

Managed Asset Program (MAP) Enrollment Document Agreement

INSTRUCTIONS

Please complete and review the questions below carefully. For the sections below, the respective regulatory bodies require a full signature of each account owner.

I. CLIENT PROFILE

Account Name:							
SSN/Tax Id Number:				Employer, Position:			
Client Name:				Highest Level of Education:			
Address:				Sources and Amount of Annual Income:			
Investment Time Horizon:				Client's Age:			
Contact Phone Number(s):				Net Worth (excluding primary residence):			
Retirement Status:				Assets to be Placed Under Management(\$):			
Investment Objective (select one):		Capital Preservation <input type="checkbox"/>	Income <input type="checkbox"/>	Long-Term Growth <input type="checkbox"/>	Short-Term Growth <input type="checkbox"/>	Speculation <input type="checkbox"/>	
Risk Tolerance:		Low <input type="checkbox"/>	Moderate <input type="checkbox"/>	High <input type="checkbox"/>	Speculation <input type="checkbox"/>		
Corresponding Approximate Downside Risk:		Less than 10% <input type="checkbox"/>	10-15% <input type="checkbox"/>	15-25% <input type="checkbox"/>	Greater than 25% <input type="checkbox"/>		
If the stock market suddenly lost 25% what action would you take? (select one):		Sell All <input type="checkbox"/>	Sell Half <input type="checkbox"/>	Hold <input type="checkbox"/>	Buy More <input type="checkbox"/>		
Years of Investment Experience (indicate numbers):							
Stocks:	Bonds:	Mutual Funds:	Options:	Managed Accounts:	Underwritten Securities:	UITs:	Other (describe):

II. TYPE OF PLATFORM (Choose the ones that apply)

This Agreement is entered into by and among Sanders Morris Harris Inc. d/b/a Sanders Morris Harris ("SMHI"), a Texas corporation, registered investment adviser and broker-dealer, the undersigned SMHI Investment Adviser Representative ("Representative") and the undersigned Client ("Client"). The Client hereby retains SMHI and the Representative for the purpose of opening an Account and participating in the Managed Asset Program ("MAP") as described herein.

Type	Initial	Description
Elite		This is a wrap fee arrangement in which Client directs SMHI to engage the Portfolio Manager or Portfolio Managers chosen by Client from SMHI Focus List and set forth in the Profile to invest on a discretionary basis the assets in the Account. In order to be included on the Focus List, Portfolio Managers are subject to periodic due diligence review by SMHI. Account minimums and fees vary by Portfolio Manager. Platform fee is 30 Basis Points per year.
Elite Choice		This is a wrap fee arrangement in which Client directs SMHI to engage the Portfolio Manager or Portfolio Managers chosen by Client and set forth in the Profile to invest on a discretionary basis the assets in the Account. Portfolio Managers in this platform do not participate in the periodical due diligence review by SMHI. Account minimums and fees vary by Portfolio Manager. Platform fee is 30 Basis Points per year.
Elite Trade		This is an advisory wrap fee trading account in which the Representative invests the assets in the account on either a discretionary or non-discretionary basis. There is no minimum account value required to participate. Platform fee starts at 20 Basis Points per year.

Elite Lockwood Investment Strategies		Lockwood Investment Strategies. Lockwood Advisors, Inc. ("Lockwood") serves as the Portfolio Manager, determines the asset allocation strategy and selects investment vehicles for each of the portfolios, based upon its proprietary modeling strategies, macroeconomic outlook and investment research discipline. Lockwood exercises discretion over the accounts invested in Lockwood Investment and may use sub-managers' or other investment vehicles. The minimum initial investment by a Client in Lockwood Investment is \$250,000. Platform fee starts at 75 Basis Points per year; please see Terms and Conditions for full Fee Schedule Breakdown.
Elite Lockwood Asset Allocation Portfolios		Lockwood Asset Allocation Portfolios. Lockwood serves as discretionary Portfolio Manager, determines the asset allocation strategy and selects investment vehicles for each of the portfolios, based upon its proprietary modeling strategies, macroeconomic outlook and investment research discipline. The models may consist of open and closed-end mutual funds, exchange-traded funds and other types of securities, as determined by Lockwood, in its sole discretion. The minimum initial investment by a Client in Lockwood Allocation is \$50,000. Platform fee starts at 40 Basis Points per year; please see Terms and Conditions for full Fee Schedule Breakdown.

III. INVESTMENT SELECTIONS AND FEES

Account Number	Platform Type	Designated Investment Vehicle (Third Party Portfolio Manager Name & Model Number)	Style	Benchmark	Initial Assets	Advisory Fee	Platform Fee	Portfolio Manager Fee (if applicable)	TOTAL Program Annual Fee*

* Total Program Annual Fee as a percentage of Account assets determined on a quarterly basis. One Basis Point equals 1/100th of 1% (0.01%), 100 Basis Points equals one percent (1%).

Client Signature: _____

Date: _____

Co-Holder Signature: _____

Date: _____

IV. AUTHORIZATION FOR ELECTRONIC DELIVERY OF DISCLOSURE DOCUMENTS

_____/_____

Initial here to consent to the electronic delivery of disclosure documents to the e-mail address listed below. This authorization will not impact the delivery of custodial statements and confirmations. Should you wish to establish electronic delivery of those items, please contact your Representative.

E-mail Address: _____

V. CLIENT AUTHORIZATIONS (For Individual, Joint, Custodian & Guardian Accounts)

Please **CAREFULLY** review the authorizations below and complete as needed.

A. Proxy Authorization

For Non-ERISA Accounts Only

Applicable only for the Elite, Elite Choice, Lockwood Investment Strategies or Lockwood Asset Allocation Portfolios platforms

I hereby delegate all proxy voting rights to my Portfolio Manager(s) and designate them to receive all proxies and any and all related materials and to vote the same. I have the right to rescind this delegation at any time with prior written notice.

_____/_____
I choose to opt out of this authorization.

B. Advisor Trading Authorization

Applicable only for the Elite Trade platform.

I authorize SMHI to execute trades in my accounts at the direction of my Representative. My Advisor has agreed not to trade in my accounts when they are being managed by a Portfolio Manager.

_____/_____
I choose to opt out of this authorization.

C. Confirm Suppression

Applicable only for the Elite, Elite Choice, Lockwood Investment Strategies or Lockwood Asset Allocation Portfolios platforms

I do not want to receive a separate confirmation of each transaction for the account(s) listed herein. Accordingly, by signing below, I direct Pershing LLC to discontinue mailing separate trade confirmations to me, for the account(s) listed herein. I understand and acknowledge that: (1) I will not pay a different fee based on my decision to not receive confirmations; (2) my agreement not to receive confirmations is not a condition to my entering into or continuing participation in a wrap fee program; (3) I may rescind this instruction to discontinue mailing trade confirmations at any time. In lieu of separate trade confirmations, information from the confirmation will be reported via the brokerage account statement. I can obtain, upon request to Pershing LLC and at no additional charge, information regarding any confirmation for my accounts, and a hard copy of any confirmation. My Portfolio Manager will receive a confirmation of each trade.

