommended to its Clients. From time to time, EGE offers its opinion to a Client as to whether certain mutual funds, equity securities or bonds should be added as an additional investment portfolio for a Client or removed as an investment portfolio for a Client. Without prior consultation with a Client, EGE may also determine what mutual funds, equity securities or bonds may be bought, sold, retained or exchanged, based upon the Client's objectives. SEI has responsibility for periodically rebalancing the SEI sponsored funds only, in a Client's account. EGE's fees for Clients that participate in the SEI Investment mutual fund asset allocation program range from .25% to 1.5%.

In addition to the fees paid to EGE, a Client, along with other SEI mutual fund shareholders, will bear a proportionate share of the expenses of the mutual fund in which a Client's account is invested. Clients may also be charged a transaction fee by SEI if mutual funds are purchased that are not part of SEI's asset allocation program. The fee is \$35 per transaction.

## **D. RAYMOND JAMES FINANCIAL SERVICES, Inc.**

EGE through its affiliation with the Investment Advisor Division of Raymond James Financial Services, Inc. ("RJFS") may utilize the services of Raymond James & Associates ("RJA") and RJFS. Through Asset Management Services ("AMS") a division of RJA, EGE offers the following wrap fee programs:

- **Raymond James Consulting Services**

Raymond James Consulting Services, a division of RJA, selects portfolio managers ("subadvisors") for the RJCS program, establishes custodial facilities, monitors performance of client accounts, provides clients with accounting and other administrative services and assists portfolio managers with certain trading activities. Based on the client's financial needs and investment objectives, the financial advisor assists the client in selecting the appropriate subadvisor(s). The Investment Management Agreement is solely between RJCS and the client, and there is no direct agreement between the subadvisor and the client. Clients may contact the subadvisor, but generally do so through their financial advisor or the RJCS Client Services Department.

There generally is a minimum investment of \$100,000 for all equity and balanced accounts, and \$200,000 for most fixed income accounts, although smaller accounts may be accepted based on the specific circumstances of an account.

Clients are provided standardized information on each subadvisor prior to entering into the Investment Management Agreement. Potential sub-advisors are considered for the program if they meet the following:

- A well-defined investment style
- Proven past performance results
- Consistency of portfolio returns
- Risks taken within acceptable bounds of investment objectives
- Complementary philosophy of the manager with the existing program managers

Other factors considered in the screening process include: low turnover of personnel; in-depth interviews with top personnel; personal visit to the investment manager's office; the size of the firm; review of the firm's current ADV; no naked options, short sales or futures; and a cooperative, open attitude.

After a subadvisor has been selected to participate in the RJCS program, RJCS monitors, on a quarterly basis each subadvisor's activity to ensure they maintain consistent investment discipline and philosophy with that for which they are originally selected. This review is performed by the RJCS Due Diligence staff. Please note, however, that past performance does not guarantee future results. For all performance analysis provided to clients, RJCS requires that all subadvisors utilize AIMR (Association of Investment Management & Research) standards to calculate performance, but the information is not presented in AIMR format, nor is it AIMR compliant.

- **Eagle High Net Worth Program**

Clients may select one or more investment objectives managed by Eagle Asset Management, Inc. ("Eagle"). Eagle is an affiliate of Raymond James, and is an investment adviser registered with the SEC. The client signs an investment management agreement with AMS, and the agreement authorizes Eagle as subadvisor to manage the client's account in accordance with client's objective. AMS' services include assisting the client in choosing the appropriate Eagle objective(s), monitoring the performance of all of Eagle's objectives, communications and reports to the client, assistance with certain trading activities, and other administrative services.

The Eagle High Net Worth Program offers a full range of investment objectives, including equity, balanced and fixed income portfolios. Eagle will consult with clients and their financial advisors to customize portfolios to fit clients' needs, circumstances and objectives.

For the RJCS and Eagle High Net Worth programs, there generally is a minimum investment of \$100,000 for all equity and balanced accounts, and \$200,000 for most fixed income accounts, although smaller accounts may be accepted based on the specific circumstances of an account.

