

WRAP FEE PROGRAM BROCHURE

**FORM ADV PART 2A
APPENDIX 1**

ALPHASOURCE MANAGED WRAP FEE PROGRAM

July 18, 2012

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This wrap fee program brochure provides information about the AlphaSource Managed Wrap Fee Program and the qualifications and business practices of AlphaSource Investment Counsel, Inc. If you have any questions about the contents of this brochure, please contact us at 866-940-4932. 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 AlphaSource Investment Counsel, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for the firm is 144857.

AlphaSource Investment Counsel, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Summary of Material Changes

The purpose of this page is to inform clients of any material changes since the previous version of this wrap fee program brochure. This brochure, dated June 21, 2012, is the most recent update of our wrap fee disclosure brochure prepared according to the SEC's new regulations and rules. As such, this document provides clients with information about AlphaSource Investment Counsel, Inc.'s advisory services and fees. Since our last annual updating amendment on April 28, 2011, the following changes have been made to the wrap fee program and are reflected in more detail within this disclosure brochure:

Services, Fees and Compensation

- In the Services, Fees and Compensation section of the brochure, we have revised it to reflect that the AlphaSource Program is also offered as a fee-based program in two ways: (i) by Solicitors affiliated with NEXT Financial Group, Inc., and (ii) through investment advisers who are unaffiliated with AlphaSource and who are solicitors for the AlphaSource Managed Wrap Fee Program.
- The model portfolios offered for Variable Annuity Portfolios includes two additional portfolios: (i) Tactical Income, and (ii) Asset Allocator and Portfolio Protector- Conservative, Core, Growth, Bond, Multi Fund and Aggressive.
- The Program Wrap Fees includes a platform fee and the Solicitor's fee, and ranges up to a maximum of two percent (2%) a year of the value your assets under management payable each calendar quarter in advance. The brochure is changed to reflect that the platform fee of 0.75% per annum is negotiable.

Portfolio Manager Selection and Evaluation

- This section was changed under the topic "Program Investments" to more clearly reflect that AlphaSource directs trades for the variable annuity model(s) monthly (and not once daily), at the same time with each participating variable annuity issuer so that execution will be as equivalent as possible for all participating clients. The actual time an order is executed may vary depending upon trade volume, systems limitations, and issues beyond AlphaSource's control.

Methods of Analysis and Investment Strategies

- This section was amended to reflect more clearly that tactical asset allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing irregularities or strong market sectors. The models provided by Portfolio Strategists are not limited to a range of Ultra-conservative to Aggressive.

Additional Information

- In the Additional Information section of the brochure, we have revised it to include information about certain members of the Board of Directors for NEXT Financial Holdings, Inc. and WE2, Inc., including their names, that serve as Board members for AlphaSource and Visionary, as well as for NEXT and WE2. The fact that these individuals receive compensation and whether it raises a conflict of interest is also discussed.

In the future, this item of the disclosure brochure will discuss only specific material changes that AlphaSource makes to its brochure and will provide clients with a summary of such changes. We will

also reference the date of our last annual update of our brochure. AlphaSource reviews and updates its disclosure brochure at least annually to make sure that it remains current.

Website Address

- On June 21, 2012 the brochure was amended to reflect AlphaSource's new website address at:

www.Visionary.we2holdings.com

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Services, Fees and Compensation

I. Introduction

This brochure describes the AlphaSource Managed Wrap Fee Program (the “AlphaSource Program”), a wrap fee program sponsored by AlphaSource Investment Counsel, Inc. (“AlphaSource”).

AlphaSource is also the portfolio manager for the AlphaSource Program and is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”). AlphaSource is a wholly-owned subsidiary of WE2, Inc. (“WE2”). WE2 is a wholly-owned subsidiary of Next Financial Holdings. The AlphaSource Program is offered by solicitors who are investment adviser representatives of NEXT Financial Group, Inc. (“NEXT”). NEXT is registered as an investment adviser with the SEC and as a broker-dealer with the SEC and the Financial Industry Regulatory Authority (“FINRA”). As a wholly-owned subsidiary of Next Financial Holdings, NEXT is an affiliate of both WE2 and AlphaSource. The AlphaSource Program is offered as a fee based program in two ways:

1. Solicitors Affiliated with NEXT

One of the ways the AlphaSource Program is offered is through investment advisers who are affiliated with NEXT and who are solicitors for the AlphaSource Program. Investment adviser representatives who offer the AlphaSource Program are also referred to in this brochure as “Solicitors.” In addition to recommending clients to the AlphaSource Program, Solicitors will assist clients with opening their accounts, selecting investment models and, will, on an ongoing basis, provide information to them about their AlphaSource Program accounts.