_____/_____
I choose to opt out of this authorization.

D. Add, Change or Terminate a Manager Authorization

Applicable only for the Elite and Elite Choice platforms.

I authorize SMHI to open additional MAP Accounts on my behalf, change Portfolio Managers on my behalf and terminate Portfolio Managers on my behalf at the direction of my Representative, as provided under the Addition, Change or Termination of a Portfolio Manager Authorization heading in the enclosed Agreement.

_____/_____
I choose to opt out of this authorization.

E. Authorization to Transfer and Hold Underwritten Offerings

Applicable only for the Elite Trade platform.

Certain securities may be subject to deferred sales charges. Neither SMHI nor the Representative recommends the transfer of such securities into MAP Accounts. Should the Client choose to transfer such securities into the Account, the Client may incur deferred sales charges upon the redemption of the security.

For Prior Commission Payments - I authorize the transfer into my Account certain securities on which Client previously paid a commission or similar fee on a per-trade basis. The Total Fee will be applied to such transferred securities even though a commission or fee has previously been charged, and I should consider whether it is appropriate to transfer such securities into the Account.

_____/_____
I choose to opt out of this authorization.

F. Mutual Fund Distribution Election

Applicable only for the Elite Trade platform.

For all Mutual Funds select and sign below to elect whether the dividend/income and capital gains distributions are to be paid in Cash and participate in the Cash Sweep Program or are to be reinvested back within the same Mutual Fund.

(Please select one).

Dividend/Income Distribution ☐ CASH ☐ REINVEST

Capital Gains Distribution ☐ CASH ☐ REINVEST

G. Cash Selections

If Client is a U.S. person, all or a portion of the assets in the Account that are held in cash and cash assets may be periodically invested in money market mutual funds. By default, the money market mutual fund assigned to the Account will be Dreyfus Government Prime Cash Management unless your choice below reflects otherwise. ERISA accounts will automatically receive R shares.

(Please select one).

- ☐ Dreyfus Cash Management Plus (DCPM)
- ☐ Dreyfus Government Prime Cash Management (DGPM or DGPM-R)
- ☐ Dreyfus Tax Exempt Cash Management (DTEM)

H. Interested Party

Client directs SMHI to forward account information pertaining to the account(s) referenced on the Brokerage Account Agreement to the Representative referenced herein or such other third party referenced below.

Name: _____

Address: _____

☐ Duplicate Statements

☐ Tax Information

☐ Duplicate Confirms

☐ Account Information

Name: _____

Address: _____

☐ Duplicate Statements

☐ Tax Information

☐ Duplicate Confirms

☐ Account Information

Name: _____

Address: _____

☐ Duplicate Statements

☐ Tax Information

☐ Duplicate Confirms

☐ Account Information

Name: _____

Address: _____

☐ Duplicate Statements

☐ Tax Information

☐ Duplicate Confirms

☐ Account Information

I. Household Consolidation

Please complete the following information if you wish to consolidate your quarterly statement with statements sent to other members of your household (as defined by separate SSN/Tax ID). All accounts below will be linked as a household for billing and performance monitoring.

Account #: _____ SSN/Tax ID: _____

Client Signature: _____

Co-Holder Signature: _____

Account #: _____ SSN/Tax ID: _____

Client Signature: _____

Co-Holder Signature: _____

Account #: _____ SSN/Tax ID: _____

Client Signature: _____

Co-Holder Signature: _____

Account #: _____ SSN/Tax ID: _____

Client Signature: _____

Co-Holder Signature: _____

Account #: _____ SSN/Tax ID: _____

Client Signature: _____

Co-Holder Signature: _____

Account #: _____ SSN/Tax ID: _____

Client Signature: _____

Co-Holder Signature: _____

VI. CERTIFICATIONS, ACKNOWLEDGMENTS, AGREEMENTS AND ACCEPTANCES

By signing this Enrollment Document Agreement, Client agrees to and confirms the following representations and warranties:

1. Client acknowledges having thoroughly reviewed the Client Profile in Section I, and that Client understands and agrees to the selections.
2. Client certifies having read and understood all authorizations described in Section V.
3. Client acknowledges and agrees with all authorizations described in Section V, with the exception of those that Client chose to OPT OUT.
4. Client understands that Client may revoke or change any of the authorizations described in Section V by executing a new Agreement.
5. CLIENT ACKNOWLEDGES RECEIPT OF A COPY OF THE ENROLLMENT DOCUMENT AGREEMENT TERMS AND CONDITIONS; and Client acknowledges that Client reviewed this enrollment form in its entirety and accepted all Terms and Conditions thereto.
6. Client acknowledges that Client has read the description of Fees and Platforms and accepts its terms in the entirety.
7. Client acknowledges receipt of the Wrap Fee Program Brochure for the Managed Asset Program and Form ADV Part 2B.
8. For the investment vehicles that have been selected for the Accounts, Client acknowledges having received and reviewed the respective prospectus for mutual funds selected and agrees that the investment vehicles selected match Client's suitability requirements.
9. If Client needs distributions from Client's Account to support current or future expenses, Client understands that the request for distributions may exceed actual income (interest and dividends) generated by an Account. As such, it may be necessary to reduce principal to meet the distribution needs.
10. Client acknowledges that his or her signature signifies and constitutes his or her relationship with SMHI will be governed by the Enrollment Document Agreement and all incorporated agreements and disclosures as the same may be amended from time to time.
11. Client under penalties of perjury certifies that the Social Security Number (SSN) or Tax Identification Number provided is correct.
12. Client acknowledges this Enrollment Document Agreement Terms and Conditions do not void any previously executed SMHI Managed Asset Program (MAP) Alpha, Beta, Gamma and Delta Platform Agreements.
- 13. This Agreement contains a pre-dispute arbitration clause, section titled "Arbitration" on page 11. Client acknowledges receiving a copy of this Agreement, including the pre-dispute arbitration clause.**

This Agreement will not take affect until SMHI has accepted the Account by signing below. If any signatory is a fiduciary, the capacity in which he or she is acting should be indicated. The Agreement may be executed in multiple counterparts, each of which shall be binding on the parties hereto as if executed in one document.

VII. SIGNATURES

Client Signature: _____

Co-Holder Signature: _____

Client Name and Title (Print): _____

Co-Holder Name and Title (Print): _____

Date: _____

Date: _____

Representative Signature: _____

Supervisor Signature: _____

Representative Name & Title: (Print): _____

Supervisor Name & Title: (Print): _____

Date: _____

Date: _____

Rep. No.: _____

**HOME OFFICE
USE ONLY**

Agreed to and Accepted on this _____ day of _____, for Sanders Morris Harris Inc.

By _____ Title: _____

Signature: _____

MANAGED ASSET PROGRAM (MAP) ENROLLMENT DOCUMENT AGREEMENT TERMS AND CONDITIONS

Please retain for your files.