RJCS negotiates with subadvisors the management fee payable to subadvisors, based on factors including, but not limited to, the subadvisor's assets under management in the RJCS program, average number of portfolio holdings, average annual turnover, anticipated sales and administrative service levels, among others. The management fee payable to subadvisors is typically 0.40% - 0.50% for equity and balanced accounts, and 0.25% - 0.35% for fixed income accounts, but may be lower due to incremental rate negotiation. Although the basis for RJCS' recommendation of subadvisors is not based on this negotiated

management fee, a conflict may exist due to the potential incentive RJCS may have to recommend a subadvisors(s) with a lower management fee.

Employees of RJCS/Eagle, or its affiliates, are entitled to lower management fee arrangements for their personal accounts.

- **FREEDOM Account Program**

Clients may select one or more asset allocation portfolio strategies consisting of either mutual funds or exchange-traded funds. FREEDOM Accounts are managed on a discretionary basis by the AMS Investment Committee, which develops the portfolio asset allocation, selects the underlying funds populating the respective model strategy and annually rebalances the client's account to the original allocation. Based upon the client's financial needs and investment objectives, the financial advisor assists the client in selecting the appropriate strategy, which include: Aggressive Equity (100% equity funds), Growth Equity (100% equity funds), Balanced with Growth (75% equity / 25% fixed income funds), Balanced (65/35), Equity Income (50/50) and Income (20/80). There is a minimum investment of \$50,000 for FREEDOM Accounts, although smaller accounts may be accepted based on the specific circumstances for an account.

The Investment Committee's decisions will be driven by AMS Manager Research and Due Diligence, and the mutual fund strategies may include "Highly Recommended" funds from the Raymond James Mutual Fund Research ("MFR") coverage list. However, the Investment Committee is under no obligation to select funds exclusively from MFR's "Highly Recommended" list. For funds selected by the Investment Committee that are not covered by MFR, it is likely that MFR will at some point in the future assume research coverage of the fund(s), and that such funds may be rated "Highly Recommended" by MFR. AMS Manager Research and Due Diligence continually monitors the funds in the FREEDOM Account. If a fund is downgraded by MFR, the Investment Committee will convene and determine the appropriate course of action, which may include replacing the downgraded fund in all FREEDOM Accounts, if necessary.

FREEDOM offers investors asset allocation investment portfolios utilizing either exchange-traded funds ("ETFs") or mutual funds. Clients should be aware that ETFs and mutual funds have unique distinguishing characteristics and their cost structures differ, sometimes significantly. Because mutual funds are typically actively managed, the underlying management fees and operating expenses assessed by the fund companies are generally higher than those of ETFs (typically 1% to 1.5% for mutual funds versus .20% to .30% for ETFs). Clients most appropriate for the mutual fund version of FREEDOM are those willing to pay more for the potential to outperform the market or benchmark indices over the long term, but should be aware the potential to underperform is just as great. Clients most appropriate for the ETF version of FREEDOM are those willing to achieve market-like returns, less management fees and operating expenses, with little potential for the individual ETFs outperforming the respective indices they track.

Through RJFS, EGE may provide an account called the Independent Clearing Account, which allows EGE to monitor and manage client assets through a myriad of investment vehicles including, but not limited to, stocks, bonds, mutual funds (no-load, institutional, and funds at NAV), UITs, options, and REITs. EGE will manage the account, on a discretionary or non-discretionary basis, according to the client's objectives and will deduct the Investment Advisory Services fees directly from the client's account.

There are nominal transaction charges for the execution of trades in the Independent Clearing Account, listed below, which are paid to RJFS above and beyond the Investment Advisory Service fee.