2. Unaffiliated Solicitors

A second way the AlphaSource Program is offered is through investment advisers who are unaffiliated with AlphaSource and who are solicitors for the AlphaSource Program. Investment adviser representatives, who are not affiliated with AlphaSource, and who offer the AlphaSource Program are also sometimes collectively referred to in this brochure as “Solicitors.” Some Solicitors who are not affiliated with AlphaSource may also be registered representatives of a non-affiliated broker-dealer. In addition to recommending clients to the AlphaSource Program, Solicitors will assist clients with opening their accounts, selecting investment models and, will, on an ongoing basis, provide information to them about their AlphaSource Program accounts.

Some Solicitors may also be registered representatives of a dually registered broker-dealer/investment adviser. This could represent a conflict of interest and clients should refer to the adviser representative's firm's disclosure brochure regarding such conflicts. Solicitors will recommend the AlphaSource Program to clients, help their clients open accounts and select investment models, and then provide ongoing information about AlphaSource Program accounts.

If you wish to participate in the AlphaSource Program, you will enter into an investment advisory agreement with AlphaSource which will detail the services you will receive and the fees you will pay.

II. Portfolio Strategy Models

The AlphaSource Program uses a variety of investment strategies depending on a client's circumstances, financial objectives and needs. The AlphaSource Program implements these strategies using two broad categories of portfolios—mutual fund wrap portfolios and variable annuity portfolios—that each comprise several different strategies. Your account assets will be invested according to one or more model portfolios ("Models") that you select and which are further described in the risk tolerance questionnaire you complete. A list of Models is available through your Solicitor. Investment management firms that AlphaSource contracts to create the Models, may develop and offer additional Models in the future, discontinue previously offered Models, may add or remove Models, or modify the target allocations of the Models at any time.

III. Portfolio Strategists and Management

AlphaSource has contracted with institutional investment management firms, referred to as Portfolio Strategists, to create a number of Models comprising open-end mutual funds or variable annuity sub-accounts with certain variable annuity issuers. Collectively, these investments are referred to as Portfolio Funds.

- Each of the mutual funds is either a no-load mutual fund or a mutual fund that may be purchased through the AlphaSource Program at net asset value without sales charges.
- Each of the variable annuity issuers has established various sub-accounts. Variable annuity accounts are subject to the terms and conditions set forth in the variable annuity issuer's prospectus.

The Solicitor who refers you to the AlphaSource Program will help you select a portfolio strategy after reviewing and evaluating your investment objectives and risk tolerance. However, even with such assistance, you are solely responsible for selecting the portfolio strategy.

Based upon the information you provide and the Model(s) you select, AlphaSource will either notify the Portfolio Strategist to execute the Model(s) or will itself execute select Model(s) at the Custodian (described in section VI below) or variable annuity issuer.

The Portfolio Strategists select and monitor the performance of the investments in their Models and periodically will adjust and rebalance the portfolios in accordance with their investment strategies. Client accounts generally will be adjusted automatically based on the Models in which they are invested. However, occasionally, a Model may call for the purchase of a particular Portfolio Fund when no additional shares of that security are available. Similarly, a Model may call for the purchase or sale of a Portfolio Fund when the portion of the investment in the related client account is insufficient to meet minimum requirements. In such cases, the Portfolio Fund will not be rebalanced with the rest of the client's account, which will cause the account as a whole to vary from the Model.

Market conditions, availability of Portfolio Fund shares, and orderly purchase and redemption procedures may delay the processing of rebalancing trades. Your account also may incur short-term redemption fees. Although the purchase and sale of Portfolio Fund shares ordinarily will result in a taxable gain or loss, Portfolio Strategists will not consider the impact of taxes or tax-related issues when rebalancing assets.

AlphaSource will determine whether a particular Portfolio Fund complies with the investment objectives and risk profiles assigned to a Model only on the date the Portfolio Fund is purchased. This decision will be based upon the price and characteristics of the Portfolio Fund on that date compared to the aggregate value of the investments in the Model as of the most recently preceding valuation date. The value or status of any Portfolio Fund can change after purchase or sale of portfolio shares.