1. Services

Investment Program Description. The Managed Account Program ("MAP") is a multi-platform wrap fee advisory program sponsored by Sanders Morris Harris Inc. dba Sanders Morris Harris ("SMHI"). MAP is generally offered to individuals who have a need for fee-based services or could benefit from fee-based pricing over that of a traditional commission-based brokerage arrangement. In addition to the role SMHI has in the program, MAP also utilizes the services of SMHI Investment Adviser Representatives ("Representatives") and third party portfolio managers ("Portfolio Managers.")

Within MAP, there are five separate platforms in which a Client may participate. Each platform is described below. Within the platforms, only one Portfolio Manager can be assigned per account. If the Client selects multiple Portfolio Managers, a separate account must be opened for each Portfolio Manager, and multiple fee schedules will apply.

ELITE

The Elite platform ("Elite") is a wrap fee arrangement in which a third-party Portfolio Manager is selected by the Client from the SMHI Focus List to manage and invest the assets in the Account on a discretionary basis. Although there is no minimum account value required to participate in Elite, minimum requirements may be established by any third-party Portfolio Manager selected by the Client.

Prior to selecting Portfolio Managers to be included in the SMHI Focus List, SMHI conducts a due diligence review of the Portfolio Manager. In order to be considered for inclusion on the SMHI Focus List, Portfolio Managers must have a Global Investment Performance Standards (GIPS) compliant track record of at least three years. Additional information regarding personnel, compliance, investment strategy and methodology, research, trading, fees and other data is then collected in a due diligence questionnaire completed by the Portfolio Manager. The questionnaire responses are then evaluated and scored by SMHI Due Diligence Committee. If acceptable to the committee, the Portfolio Manager may then be added to the SMHI Focus List by entering into a sub-advisory agreement with SMHI. The Portfolio Managers participating in the Elite Platform are periodically reviewed and evaluated by SMHI. Subsequent due diligence information is gathered from each Portfolio Manager and evaluated on a quarterly basis. A portion of the Total Program Fee compensates SMHI for these services.

The services of the Representative within Elite include, but are not limited to, formulation of investment objectives, portfolio reviews, recommendations with respect to selection of Portfolio Managers, and various administrative services.

ELITE CHOICE

The Elite Choice platform ("Elite Choice") is a wrap fee arrangement in which a Portfolio Manager is selected by the Client to manage the assets in the account. Although there is no minimum account value required to participate in Elite Choice, minimum requirements may be established by any third-party Portfolio Manager selected by the client. Although SMHI does not perform due diligence on the Portfolio Managers in the Elite Choice platform, Lockwood makes Scorecards available for certain Portfolio Managers. These Scorecards, available in the Lockwood Workstation, are Lockwood's proprietary research and should not be construed as investment advice or recommendations.

The services of the Representative within Elite Choice include, but are not limited to, formulation of investment objectives, portfolio reviews, recommendations with respect to selection of Portfolio Managers, and various administrative services.

A Portfolio Manager in Elite Choice assumes all responsibility pertaining to registration of the adviser and the suitability of recommendations. Some requested Portfolio Managers may choose not to participate in MAP. If the Portfolio Manager declines to participate in the program, the Client must select another adviser.

The Portfolio Manager selected will invest and reinvest the securities, cash and/or other investments held in the Account in accordance with Client's investment objectives and other information provided by Client to SMHI at account opening or in subsequent documentation.

ELITE TRADE

The Elite Trade platform ("Elite Trade") is an advisory wrap fee trading account in which the Representative manages and invests the assets in the account on either a discretionary or non-discretionary basis. Based on the investment objectives selected, the client may choose from equity, balanced and fixed income style investing. There is no minimum account value required to participate in Elite Trade.

Should the Client elect a discretionary arrangement, the Representative will have trading authorization with respect to the account. As such, the Representative in its sole discretion and at the Client's risk, can purchase, sell, exchange, convert, and otherwise trade the securities and other permitted investments in the account.

If the Client elects a non-discretionary arrangement with the Representative, the Client will be solely responsible for the selection of securities and other investments to manage the account, as well as approving or rejecting any asset allocation proposal. The Representative will have no investment or other discretion with respect to account assets and will not perform any discretionary acts including, but not limited to, advice as to the voting of proxies.

The services of the Representative within Elite Trade include, but are not limited to, formulation of investment objectives, creation of tailored asset allocations using the Investment Questionnaire, portfolio reviews, and various administrative services. If the Representative has been granted discretion over the account, the services will also include investing and reinvesting the securities, cash and/or other investments held in the account in accordance with Client's investment objectives and other information provided at account opening or in subsequent documentation.

ELITE LOCKWOOD INVESTMENT STRATEGIES

The Elite Lockwood Investment Strategies platform ("Elite LIS") is a discretionary multi-disciplined managed account product housed in a single portfolio. The minimum investment required to establish an Elite Lockwood Investment account is \$250,000. Lockwood Advisors, Inc. ("Lockwood") serves as the Portfolio Manager for all Elite Lockwood Investment accounts.

The services of the Representative within Elite LIS include, but are not limited to, formulation of investment objectives, portfolio reviews, recommendations with respect to selection of investment models or strategies and various administrative services.

Within Elite LIS, the Client may select an investment model from among five core models or strategies, which include allocations to traditional asset classes, and four

alternative models or strategies, which include exposure to non-traditional asset classes. As a result of the underlying allocations into varying asset classes, the risk/reward potential and inherent volatility vary among the models.

The five traditional strategies, ranging from conservative to aggressive, are: Model I - Current Income; Model II - Growth & Income; Model III - Conservative Growth; Model IV - Moderate Growth; and Model V - Growth.

The four alternative strategies, ranging from conservative to aggressive, are: Model II - Growth & Income; Model III - Conservative Growth; Model IV - Moderate Growth; and Model V - Growth. (Model I intentionally excluded.)

As Portfolio Manager, Lockwood determines the asset allocation of the available investment models, and selects Sub-Managers and specific investment vehicles for each investment style based on its proprietary modeling strategies, as well as its macroeconomic outlook and investment and research disciplines. Tax consequences taken into consideration in the portfolio management process of Elite Lockwood Investment. For complete details regarding the investment philosophy and methodology used by Lockwood for the traditional and alternative models, Clients should refer to Lockwood's Form ADV and/or other disclosure documentation made available by Lockwood.

ELITE LOCKWOOD ASSET ALLOCATION PORTFOLIOS

The Elite Lockwood Asset Allocation Portfolios platform ("Elite LAAP") is a discretionary multi-discipline managed account product housed in a single portfolio. Portfolio construction within Elite LAAP is limited to mutual funds and exchange-traded funds ("ETFs"). The minimum investment required to establish an Elite LAAP account is \$50,000. Lockwood Advisors, Inc. ("Lockwood") serves as the Portfolio Manager for all Elite LAAP accounts.

The services of the Representative within Elite LAAP include, but are not limited to, formulation of investment objectives, portfolio reviews, recommendations with respect to selection of investment models or strategies and various administrative services.