### **Independent Clearing Account Transaction Fee Rates**

<u>Security Type</u>	<u>Transaction Fee</u>
Equities, Closed End Funds	\$14.95 + \$.02 per share over 1,000 shares
Options	\$29.95/trade plus \$1.50 per contract for all option trades
Mutual Funds	\$35.00 transaction fee on both the purchase & sell
*Select No-Load and funds at NAV are offered at no-transaction fee	
Fixed Income	\$40.00 per trade
Prime Brokerage	\$25.00 per trade

These fees are subject to change by RJFS at anytime.

### **Fees Of The Raymond James Programs**

<b>Value of Assets Under Management</b>	<b>Fee-Equities Only (Annualized)</b>	<b>Fee-Mutual Funds Only (Annualized)</b>
\$0 - \$500,000	3.0%	1.5%
\$500,001 - \$1,000,000	2.5%	1.25%
OVER - \$1,000,000	2.0%	1.00%

Of these fee amounts, the RJFS share varies, but generally ranges from .19% to .90%.

## **II. FINANCIAL PLANNING SERVICES**

EGE Advisors, Ltd provides fee-for-service financial planning as a company-sponsored benefit, or as an individually paid service. With an emphasis on education and understanding, we help our clients appropriately utilize all the financial tools at their disposal to realize their goals.

### **Description of Fee-for-Service Financial Planning Services**

#### **Initial Planning Stage**

EGE Advisors, Ltd will gain a complete understanding of the client's entire financial status and provide confidential financial counseling and a comprehensive financial plan. The comprehensive financial plan will provide the foundation of all of the client's subsequent financial decision-making and planning. This is a dynamic plan upon which the client will heavily rely.

This plan answers four basic questions:

- Where are you now?      Your current financial situation
- Where are you heading?      Projections showing your future financial situation
- Where do you want to go?      Goals
- How do you get there?      Recommendations and an Action Plan to get there

EGE Advisors, Ltd performs its comprehensive financial planning services generally as follows:

EGE Advisors, Ltd obtains financial and other relevant information from the client. Thereafter, the Advisor and the client meet to determine the client's strategic situation, goals, and needs.

We send the client a summary of the initial interview for his/her review and approval. This summary includes a discussion of all planning areas to be addressed in the comprehensive financial plan. EGE Advisors, Ltd prepares a written financial plan and delivers it to the client. During this time period, we will interact with the client and other authorized parties, such as attorneys and accountants, as needed. The plan generally contains the following:

- Current Status
  - Family and Background Information
  - Cash Flow Statement
  - Net Worth Statement
  - Current Asset Allocation
  - Income Tax Situation
  - Asset Risks
  - Current Estate Plan
- Projections
  - Projected Cash Flow
  - Projected Asset Balances
  - Projected Income
  - Projected Long Term Care Scenario
- Goals
- Action Plan
- Appendices

EGE Advisors, Ltd will hold additional meetings with the client and (if desired) his/her spouse to assure full understanding of the plan and the recommended action plan, and to make changes and adjustments to the plan, as necessary. The goal is for the client to take ownership of the plan and for the advisor and the client to a clear agreement as to responsibilities and accountabilities for executing the action plan.

### **Ongoing Planning Stage**

Financial planning frequently fails due to lack to follow through. Quality financial plans must be developed, implemented, monitored and revised. They must be flexible enough to adapt to changes, but disciplined enough to hold fast even in uncertain times.

After the initial stage of the financial planning is completed, the client's financial plan in essence becomes a project plan with clearly defined objectives and tasks. The primary purpose of the services provided by EGE Advisors, Ltd in the ongoing planning stage is to meet EGE's commitments agreed to in the initial planning stage, and to monitor the plan and make necessary revisions.

Such services include:

- Periodic meetings to review projections against actual results and make necessary changes to the ongoing action plan.
- Implementation of specific parts of the plan such as:
  - Assistance in estate planning by working with the client's estate planning attorney (and helping to find an attorney if the client does not have one) and making sure all of the client's property is appropriately titled and directed to fully take advantage of the estate planning documents.
  - Projecting the client's income taxes and assisting client in tax-related decisions such as withholding, estimated payments, and contributions to tax-deferral opportunities such as 401(k) and deferred compensation plans.