IV. Program Wrap Fees

The total AlphaSource Program fee is two percent (2%) and is comprised of a platform fee and a Solicitor's fee. Solicitors may charge up to a maximum of 1.25% per year of the value of your assets under management, payable each calendar quarter, in advance. The platform fee is 0.75% per annum and is not negotiable. The fee for the AlphaSource Program covers AlphaSource's Solicitor services, the Portfolio Strategists' services, execution of transactions, custody of assets with the Custodian, and reporting and services by the broker-dealer referenced in Exhibit A of the client's Investment Advisory Agreement. If your account is custodied with FOLIOfn, you may incur separate transaction fees should AlphaSource need to liquidate funds that were transferred in kind to fund the account. In addition, if you elect to receive paper confirmations and statements for accounts custodied at FOLIO FN, an additional annual fee will be charged.

The Solicitor's fee will be negotiated between you and your Solicitor, and will be set forth in the investment adviser agreement that you sign. Solicitor fees may vary based upon the nature of your advisory relationship, the size of your account, the experience level of your adviser representative, and the degree to which you have other business or accounts with the adviser representative. The fee you pay under the AlphaSource Program may differ from the fees AlphaSource would charge if you had purchased our services separately, for investment advice, brokerage services, or other services. Therefore, your Solicitor may have a financial incentive to recommend the AlphaSource Program over other programs or services. Similarly, your fee may differ from the fees that AlphaSource charges other clients participating in the AlphaSource Program, depending on the extent of the services provided to those clients and the cost of such services. Also, fees may be higher or lower than fees for similar services offered through other financial firms. Once established, the AlphaSource Program fee will not change based on the services you receive or the number of transactions executed on your behalf during a quarter.

Your initial fee will be calculated as of the date AlphaSource accepts your Investment Advisory Agreement and your account is funded (acceptance date), and will be based on the market value of your assets on that date. The initial fee will cover the period from the acceptance date until the last day of the initial calendar quarter, and will be calculated proportionately with respect to the number of days in the initial billing period. Thereafter, your fees will be based on the value of your assets on the last business day of each quarter. In computing the market value of assets, mutual fund shares will be calculated at their respective net asset value as of the valuation date in accordance with each applicable prospectus.

Additional contributions (whether in kind or in cash) to your assets will be charged a pro rata fee based upon the number of days remaining in the quarter. Fees will not be adjusted for account appreciation or depreciation during a quarter. If your Investment Advisory Agreement is terminated in its entirety or

with respect to any portion of your assets, AlphaSource will tender a pro rata refund of fees paid for that calendar quarter, based on the number of days remaining in the quarter after the termination date.

V. Additional Fees and Expenses

The fee does not cover brokerage commissions or other charges resulting from transactions not effected through the broker-dealer or its affiliates, custody services provided by any third party custodian, or certain costs or charges that may be imposed by the broker-dealer or third parties, including margin interest; costs associated with exchanging foreign currencies; odd-lot differentials; SEC fees, national security exchange fees; transfer taxes; exchange fees; wire transfer fees; postage fees; auction fees; foreign clearing, settlement, and custodial fees; and other fees or taxes required by law. The fee also does not cover “mark-ups” and “mark-downs” that other broker-dealers may receive or “dealer spreads” that the broker-dealer, its affiliates, or other broker-dealers may receive when acting as principal in certain transactions. You will be responsible for these additional fees and expenses.

Your assets may be invested in mutual funds (including money market funds), and other collective investment funds that have advisory, administrative, distribution, transfer agent, custodial, legal, audit, and other customary fees and expenses. These fees and expenses, which will be explained in the applicable fund’s prospectus, are paid by the funds, but ultimately are borne by you as a fund shareholder. These fees and expenses are in addition to the fee you pay AlphaSource, and generally will not be deducted from the AlphaSource Program fee. If your assets are invested in a money market fund, you may have been able to reduce expenses had you invested in that fund directly.

In some instances, you can purchase securities directly from the issuer, its principal underwriter, or a distributor without establishing an account in the AlphaSource Program or paying the AlphaSource Program Fee. Certain mutual funds are offered to the public without a sales charge. The sales charge for other mutual funds may differ from the fee for the AlphaSource Program.