Within Elite LAAP, the Client may select an asset allocation model from among five models or strategies. These models invest in mutual funds and exchange-traded funds exclusively. As a result of the underlying allocations into varying asset classes, the risk/reward potential and inherent volatility vary among the models.

The five asset allocation models, ranging from conservative to aggressive, are: Model I - Current Income; Model II - Growth & Income; Model III - Conservative Growth; Model IV - Moderate Growth; and Model V - Growth.

As Portfolio Manager, Lockwood determines the asset allocation of the available investment models and specific investment vehicles for each investment style based on its proprietary modeling strategies, as well as its macroeconomic outlook and investment and research disciplines. Tax consequences are not taken into consideration during the portfolio management process of Elite LAAP. For complete details regarding the investment philosophy and methodology used by Lockwood for the traditional and alternative models, Clients should refer to Lockwood's Form ADV and/or other disclosure documentation made available by Lockwood.

Lockwood Portfolio Design Services. Lockwood Portfolio Design Services are available at no additional cost within the Elite Choice, Elite LIS and Elite LAAP platforms. The Lockwood Portfolio Design Team ("Team") provides guidance to Representatives and, by extension, their clients and prospects, on constructing a portfolio of multiple Portfolio Managers and/or managed account options available in the Lockwood platforms.

The Lockwood Portfolio Design Team assists Representatives by:

- identifying the Portfolio Managers on the Lockwood Research Coverage List that may be appropriate for clients, based on the client's specific investment objectives and circumstances;
- providing customized investment education, portfolio construction guidance, and case-specific analysis; or
- identifying and constructing investment solutions that are tailored to each individual client, and assisting the Representative with detailed investment proposal generation.

The Lockwood Investment Research Group ("Group") is charged with providing research opinions of the Portfolio Managers within Lockwood's various platforms. For example: Of the 102 Portfolio Managers available in the Elite Choice Platform, 64 are part of the Lockwood Research Coverage List used by Portfolio Design Services. The Group's rigorous proprietary research includes an in-depth analysis of the Manager's performance, adherence to style, consistency of process implementation, and operational infrastructure. The Research Analyst conducting the review of the investment firm compiles a summary report and recommendation for the Lockwood Investment Committee ("Investment Committee.") Upon completion of thorough review by the Committee, Managers may be considered for addition to the Research Coverage List. Portfolio Managers may be removed from research coverage if Lockwood sees deterioration in the qualitative factors, or if a manager consistently underperforms its benchmark over a market cycle.

The proposals, investment solutions, portfolio construction guidance and any type of analysis or research opinions generated by Lockwood's Portfolio Design Team are not reviewed or approved by SMHI. They are for informational purposes only, do not constitute investment advice, are not intended to meet objectives or suitability requirements of any specific individual or account, and should not be construed as a Lockwood, SMHI or affiliated entity solicitation or recommendation to buy or sell any securities or investments. Although SMHI believes the information contained in the Team's proposals, investment solutions, portfolio construction guidance, analysis or research to be reliable, SMHI does not guarantee the accuracy of the information. An investor should assess his/her own investment needs based on his/her own financial circumstances and investment objectives.

Types of Investments. Each Portfolio Manager will invest and reinvest the securities, cash and/or other investments held in the Account in accordance with Client's investment objectives and other information provided by Client to SMHI on the Profile. Consistent with the information in the Profile, MAP Accounts may hold a broad range of investments including equities and fixed income securities, publicly traded Real Estate Investment Trusts ("REIT's), exchange traded funds, no load or loaded funds purchased at net asset value ("NAV"), publicly traded closed-end funds, options (limited to covered calls and purchases - require option agreement and subject to approval), cash, and money market funds.

MAP Accounts are ineligible to participate in margin transactions. Illiquid investments such as private placements and non-traded REITs may not be included in the Account.

Client Restrictions on Investments. Client may impose reasonable restrictions on the management of the Account, including designation in the Profile of particular securities that should not be purchased for Client, or that should be sold if held by Client; provided, that Client may not require that particular securities be purchased for the Account. Client understands and acknowledges that any restrictions Client imposes on the management of Account assets, including any asset allocation percentages or maximums that Client imposes, may cause the Representative to deviate from investment decisions it would otherwise make in managing the Account, or exercise the right to refuse to manage the Account. Such restrictions and any changes to restrictions should be evidenced in writing and acknowledged by both Client and Representative.

Clearance and Custody. Client acknowledges that SMHI has contracted Lockwood Advisors, Inc. ("Lockwood"), an SEC-registered investment adviser, as a third-party vendor to provide managed account services and technology infrastructure for MAP. These services, administered through the Managed Account Command technology, include portfolio tools and reporting, calculation and collection of Account fees on SMHI's behalf and the processing, pursuant to SMHI's instructions, of deposits to and withdrawals from the Account.

SMHI has an arrangement with Pershing LLC ("Pershing"), a member of the New York Stock Exchange and an affiliate of Lockwood, to provide clearance and custody of accounts. Pershing will (a) maintain custody of all Account assets, (b) execute and perform clearance of all purchase and sale orders directed to SMHI, and (c) perform all custodial functions customarily performed with respect to securities brokerage accounts, including but not limited to the crediting of interest and dividends on Account assets. Client further acknowledges that unless otherwise directed by the Client, Pershing will forward Client account statements as well as confirmation of each purchase and sale to Client.

Client further acknowledges that neither Lockwood nor Pershing assisted Client in selecting SMHI, any Portfolio Manager, or investment objectives or in determining the suitability of any product or platform selected in MAP. Ownership of all cash, securities and other instruments in the Account is retained by the Client.

Elite Trade only: Transactions will generally be executed through SMHI and cleared through Pershing.

Client Securities Transactions. Each Representative or Portfolio Manager will invest and reinvest the securities, cash and/or other investments held in the Account in accordance with Client's investment objectives, risk tolerance and other information provided by Client to SMHI at account opening or in subsequent documentation.

Each Portfolio Manager will cause purchases and sales of assets to be effected on behalf of the Account. These transactions will generally be executed through SMHI and cleared through Pershing, although a Portfolio Manager may choose to effect transactions through a different broker-dealer. Certain Portfolio Managers in the Program may choose to effect all or a substantial portion of transactions through a broker-dealer other than SMHI, which may result in commission charges to the Account.

SMHI, each Portfolio Manager, and their affiliates may perform, among other things, research, brokerage, asset management, and similar services for other clients and receive fees for such services. The advice given and the action taken with respect to such clients may differ from advice given or the timing and nature of action taken with respect to MAP Accounts.

Transactions within a MAP account or in different accounts or for accounts of others with similar investment objectives, may occur at the same time, may occur on different days, and may occur over multiple days. Average pricing may be utilized when transactions of the same security occur in accounts of different clients within a reasonable time frame.

Sources of Information. Representative may obtain and utilize information and data from a wide variety of public and private sources when performing certain services described herein. Neither SMHI nor the Representative will independently verify or guarantee such information and data. In categorizing the asset classes of investments, SMHI will rely on prospectuses and information obtained from the issuer, its agents or through publicly available sources. Neither SMHI nor the Representative shall be liable for any misstatement or omission contained in the information from these sources, or any loss, liability, claim, damage or expense, incurred, arising out of, or attributable to such misstatement or omission.