- Updating asset allocation charts including all of the client's investment assets within company programs and outside of such programs, and providing specific asset rebalancing advice and services.
- Assistance in reviewing third party offerings such as investment opportunities, life insurance illustrations, mortgage quotes, etc.
- Educating the client on the impact of any compensation and/or benefit plan changes made by the company.
- Educating the client regarding any changes in the law and how it affects the client's planning.
- Being a resource to answer any questions the client may have.

### **Fees**

EGE Advisors, Ltd charges for this service in one of two ways: flat fee or hourly fees. We often charge a flat fee based upon an estimate of the time it will take to perform the services. We also provide the services on a straight hourly rate with an estimate prior to beginning the work. Clients are invoiced at completion. With new clients, we require a \$500 retainer.

Senior/Lead Advisor	\$300 per hour
Financial Planner	\$200 per hour
Assistant Planner/Professional Consultant	\$100 per hour
Administrative/Clerical	\$ 90 per hour

### **III. EGE'S OTHER BUSINESS AND FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATES**

EGE's affiliate, Emerging Growth Equities, Ltd., is a private banking firm whose principal business is investment banking. Emerging Growth Equities, Ltd. provides a broad range of specialized investment services, including investment banking, venture capital, individual and institutional brokerage services and equity research.

### **IV. EGE'S PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND CERTAIN CONFLICTS OF INTERESTS**

As a result of the Wrap Fee aspect of the Program, EGE may be regarded as having a conflict of interest in that EGE may perceive it to be in its interest to initiate relatively few transactions in order to reduce the overall costs of the Managed Account Program and thereby increase the profits of EGE. In addition, a portion of the fees charged in connection with the Program may be paid to persons or companies affiliated or unaffiliated with EGE for the introduction of accounts. This compensation may be more than what such persons would receive if the client paid separately for investment advice, brokerage and other services and therefore such persons may have a financial incentive to recommend the Managed Account Program over other services.

As a full service broker/dealer, EGE's affiliate Emerging Growth Equities, Ltd. regularly advises clients with regard to a wide variety of securities and other investments. EGE, its affiliate, or a related person may: 1) recommend for purchase or sale securities in which they directly or indirectly have a financial interest; 2) purchase or sell securities for their own or other accounts that they also recommend for purchase or sale for advisory clients; and (3) act as a market maker for over-the-counter securities which may be sold to or purchased from advisory clients and proprietary accounts. EGE and its affiliates may also give advice and take action in the performance of their duties to certain clients which differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts. Additionally, EGE and its affiliates from time to time may not be free to divulge or act upon certain information in their possession on behalf of investment advisory or other clients.

EGE may affect “agency cross” transactions between customer accounts to the extent permitted by law if appropriate client consent is obtained and required disclosure is made. EGE may receive compensation from parties on both sides of such transactions and as such EGE will have a potentially conflicting division of loyalties and responsibilities. Consent to agency cross transactions may be revoked at any time by written notice to EGE.

As noted above, EGE or its affiliate may act as principal for its own account and sell securities it owns to advisory clients and proprietary accounts. From time to time, EGE’s affiliate Emerging Growth Equities, Ltd. acting as underwriter or dealer, may be involved in a distribution of securities and may, in its discretion and acting as principal for its own account, sell publicly distributed securities distributed by Emerging Growth Equities, Ltd. to a client’s portfolio. All such transactions by EGE will be conducted in accordance with Section 206 of the Investment Advisors Act of 1940, and such compliance includes obtaining the client’s written consent prior to engaging in each transaction. Any profits made by EGE or its affiliate in such transactions (generally, the difference between the fixed public offering price and the price paid by the underwriters to the company selling the securities, which difference constitutes the underwriting discounts and selling commissions) will not be credited against the wrap fee payable by the client. In addition, the portfolio manager affiliated with EGE who executes such “principal transactions” will receive a commission from EGE for such trade. In those cases where the underwriting is on a “firm commitment” basis, Emerging Growth Equities, Ltd. is obligated to purchase the portion of the offering allocated to it whether or not Emerging Growth Equities, Ltd. is successful in reselling them.