VI. The Custodian

Your assets will be maintained by the custodian in one or more accounts for your benefit by the custodian listed on Exhibit A of your Investment Advisory Agreement or such other firm selected by AlphaSource in its sole discretion. The custodian will debit advisory fees from your account, on our behalf, and will credit your account(s) with all interest, dividends, and other distributions that it receives on your assets.

VII. Wrap Fee Program Disclosures

- Wrap fee programs may not be suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations.
- The benefits under a wrap fee program depend, in part, upon the size of the account, the management fee charged and the number of transactions likely to be generated in the account. For example, a wrap fee program may not be suitable for accounts with little trading activity.
- In order to evaluate whether a wrap fee program is suitable for you, you should compare the fees

and any other costs of the program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the AlphaSource Program.

- Participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from third parties.
- Our firm and Solicitors receive compensation as a result of your participation in the AlphaSource Program. This compensation may be more than the amount our firm or Solicitors would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and Solicitors have a financial incentive to recommend the AlphaSource Program.

Account Requirements and Types of Clients

The AlphaSource Program is open to individuals, trusts, estates, corporations, partnerships and other entities, and pension and profit-sharing plans.

Clients who wish to participate in a mutual fund wrap strategy must invest at least \$50,000 for each Model they select. Clients who wish to participate in a variable annuity portfolio must invest at least \$25,000 for each Model they select. AlphaSource has complete discretion to waive these minimum requirements. AlphaSource reserves the right, in its sole judgment, to accept investments below that threshold. However, a client whose account is below the standard minimum may not receive the benefits of all available investments due to the practical limitation that smaller allocations of money may create.

Portfolio Manager Selection and Evaluation

Strategist Evaluation

AlphaSource will continuously monitor and conduct due diligence regarding the Portfolio Strategists, but is not affiliated with any of them. Portfolio Strategists, Portfolio Funds, and variable annuity issuers may be added to or deleted from the AlphaSource Program from time to time.

AlphaSource employs a multiphase approach to researching and selecting Portfolio Strategists and Portfolio Funds ("Strategists/Funds") suitable for participation in the AlphaSource Program. Strategists/Funds are evaluated using data and information from several sources, including the Strategist/Fund and independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed is the Strategist's Form ADV, as well as portfolio holdings reports that help

demonstrate the Strategist's securities selection process. The investment professionals at the investment management firms are a primary source of information to AlphaSource, providing quantitative and qualitative information. At least annually, AlphaSource will review any updates to this information to determine if the Strategists/Funds are still suitable for the AlphaSource Program.

Program Investments

AlphaSource authorizes Portfolio Strategists to use various families of mutual funds based on a number of criteria. These funds offer Portfolio Strategists a diversified range of asset classes and investment objectives from which to select in structuring their Models.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The mutual fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds.

You will receive a copy of the prospectus and all annual and periodic reports issued by each mutual fund in your account, as well as confirmations of each security purchased and sold for your account (for more information, see the section entitled "Reporting" below).

Clients that elect a variable annuity sub-account portfolio can select Model(s) developed by Portfolio Strategists and AlphaSource using those specific variable annuity sub-accounts included in the prospectus delivered by the variable annuity issuer. Only variable annuity issuers, and not AlphaSource, have the authority to add or remove sub-accounts. However, AlphaSource may add or remove variable annuity issuers.

AlphaSource directs trades for the variable annuity Model(s) monthly, at the same time with each participating variable annuity issuer so that execution will be as equivalent as possible for all participating clients. The actual time an order is executed may vary depending upon trade volume, systems limitations, and issues beyond AlphaSource's control.

The Portfolio Funds available through the AlphaSource Program may be available through other sources without paying the fees related to the AlphaSource Program. Further, clients that redeem other investments to obtain cash to invest in the AlphaSource Program may incur tax consequences, redemption fees, or additional cost from sales charges previously paid. Any sales charges previously paid and applicable redemption fees would be in addition to the fees the AlphaSource Program charges on those assets.

For important information about the Portfolio Funds, including investment objectives, risks, charges, and expenses, you should read each Portfolio Fund's prospectus and consider all of the information in it carefully before investing.

Each Portfolio Fund's Portfolio Strategist is solely responsible for managing the Portfolio Fund as described in the applicable prospectus.