Review of Accounts and Reporting. The Representative monitors the Accounts on a periodic basis. Changes affecting a particular investment strategy may trigger changes to all client portfolios following that strategy. Portfolios not following a particular strategy may also be reviewed periodically by the Representative for investment opportunities. In addition, not less than annually, the Account will be reviewed with the Client to ensure that the strategy continues to meet the Client's investment objectives and to determine if the Client wishes to impose any new restrictions on the management of the Account.

The overall performance of each portfolio is generally reviewed on a quarterly basis by the Representative. Portfolio transactions are reviewed to ensure that each transaction: (1) is suitable to the Client's investment objectives, (2) meets the Client's quality standards, and (3) complies with the Client's investment restrictions, if any.

Third Party Portfolio Managers will also review and monitor accounts on a periodic basis. A detailed explanation of the Portfolio Manager's review can be found in the Form ADV for that Manager.

The nature and frequency of reports to a Client are determined primarily by the particular needs of such Client. Generally, quarterly performance reports prepared by Lockwood will be issued detailing account holdings unless a Client requests a more frequent basis. The Client also receives account statements from Pershing at least quarterly detailing all activity in the Client's Account.

A Client may contact and consult with the Portfolio Manager or Representative that is responsible for the Client's Account at any time.

Additions and Withdrawals. Client may make additions to the Account at any time, subject to federal rules and regulations, in the form of cash or securities, provided that SMHI reserves the right to decline to accept particular securities into the Account or to impose a waiting period before certain securities may be deposited. Neither SMHI nor the Representative is responsible for investing assets either initially or subsequently placed in the Account unless or until written notification is received of their existence in the Account.

Client may make withdrawals from the Account at any time. Client understands that withdrawals that cause material reductions in the value of the Account could cause SMHI or Portfolio Manager to terminate the Account. Client further understands that withdrawal requests are subject to securities settlement procedures. Client further understands that the Account is designed as a long-term investment vehicle and that asset withdrawals may impair the ability to achieve Client's investment objectives.

Proxy Voting.

Elite or Elite Choice: SMHI has no obligation or authority to take action or render advice with respect to the voting of proxies solicited by or with respect to issuers of securities held by the Account. Unless Client directs otherwise, each Portfolio Manager will be authorized to take action and render advice with respect to the voting of proxies for securities held in the Account. Except as required by law, a Portfolio Manager will not be required to take any action or render any advice on behalf of Client with respect to securities or other investments presently or formerly held in the Account, or the issuers thereof, which become the subject of any legal proceedings, including bankruptcies. Unless Client directs otherwise, a Portfolio Manager will not send to Client annual reports, proxy statements and other materials issued by portfolio companies in which Client assets are invested.

Elite Trade: The Client is solely responsible for the voting of any proxies. SMHI has no obligation or authority to take action or render advice with respect to the voting of proxies solicited by or with respect to issuers of securities held by the Account. For ERISA Clients, SMHI is expressly precluded from taking any action or rendering any advice with respect to the voting of proxies solicited by, or with respect to, issuers of securities held in the Account. SMHI's obligation with respect to such solicitation shall be limited exclusively to forwarding within a reasonable period of time to the plan's sponsor any materials or other information with respect to such solicitation received from the issuer or third parties and acting upon the express instructions of the plan's sponsor with respect to any proxy.

2. Fees. Client authorizes Lockwood to deduct all program fees from the Account. All fees will be noted on Client's Account statements.

Total Program Fee. The Total Program Fee for MAP is payable quarterly in advance and is calculated based on the market value of the securities held in the Account on the last day of the calendar quarter. The Total Program Fee compensates SMHI, the Representative and Lockwood for their services.

The Advisory fee is a portion of the Total Program Fee that is negotiable and payable to SMHI and the Representative; however, the Platform Fee is Lockwood's portion of the Total Program Fee that is non-negotiable. The Total Program Fee cannot be less than the Platform Fee as indicated above under Type of Platforms.

All fees are deducted from the Account by Pershing and are noted on Account statements sent to the Client.

The initial Total Program Fee is due in full on the effective date of the advisory agreement. The effective date is defined as the date when the Account is accepted by SMHI, and the fee is based on the Account value on that date. The fee calculation is prorated if the Account has been added to the billing system at any time other than the beginning of a billing cycle. Subsequent quarterly fees are determined on the first day of each calendar quarter based on the total value of the Account as of the close of business on the last business day of the previous quarter is due the following day.

If the Account does not maintain sufficient cash or money market balances to cover the Total Program Fee, Client may deposit additional funds by the due date.

If no deposit is made, the Portfolio Manager may liquidate securities in the Account in amounts sufficient to cover such fees. Such liquidation may cause Client to incur taxes and other costs. For each addition to or withdrawal from an Account of \$25,000 or more (Elite or Elite Choice) or \$10,000 or more (all other MAP platforms), the Total Program Fee is adjusted in the next billing period.

The Total Program Fee schedule for Elite, Elite Choice, Elite LIS and Elite LAAP is as follows:

<u>Total Assets</u>	<u>Maximum Total Program Fee as a % of Asset Value</u>
First \$500,000	3.00%
Next \$500,000	2.25%
Next \$1,000,000	1.90%
Next \$2,500,000	1.70%
Over \$5,000,000	1.50%

The Total Program Fee schedule for Elite Trade is as follows:

<u>Total Assets</u>	<u>Maximum Total Program Fee as a % of Asset Value</u>
First \$500,000	2.50%
Next \$500,000	2.25%
Next \$1,000,000	2.00%
Over \$2,000,000	1.50%

Generally, Portfolio Manager fees (if applicable) are not included in the Total Program Fee for MAP. In the Elite LIS and Elite LAAP platforms where Lockwood serves as the Portfolio Manager, the Lockwood fees are included in the Total Program Fee. The fee schedules for the Lockwood portion of the Total Program Fee are detailed below.

Lockwood's fee schedule for LIS (part of the above Total Program Fee) is as follows:

<u>Total Assets</u>	<u>Lockwood's LIS fee as a % of Asset Value</u>
First \$500,000	0.75%
Next \$500,000	0.55%
Next \$4,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	0.30%

Lockwood's fee schedule for LAAP (part of the above Total Program Fee) is as follows:

<u>Total Assets</u>	<u>Lockwood's LAAP fee as a % of Asset Value</u>
First \$500,000	0.40%
Next \$500,000	0.35%
Next \$4,000,000	0.30%
Next \$5,000,000	0.25%
Over \$10,000,000	0.20%

Payment Method. Within a MAP Account, fees are deducted from the Account by SMHI and are noted on Account statements sent to the Client by the custodian. If the Account does not maintain sufficient cash or money market balances to cover the Total Program Fee, the Client may deposit additional funds by the due date. If no deposit is made, SMHI may liquidate securities in the Account in amounts sufficient to cover such fees. Any liquidation may cause the Client to incur taxes and other costs. For each addition to or withdrawal from the Account of \$1,000 or more, the fee is adjusted in the next billing period.