## **V. CERTAIN EGE PERSONNEL**

### **A. Principal Executive Officers and Supervisory Personnel**

**James C. Baird**, was born in 1954 and became President of EGE Advisors, Ltd. in April, 2003. He has been with EGE since July, 2001. He is a graduate of Brown University and attended the Wharton Graduate School of Business at the University of Pennsylvania.

**Eric M. Earnhardt**, was born in 1953 and is the Director of Compliance of EGE Advisors, Ltd., as well as the Director of Compliance of Emerging Growth Equities, Ltd. He has been with EGE since July, 2003. He received a B.A. in Economics from the University of Virginia and an MBA from the College of William and Mary.

## **B. Portfolio Managers**

EGE requires that all persons rendering any investment advice to Clients have at least a college degree with a major in business, economics or accounting, or comparable experience. Additionally, EGE and its representatives comply with any educational requirements mandated by the states in which it is registered.

**James C. Baird**, President and Investment Management Consultant, was born in 1954. He graduated Magna Cum Laude from Brown University in Providence, Rhode Island in 1976, and also attended the Wharton Graduate School of Business at the University of Pennsylvania. He has been with EGE since July, 2001. Mr. Baird is also registered with EGE's affiliate, Emerging Growth Equities, Ltd. Prior to his employment with EGE, he was a Senior Vice President – Investment Management Consultant with Pennsylvania Merchant Group from March, 1994 to July, 2001, and a branch manager and Registered Investment Adviser at Prudential Securities Incorporated from May, 1989 to March, 1994. Mr. Baird has over 26 years of industry experience.

**Benjamin M. Dourte**, CFP®, ChFC, Assistant Vice President. Ben brings over ten years of related wealth management experience to EGE Advisors, Ltd. He spent the past eight years working at SEI Investments, where he provided Financial Planning and Advisory Services to wealthy individuals and families. In previous roles at SEI, he worked with Financial Advisors across the country to design and build globally diversified investment portfolios for their High Net Worth Clients. Prior to working at SEI, he was employed with PIMCO Funds where he marketed PIMCO's solutions to Financial Advisors in Upstate NY and PA. Ben Graduated from Messiah College in Grantham, PA with a Bachelor's degree in Business Administration. He has achieved his Certified Financial Planner (CFP®) certification as well as his Chartered Financial Consultant (ChFC) certification. Ben lives in Royerford, PA with his wife and son.

**Thomas Goodwin**, Senior Vice President, was born in 1951. He graduated from Mercer County Community College with an AA Degree in Business. He has been with EGE since December, 2001. Mr. Goodwin is also registered with EGE's affiliate, Emerging Growth Equities, Ltd. Prior to his employment with EGE, he was the owner of Goodwin Insurance and Financial Services from December, 1978 to December, 2001, a registered representative with Fortis Investors, Inc. from March, 1995 to December, 2001, a registered representative with Carillon Investments, Inc. from May 1988, to January, 1995 and an insurance salesperson from January, 1977 to December, 2001. Mr. Goodwin is a Chartered Financial Consultant (ChFC) and a Certified Life Underwriter (CLU).

**Patrick M. House**, Senior Vice President, was born in 1950. He graduated from Gwynedd Mercy College in 1984. He joined EGE in July, 2001. Mr. House is also registered with EGE's affiliate, Emerging Growth Equities, Ltd. Prior to joining EGE, he was a Senior Vice President at Pennsylvania Merchant Group from November, 1993 to July, 2001 and he was a registered representative at Prudential Securities Incorporated from May, 1989 to November, 1993. Mr. House has approximately 18 years of industry experience

**Matthew D. Kane**, Associate Advisor. Matt brings over twelve years of strategic business experience to our clients from both the financial services industry and the non-profit sector. During Matt's financial services career he held positions with SEI Corporation and Merrill Lynch where he gained knowledge in both the institutional and retail side of our business. While at SEI Matt held various positions within SEI's Trust Company and their Community Bank Sales Team. At Merrill Lynch, Matt worked as a consultant to a Financial Advisor with over 150MM in assets that represented over three hundred and fifty clients. He has also been licensed with the NASD with the Series 7, 6 and 63 licenses.