Clients generally authorize AlphaSource, to the extent permitted by applicable law, to invest cash balances in one or more money market funds, which may or may not be affiliated with AlphaSource. You will receive a current prospectus for each money market fund in which your assets are invested, which will discuss the fund and applicable fees. As described in the Conflicts of Interest section below, your assets held in such funds may be subject to various fees and expenses, and AlphaSource may receive compensation in connection with these funds.

AlphaSource has contracted with SummitAlliance Capital Management ("SummitAlliance") to serve in the capacity of an overlay manager for the mutual fund Models. As overlay manager, SummitAlliance has developed a proprietary tactical model for measuring general market risk and for determining relative strength between different asset classes within the overall market. This model, which is based on technical data that is readily available, is designed to reduce portfolio risk by shifting a portion of your funds from higher-risk securities into money market funds depending on market conditions. Clients who choose to contract to use the overlay manager services will pay an additional fee.

You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). Your restrictions and guidelines may affect the composition and performance of your portfolio which may deviate from the model in which you are invested.

Methods of Analysis and Investment Strategies

The Portfolio Strategists are selected by AlphaSource in order to provide clients with a wide range of investment options. In constructing their Models, each Portfolio Strategist generally will utilize either strategic or tactical asset allocation. Strategic asset allocation is an approach to investing based on short-term and long-term financial goals to generate the most revenue while at the same time keeping the level of risk as low as possible. Tactical asset allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing irregularities or strong market sectors.

Portfolio Strategists use both technical and fundamental analysis techniques in formulating their Models; some Models will incorporate strategies with specific income distribution objectives. Each Portfolio Strategist has its own investment style, resulting in the use of different asset class and mutual fund or variable annuity sub-account allocations within their Models.

All Portfolio Funds included in the AlphaSource Program will be systematically monitored by Portfolio Strategists and/or AlphaSource. AlphaSource has discretion to remove Portfolio Funds that are deemed to underperform expectations. As the Portfolio Strategists or AlphaSource recognize other funds suitable for the AlphaSource Program, these funds will be added periodically to those available for use in the Models. Variable annuity sub-accounts available will depend upon the individual variable annuity issuer selected by the client, and will be more fully described in the issuer's prospectus.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that we can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. The value of your assets will be subject to a variety of factors, such as the liquidity and volatility of the securities markets. Portfolio transactions may give rise to tax liability, for which you are responsible.

Asset Allocation Risk. Asset allocation risk is the risk that a client's assets may be allocated to an asset class or mandate that underperforms other asset classes. For example, fixed-income securities may underperform equities. Portfolio Strategists that have been selected by a client or its Financial Adviser. Accordingly, asset allocation risk may greatly depend on the allocation among Portfolio Strategists and other investment options chosen by such persons. In some cases, AlphaSource or SummitAlliance may, on behalf of a client, deviate from the target allocations to Portfolio Strategists and investment options due to other mandates on the account such as tax management or restrictions. Such deviations may cause the portfolio to deviate from the risk/return profile of its model portfolio. In such circumstances, AlphaSource or SummitAlliance may introduce greater asset allocation risk to a sleeve or an account.

Investment and Market Risk. Recommendations are subject to investment risk, including the possible loss of the entire principal amount invested. A recommendation to invest in securities and other instruments may also involve market risk, which is the risk that the value of these positions, like other market investments, may move up or down, sometimes rapidly and unpredictably. Recommended investments at any point in time may be worth less than the original investment, even after taking into account any reinvestment of distributions.

Information Risk. Advice is based in large part on information received from clients, Portfolio Strategists, financial advisors, sponsors and other third parties. In addition, recommendations are based on model portfolios by Portfolio Strategists. Therefore, advice given relies significantly on the accuracy and completeness of the information provided by such persons and the skill and analytical ability of the Portfolio Strategists.

Reporting

The custodian or the Variable Annuity issuer will provide you with a monthly or quarterly report of your account(s). AlphaSource also may provide a quarterly report of your account(s). AlphaSource and its affiliates rely on financial and other information provided by third parties. AlphaSource does not independently verify this information and does not guarantee the accuracy or validity of such information. AlphaSource does not provide tax advice, and nothing in the performance report should be construed as advice concerning any tax matter.

There are many types of information that you can receive from AlphaSource, and many ways that you can elect to receive it. You will select certain options, described below, when you execute your Investment Advisory Agreement. You may be charged a fee associated with these options. The options include:

-Quarterly account statement delivered *electronically*, with separate confirmations of each transaction, a list of the assets in the account(s), and related information.