Other Fees and Compensation. With the exception of Elite LIS and Elite LAAP, the Total Program Fee for MAP does not include any fees charged by the third party Portfolio Manager selected by the Client, if any. The Portfolio Manager Fee varies per Manager selected by the Client. For specific information regarding the fees charged by the Portfolio Manager, the Client should refer to the Portfolio Manager's Form ADV. The Portfolio Manager Fee, if any, is reflected as a separate line item on the Client Account statement.

Client understands that the Total Program Fees also do not include certain charges associated with securities transactions that may be imposed by regulatory authorities or by broker-dealers other than SMHI, including commissions charged by broker-dealers other than SMHI, dealer markups or markdowns in principal transactions by or agency transactions with broker-dealers other than SMHI, American Depository Receipts (ADRs) agency processing fees, odd-lot differentials, SEC and exchange fees and transfer taxes, and any other charges imposed by law.

Client understands that in addition to the Total Program Fees described above, each mutual fund or exchange traded fund in which the Client may invest also bears its own fees, including but not limited to short-term redemption fees, and expenses. Complete details of fees can be found in the mutual fund and exchange traded fund prospectuses. Other fees, such as SEC fees, Individual Retirement Account custodial fees or other taxes as required by law, may be incurred.

Certain mutual funds may be subject to deferred sales charges. Neither SMHI nor the Representative recommends the transfer of such funds into MAP Accounts. Should the Client choose to transfer such funds into the Account, the Client may incur deferred sales charges upon the redemption of the shares.

Clients may invest in certain mutual funds that make payments to broker-dealers (such as SMHI) pursuant to a 12b-1 distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets. For all ERISA Accounts, SMHI will credit 12b-1 fees back to the Account. In non-ERISA MAP Accounts, SMHI generally retains 12b-1 fees. However, upon the Representative's request, mutual fund 12b-1 fees may be credited back to non-ERISA MAP Accounts.

The cost of the services provided through MAP may be more or less than if each service was purchased separately. For example, the cost of services provided separately may be less for Accounts with infrequent trading activity. Conversely, the cost of services provided separately may be more for an Account with more frequent trading activity. Similarly, Representative compensation for MAP may be more than what the Representative would receive if the Client participated in other available programs or paid separately for advice, brokerage, and other services and, therefore, the Representative may have a financial incentive to recommend MAP over other programs and services.

3. Amendments. SMHI may amend this Agreement by modifying or rescinding any of its existing provisions or by adding new provisions. Any such amendment will be effective immediately after SMHI has notified Client in writing of any change or such later date as SMHI may establish unless Client contacts SMHI. If Client believes the amendment is not beneficial, the Client may terminate the Agreement. If Client does not terminate the Agreement, Client will be deemed to have accepted any amendment.

SMHI Changes to Fees. Client understands and agrees that Portfolio Managers, Lockwood, or SMHI may change their respective fees at any time by giving 30 days prior written notice to Client. Client further understands that following the 30-day notice period, the new fee schedule will become effective unless Client terminates this Agreement as provided herein.

Representative Changes to Representative Advisory Fee. Client understands and agrees that changes to the fees payable to the Representative require written authorization by Client.

4. Assignment/Termination/Receipt of Written Information. This Agreement may not be assigned by any party without the consent of all parties, provided that SMHI may transfer its rights and obligations under this Agreement if such transaction does not constitute an "assignment" for purposes of the Investment Advisers Act of 1940 ("Act"). Client's consent to an assignment may be obtained through a negative consent letter (i.e., the Client's consent is obtained as a result of the Client's failure to object to the proposed action within a specified time period).

Change or Termination of Portfolio Managers. Client may change or terminate a Portfolio Manager upon ten (10) days prior notice to SMHI. In order to effect an orderly change of Portfolio Managers pursuant to this Agreement, Client must give SMHI a notice of termination of the previous Portfolio Manager and appointment of a new Portfolio Manager. If Client notifies SMHI to terminate the Portfolio Manager of its Account without appointing a new Portfolio Manager, Client directs and authorizes SMHI to appoint a new Portfolio Manager on Client's behalf. If SMHI, in its sole discretion, determines that the investment philosophy of the new Portfolio Manager selected by Client is not compatible with Client's Profile, as subsequently amended or supplemented, Client may be required to revise the Profile and complete other documentation. In the event that Client does not designate a new Portfolio Manager within the ten day period, Client directs and authorizes SMHI to select a new Portfolio Manager on Client's behalf for Client's Account. SMHI may refuse, without penalty, to honor instructions as to Account assets issued by a Portfolio Manager who has been terminated from the Program. The new Portfolio Manager shall have all of the rights, authorizations, powers, duties and obligations of the previous Portfolio Manager.

Addition, Change or Termination of Portfolio Managers Authorization.

Elite or Elite Choice: Unless indicated otherwise, Client directs and authorizes the Representative to terminate any existing Portfolio Manager and appoint a new Portfolio Managers on Client's behalf , if it is determined in the Representative's discretion that the investment philosophy of a Portfolio Manager selected by Client is not compatible with Client's Profile. The new Portfolio Manager, selected by SMHI, shall have all of the rights, authorizations, powers, duties and obligations of the previous Portfolio Manager. This authorization allows the Representative to complete the Managed Asset Program Add, Change and Termination Form on Client's behalf. Client understands and acknowledges that Client will be bound by the terms of that Add, Change and Termination Form to the same extent as if Client had signed it, and that Add, Change and Termination Form will continue in full force and effect until either Client or Representative terminates the Form or Agreement. If a Portfolio Manager is added within the same platform of MAP, a new account must be opened.

Termination of Agreement. This Agreement may be terminated at any time by either party for any reason upon written notice to the other party. Termination of SMHI's management responsibilities by the Client is effective immediately upon receipt of written notice by SMHI, unless a later date is requested in Client's notice and agreed to by SMHI. Termination by SMHI is effective immediately from the date of written notice to Client, unless a later date is stated in the notice. Client understands that, upon termination by either party, assets will be held in Client's Account, after which SMHI shall not execute further transactions for Client. Client further understands that any liquidation could generate a tax liability for taxable Accounts. SMHI shall use reasonable efforts to execute Client's instructions regarding the transfer of Account.

Disclosure Statement. Client acknowledges that SMHI has provided to Client a copy of the Managed Asset Program Wrap Fee Program Brochure, also referred to as Appendix 1 of Form ADV Part 2A, and Form ADV Part 2B, as required by Rule 204-3 under the Act. Client shall be responsible for any transactions executed prior to receipt of written notice of cancellation. The Managed Asset Program Wrap Fee Program Brochure, Form ADV Part 2B and the SMHI Privacy Policy will be provided at the Account opening and will be offered annually thereafter. Client may authorize SMHI to electronically deliver future versions of disclosure documents. Should Client wish to discontinue electronic delivery at any time in the future, Client may do so by contacting SMHI in writing at the address below or via e-mail at dl-SMHOperationsHous@smhgroup.com.