Over the last decade Matt served as an Area Director for Young Life in and around the Mainline of Philadelphia and in York County, Pennsylvania. Young Life is a non-profit organization that cares for young people in over six hundred U.S. communities with staff in over forty countries around the world. Matt has his undergraduate degree in Business Administration from Eastern University in St. Davids, Pennsylvania. He and his wife Kim have been married for nine years and have four children, all boys.

**Richard Liburdi**, Senior Vice President. Dick joined EGE Advisors, Ltd. in March 2006. He is focused on the 55+ market, specializing in retirement and investment planning. Prior to this, Dick spent 8 years at Creative Financial Group. In addition to his investment management clients, Dick headed up CFG's fee planning practice. Prior to CFG, Dick spent 12 years with The Penn Mutual Life Insurance Company. He was Senior Vice President with overall responsibility for the Insurance Business Unit and for all elements of field sales including career agency and independent broker distribution. Prior to Penn Mutual, Dick was Vice President of marketing and Product Development for the Institutional Mutual Funds unit of SEI. This followed a career as a stockbroker with E.F. Hutton and a 15 year stint in operations with Allstate Insurance Company. Dick is a graduate of the University of Wisconsin with a B.S. in Economics and has attended executive programs in business management at Columbia University's Graduate School of Business. He and his wife Betsy live in Malvern, PA.

**George J. Limbach**, Senior Vice President, was born in 1953. He graduated Cum Laude with a B.A. from the University of Pennsylvania in 1975 and has an MBA degree from Temple University. In addition, he has attended executive programs in business management at Columbia University's School of Business and the Wharton Graduate School. He joined EGE in July, 2001. Mr. Limbach is also registered with EGE's affiliate, Emerging Growth Equities, Ltd. Prior to joining EGE, he was a Senior Vice President at Pennsylvania Merchant Group, and prior to that, he spent 21 years as Vice President with The Penn Mutual Life Insurance Company.

**Douglas R. MacGray JD CFP®**, Senior Vice President. Doug joined EGE in 2006 bringing with him a comprehensive financial planning practice, which he built after spending a dozen years in the private practice of law concentrating in estate planning and business law. Prior to EGE, Doug spent six years as an owner, director and officer at Andesa Strategies, Inc. where he was responsible for providing ongoing financial counseling services primarily to executives at large and mid-sized corporations. Doug helped to form and build the company's asset management practice into becoming its fastest growing business. Doug graduated cum laude, in the top 3% of his class, from Suffolk University Law School. He obtained his B.A. from Gordon College. He is a Certified Financial Planner (CFP), and a Certified Estate Advisor (CEA). Prior to his legal and financial career, Doug taught at a Christian boy's school in the Republic of Palau. He is a member of the Board of Directors for Wilmington Christian School. He and his wife, Deb live with their three children in North Wilmington, Delaware.

**Maryjeanne Sandusky CFP®**, Vice President Financial Planning Maryjeanne is responsible for the financial planning function for EGE Advisors. She specializes in a number of areas, including estate planning, cash flow planning, taxation, and a broad range of insurance applications. Maryjeanne recently relocated from northern California to join our firm and is in her ninth year in the financial planning profession. This includes her previous independent practices with Ameriprise Financial and Faith Financial Planners. She is a graduate of San Jose State University, holds the Certified Financial Planner™ designation, and is a Qualified Member of Kingdom Advisors. Maryjeanne has one grown

son, has served many years as a volunteer with Crown Financial Ministries, enjoys plays, concerts, golf and reading.