-Quarterly account statement delivered *via regular mail*, with separate confirmations of each transaction, a list of the assets in the account(s), and related information.

-Periodic statement of all transactions that are executed through AlphaSource for your account(s), delivered *electronically*, with copies of individual transaction confirmations sent to AlphaSource.

-Periodic statement of all transactions that are executed through AlphaSource for your account(s), delivered *via regular mail*, with copies of individual transaction confirmations sent to AlphaSource.

AlphaSource may provide clients with information about Portfolio Strategists or Portfolio Funds. The information may be prepared by AlphaSource or by a third party, and will be based on or incorporate information provided by the Portfolio Strategist, Portfolio Funds, and other third-party sources. Performance information may be included in the information provided by AlphaSource or may be provided by the Portfolio Strategists or Portfolio Funds directly. This performance information is calculated by the Portfolio Strategists and Portfolio Funds themselves or by third parties. This information is not calculated or verified by AlphaSource or by a third party at AlphaSource's request, and may not be calculated on a uniform and consistent basis.

Proxy Voting

AlphaSource will not vote proxies on behalf of your advisory accounts. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Class Action Lawsuits

AlphaSource does not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Client Information Provided to Portfolio Managers

AlphaSource collects information from clients such as financial situation, investment objectives, time horizons, risk tolerance, and other information necessary to define that client's investment needs and develops an asset allocation. This information is not provided to the Portfolio Strategists.

Client Contact with Portfolio Managers

You may contact or consult directly with AlphaSource or the Portfolio Strategists, but such meetings typically are arranged by your Solicitor.

Additional Information

Disciplinary Information

Neither our firm nor our management persons have any legal or disciplinary events which are required to be disclosed in this Brochure Appendix.

I. Other Financial Industry Activities or Affiliations

A. Other Business Relationships with Portfolio Managers and Portfolio Funds

Portfolio Funds may have other business relationships with AlphaSource or its affiliates, and may compensate AlphaSource or its affiliates. Similarly, AlphaSource or its affiliates may receive compensation from other parties in connection with services AlphaSource provides in these relationships, such as trading, lending, prime brokerage, and custody services. Portfolio Funds may direct trades for other accounts outside the AlphaSource Program to NEXT as broker-dealer, subject to their duty of best execution. As a result of these relationships, Portfolio Strategists and AlphaSource may have a conflict of interest in determining which Portfolio Funds to include in the AlphaSource Program.

AlphaSource, NEXT, or their affiliates may, from time to time, enter into joint marketing activities with Portfolio Funds or service providers to Portfolio Funds. These Portfolio Funds or service providers may pay for, or may reimburse AlphaSource or its affiliates for all, or a portion, of the cost of the activities.

B. Other Affiliations

NEXT, an affiliate of AlphaSource, is registered as an investment adviser and as a broker-dealer. Next Financial Insurance Company ("NFISCO"), an affiliate of NEXT and AlphaSource, is an insurance agency. NEXT and NFISCO provides a wide range of financial services to individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities, and states, municipalities, and other governmental entities. Clients in the AlphaSource Program may also be clients of NEXT and NFISCO. Fees charged by NEXT and NFISCO are distinct from the fees charged by AlphaSource.

WE2, Inc. is also the parent company of Visionary Asset Management, Inc. ("Visionary"). Visionary is the Sponsor and Portfolio Manager for the Visionary Asset Management Program ("Visionary Program"). Clients of the Visionary Program may be solicited to participate in the AlphaSource Program and are hereby advised that the services and fees associated with the Visionary Program are separate and apart from the services and fees associated with the AlphaSource Program. Please refer to the Visionary

Program Wrap Brochure for further details on that program.

Some members of the Board of Directors for NEXT Financial Holdings, Inc. and WE2, Inc. serve as Board members for AlphaSource and Visionary, as well as for NEXT and WE2 themselves. There may be a perceived conflict of interest. However, clients should be aware that the Board of Directors does not make decisions for AlphaSource without following the process set forth in the company's by-laws. The Board Members are registered representatives, investment adviser representatives and shareholders of NEXT Financial Holdings, Inc. and WE2 Inc.