5. Notices. All written notices to any party under this Agreement shall be sent to such party by hand, first class mail, overnight delivery service, confirmed facsimile transmission, or by certified mail, return receipt requested, at the addresses set forth below, or such other address as such party may designate in writing to the other.

To: Sanders Morris Harris Inc Attention: Operations Department 600 Travis, Suite 5900 Houston, Texas 77002 (713) 220-5133 FAX	To: Client(s) All written notices to Client(s) will be sent to the then current address of record on the Account
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6. General Disclosure. This Agreement represents the entire agreement between the parties as to the management of assets in the Account and, to the extent provided herein, supersedes any prior agreement or understanding of the parties in connection therewith. In the event of any inconsistency or conflict between this Agreement and any terms or provisions of any other agreement between SMHI and Client relating to the Account, the terms and provisions of this Agreement shall control.

If the Client is not an individual (e.g., a corporation, partnership, trust, retirement plan, etc.), the party executing on behalf of the Client (hereinafter referred to as the "Authorized Person") represents that he or she is fully authorized to execute this Agreement with SMHI and to act on behalf of the Client in connection with the services to be provided to the Client under this Agreement. The Client and the Authorized Person agree to provide SMHI upon the request of SMHI any and all additional documentation and agreements necessary to establish the authority of the Authorized Person to act on behalf of the Client. The person signing this Agreement on behalf of the Client represents that it is authorized to act on behalf of the Client in all matters necessary to the establishment of the Account, and this Agreement and all written authorizations granting SMHI discretion in the investment and reinvestment of the Account's assets when executed by Client or on Client's behalf will be binding upon Client in accordance with their terms.

Client hereby represents and warrants that unless Client gives SMHI written notice to the contrary, Client is not and will not be an employee of any securities exchange or a member firm of any securities exchange or of the Financial Industry Regulatory Authority ("FINRA") and no one other than Client who has such an affiliation has or will have a direct or indirect interest in the Account assets.

Client hereby acknowledges (i) the long-term nature of the investment in the Program and possible losses inherent in the transactions in which SMHI will engage on behalf of Client, and is financially capable of bearing such losses; (ii) additional financial resources are available beyond the Account; and (iii) written or verbal guarantees of performance or representations based upon prior accounts or transactions as an inducement to open or to continue carrying the Account have not been made by SMHI or its representatives.

Client acknowledges and agrees that SMHI may perform, among other things, research, brokerage, asset management, and similar services for other Clients and receive fees for such services. The advice given and the action taken with respect to such Clients may differ from advice given or the timing and nature of action taken with respect to Client's Account. Client further acknowledges that in managing Client's Account, SMHI may purchase or sell securities in which SMHI or its Representatives directly or indirectly have or may acquire a position or interest.

For ERISA Accounts Only. If the Account contains assets that are part of a plan or trust (a "Plan") subject to the provisions of ERISA, Client acknowledges that Client is authorized to exercise control and management of the assets held in the Account. Client represents that Client is capable of making an independent and informed decision concerning the opening and maintenance of the Account. Client represents that the Account and any instructions given by Client regarding the Account are consistent with applicable Plan documents, including any investment policies, guidelines, or restrictions. Client has provided to SMHI a certification with respect to all documents establishing the Plan and any other documents evidencing the authority of the Client to retain SMHI on behalf of the Plan. Client shall notify SMHI promptly in writing of any changes to any of the Plan's investment policies, guidelines, or restrictions, or other Plan documents pertaining to investments by the Plan. Client has the responsibility to give SMHI prompt written notice if any investments made for the Account are inconsistent with such guidelines, policies, restrictions, or instructions.

Client understands that the services that SMHI performs under this Agreement shall have no effect on the assets of the Plan that are not in the Account, and that SMHI has no responsibility for such other assets. SMHI relationship to Client is that of a "party in interest" and is not acting in the capacity of a Plan "fiduciary" (as such terms are defined under ERISA) and shall not be responsible for Plan administration or for performing any other duties that are not expressly set forth in this Agreement. Each party to this Agreement shall obtain and maintain at its own expense any insurance or bonds it deems necessary to cover itself and any of its affiliates, officers, directors, employees, and agents in connection with this Agreement.

7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Texas in a manner consistent with the Act and the rules and regulations of the Securities and Exchange Commission thereunder. The unenforceability or invalidity of any section, paragraph, or provision of this Agreement shall not affect the enforceability or validity of the balance of the Agreement.

8. Arbitration.

This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- **All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**
- **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**
- **The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**
- **The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.**
- **The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.**
- **The rules of some arbitration forums may impose time limits for bringing a claim that is ineligible for arbitration may be brought in court.**
- **The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into the agreement.**
- **No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with any respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.**

Any controversy or claim between SMHI and the Client arising out of or relating to this Agreement, the Client Account, transactions in the Account, or the Client's relationship with SMHI, its affiliates, Representatives, employees, or service providers shall be resolved through arbitration before, and in accordance with the rules of, FINRA Dispute Resolution or any successor dispute resolution forum maintained by the Financial Industry Regulatory Authority ("FINRA"). Any party may initiate arbitration by filing a written claim with FINRA. Any award made by the arbitrator shall be final and binding and judgment on it may be entered in any court having jurisdiction. Any costs, fees, or taxes incurred in enforcing an award shall be fully assessed against and paid by the party resisting enforcement of an award. Client hereby irrevocably submits to the personal jurisdiction of the FINRA arbitration forum. Any claim brought by Client against SMHI or its employees, or by SMHI against Client, may not be joined or consolidated in arbitration with claims brought by or against someone other than Client, unless agreed to in writing by both Client and SMHI. This section shall survive the termination of this Agreement. Nothing in this paragraph shall constitute a waiver or limitation of any right that Client may have under the Advisers Act or any federal or state securities laws.

SANDERS MORRIS HARRIS^{INC.}

Managed Asset Program (MAP) Wrap Fee Program Brochure

March 28, 2014

Sanders Morris Harris Inc.
600 Travis St, Suite 5900
Houston, TX 77002
713-224-3100

www.edelmanfinancial.com/SMH

This wrap fee program brochure provides information about the qualifications and business practices of Sanders Morris Harris Inc. If you have any questions about the contents of this brochure, please contact the Compliance Department at the above telephone number. 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.

Sanders Morris Harris Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Sanders Morris Harris Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

SMHI has updated this wrap fee program brochure since the last update on March 27, 2013. There have been no material changes.

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Services, Fees and Compensation

Services

The Managed Asset Program (“MAP”) is a multi-platform wrap fee advisory program where services are provided by an Investment Adviser Representative (“Representative”) and may include the services of third-party Portfolio Managers.