The Board Members of NEXT Financial Holdings, Inc. and WE2, include:

- Gordon D'Angelo;
- Norman Grant, Jr.;
- David Holtz;
- Cary Cowan;
- Arthur Farr; and
- Jeffrey Saline.

The above-listed Board of Directors receives compensation for the services they perform as members of the Board of Directors of these two entities. This compensation is paid by NEXT Financial Holdings, Inc., and is not dependent upon the amount of assets under their management, or upon their production as registered representatives of the broker-dealer. Any compensation they receive in their capacity as registered persons of the broker-dealer or as Solicitors of the registered investment adviser is received only as payment for services rendered to client.

C. Investments in Portfolio Funds

You may be able to purchase shares of Portfolio Funds outside of the AlphaSource Program directly from the issuer, its principal underwriter, or a distributor without purchasing the services of the AlphaSource Program or paying fees to AlphaSource in connection with such shares. Certain Portfolio Funds are offered to the public without a sales charge. The sales charge for other Portfolio Funds may differ from the fee for the AlphaSource Program.

II. Description of Our Code of Ethics

AlphaSource strives to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our associated persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our associated persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, AlphaSource maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at (866) 940-4932.

III. Personal Trading Practices

Our firm, our associated persons, or Solicitors may buy or sell the same securities for you at the same time AlphaSource buys or sell such securities for our own accounts. A conflict of interest exists in such cases because AlphaSource has the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, AlphaSource shall not have priority over your account in the purchase or sale of securities.

IV. Principal Transactions

Certain clients in the AlphaSource Program may have brokerage accounts with NEXT for which NEXT does not act in an advisory capacity. In providing brokerage services to these clients separate and apart from their participation in the AlphaSource Program, NEXT may enter into transactions as principal and may solicit these clients, as brokerage clients, to invest in products or services in which NEXT or one of its affiliates has a financial interest. These activities are unrelated to AlphaSource's advisory activities.

V. Account Reviews

AlphaSource or the applicable Portfolio Strategist have full discretion over the Models and monitor them on a continuous basis. When changes are made to a Model, client accounts that are invested in the Model will be adjusted automatically. AlphaSource also will perform periodic supervisory reviews of client accounts.

Solicitors are primarily responsible for ongoing review of the client accounts that they service. On an as-needed basis, based upon any changes you may communicate regarding your risk tolerance, investment objectives, and other relevant information, your Solicitor will help you determine whether to alter the Model(s) in which you are invested.

AlphaSource regularly responds to client inquiries, consults with Solicitors regarding any updates in client financial information and investment objectives, reviews the activity in and investment results of client accounts with Solicitors who will relay the information to their clients, and helps clients decide whether to make changes to their respective portfolio strategies. Your Solicitor will contact you on at least an annual basis to determine whether there have been any changes to your investment objectives, risk tolerance, and other relevant information, but you are encouraged to contact your Solicitor sooner if there are any changes to discuss.

VI. Client referrals and Other Compensation

A portion of your fee under the AlphaSource Program generally is paid to your Solicitor. The amount of this compensation may differ from what your Solicitor would receive if you participated in other AlphaSource programs or paid separately for investment advice, brokerage, and other services. Accordingly, the Solicitor may have a financial incentive to recommend the AlphaSource Program over other programs and services.

NEXT and AlphaSource are affiliates and under common ownership. Solicitors of NEXT may have a personal ownership stake or have an option to obtain such a stake in AlphaSource's parent company. NEXT Solicitors receive fees for referring clients to AlphaSource, which creates a conflict of interest for these advisers.

In addition, AlphaSource and/or WE2 may reimburse and/or pay for expenses including travel, lodging, entertainment and other related costs associated with Solicitors' attendance at conferences which are sponsored by WE2. Invitations to such conferences are based upon the amount of client assets which are referred to the AlphaSource Program by Solicitors. Clients should be aware, however, that the receipt of economic benefits by a Solicitor in and of itself creates a potential conflict of interest.

Given the above arrangements and given that NEXT and AlphaSource are affiliates and under common ownership, some Solicitors may have a financial incentive to recommend the AlphaSource Program over other programs and services.

VII. Cost Basis Reporting

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Custodians will default to the FIFO (First In First Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to your adviser representative immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

VIII. Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

Client Contact with Portfolio Managers

You may contact or consult directly with AlphaSource or the Portfolio Strategists, but such meetings typically are arranged by your Solicitor.