SMHI has engaged Lockwood Advisors, Inc. (“Lockwood”), an SEC-registered investment adviser, as a third-party vendor to provide managed account services and the technology infrastructure for MAP. These services, administered through the Managed Account Command technology, include portfolio tools and reporting, calculation and collection of account fees on SMHI’s behalf and the processing, pursuant to SMHI’s instructions, of deposits to and withdrawals from the account.

The client may participate in one or more of five separate platforms within MAP. For all MAP platforms, neither Lockwood nor Pershing LLC (“Pershing”) assists clients in selecting SMHI, Portfolio Managers, or investment objectives or in determining the suitability of any product or platform selected in MAP.

Elite

The Elite platform (“Elite”) is a wrap fee arrangement in which a third-party Portfolio Manager is selected by the client from the SMHI Focus List to manage and invest the assets in the account on a discretionary basis. Although there is no minimum account value required to participate in Elite, minimum requirements may be established by any third-party Portfolio Manager selected by the client.

The services of the Representative within Elite include, but are not limited to, formulation of investment objectives, portfolio reviews, recommendations with respect to selection of Portfolio Managers, and various administrative services.

In the event that a Portfolio Manager terminates from the program for any reason, SMHI will assign a new Portfolio Manager to the account.

Elite Choice

The Elite Choice platform (“Elite Choice”) is a wrap fee arrangement where the client selects a Portfolio Manager to manage the assets in the account. There is no minimum account value required to participate in Elite Choice, but a third party Portfolio Manager selected by the client may establish minimum requirements.

The Representative’s services within Elite Choice include, but are not limited to, formulation of investment objectives, portfolio reviews, recommendations with respect to selection of Portfolio Managers, and various administrative services.

The Portfolio Manager selected by the client is responsible for the suitability of recommendations. The Portfolio Manager will invest and reinvest the securities, cash and/or other investments held in the account in accordance with client’s investment objectives and other information provided by client to SMHI at account opening or in subsequent documentation.

Some requested Portfolio Managers may choose not to participate in MAP. If the Portfolio Manager declines to participate in the program, the client must select another adviser.

In the event that a Portfolio Manager terminates from the program for any reason, SMHI will assign a new Portfolio Manager to the account.

Elite Trade

The Elite Trade platform (“Elite Trade”) is an advisory wrap fee account in which the Representative manages and invests the assets in the account on either a discretionary or non-discretionary basis. The services of the Representative within Elite Trade include, but are not limited to, formulation of investment objectives, creation of tailored asset allocations using the Investment Questionnaire, portfolio reviews, and various administrative services. Based on the investment objectives selected, the client may choose from equity, balanced and fixed income style investing. There is no minimum account value required to participate in Elite Trade.

In Elite Trade, transactions will generally be executed through SMHI and cleared through Pershing.

Elite Lockwood Investment Strategies

The Elite Lockwood Investment Strategies platform (“Elite LIS”) is a discretionary multi-disciplined managed account product housed in a single portfolio. The minimum investment required to establish an Elite LIS account is \$250,000. Lockwood serves as the Portfolio Manager for all Elite LIS accounts.

The services of the Representative within Elite LIS include, but are not limited to, formulation of investment objectives, portfolio reviews, recommendations with respect to selection of investment models or strategies and various administrative services.

Elite Lockwood Asset Allocation Portfolios

The Elite Lockwood Asset Allocation Portfolios platform (“Elite LAAP”) is a discretionary multi-disciplined managed account product housed in a single portfolio. Portfolio construction within LAAP is limited to mutual funds and exchange-traded funds (“ETFs”). The minimum investment required to establish an Elite LAAP account is \$50,000. Lockwood serves as the Portfolio Manager for all Elite LAAP accounts.

The services of the Representative within Elite LAAP include, but are not limited to, formulation of investment objectives, portfolio reviews, recommendations with respect to selection of investment models or strategies and various administrative services.

Lockwood Portfolio Design Services

Lockwood Portfolio Design Services are available at no additional cost within the Elite Choice, Elite LIS and Elite LAAP platforms. The Lockwood Portfolio Design Team provides guidance to Representatives and, by extension, their clients and prospects, on constructing a portfolio of multiple Portfolio Managers and/or managed account options available in the Lockwood platforms.

The proposals, investment solutions, portfolio construction guidance and any type of analysis or research opinions generated by Lockwood’s Portfolio Design Team (“the Team”) are not reviewed, approved, or endorsed by SMHI. A client should assess his/her own investment needs based on his/her own financial circumstances and investment objectives.

MAP Program Features by Platform

	Portfolio Manager (PM)	Discretionary Management	Due Diligence on Money Manager	Product Types included	Portfolio Design Services	Minimum Account Value
Elite	3 rd Party selected by client from Focus List	Yes	Yes, conducted by SMHI	Broad list of exchange traded securities, mutual funds & options	No	Varies by PM selected
Elite Choice	3 rd Party selected by client	Yes	No, but Lockwood research is available on some PMs	Broad list of exchange traded securities, mutual funds & options	Yes	Varies by PM selected
Elite Trade	Representative	Client election	No	Broad list of exchange traded securities, mutual funds & options	No	None
Elite LIS	Lockwood	Yes	Yes, conducted by SMHI	Mutual Funds, ETFs & stocks	Yes	\$250,000
Elite LAAP	Lockwood	Yes	Yes, conducted by SMHI	Mutual funds & ETFs only	Yes	\$50,000

Fees

The Total Program Fee for MAP is payable quarterly in advance and is calculated based on the market value of the securities held in the account on the last day of the calendar quarter. The Total Program Fee compensates SMHI, the Representative and Lockwood for their services. Complete information regarding these services is set forth in the MAP Enrollment Document Agreement.

The portion of the Total Program Fee payable to SMHI and the Representative is negotiable; however, the Lockwood portion of the fee is non-negotiable. This platform fee ranges from .20% to .75% per year depending on the platform chosen and total assets. The Total Program Fee cannot be less than the Lockwood platform fee as disclosed in the MAP Agreement.

All fees are deducted from the account by Pershing and are noted on account statements sent to the client.

The initial Total Program Fee is due in full on the effective date of the advisory agreement. The effective date is defined as the date when the account is accepted by SMHI, and the fee is based on the account value on that date. The fee calculation is prorated if the account has been added to the billing system at any time other than the beginning of a billing cycle. Subsequent quarterly fees are determined on the first day of each calendar quarter based on the total value of the account as of the close of business on the last business day of the previous quarter is due the following day.

If the account does not maintain sufficient cash or money market balances to cover the Total Program Fee, client may deposit additional funds by the due date. If no deposit is made, SMHI, the Representative or the Portfolio Manager may liquidate securities in the account in amounts sufficient to cover such fees. Such liquidation may cause client to incur taxes and other costs. For each addition to or withdrawal from an account of \$25,000 or more in Elite or Elite Choice or \$10,000 or more in all other MAP platforms, the fee is adjusted in the next billing period.

The Total Program Fee schedule for Elite, Elite Choice, Elite LIS and Elite LAAP is as follows:

<u>Total Assets</u>	<u>Maximum Total Program Fee as a % of Asset Value</u>
First \$500,000	3.00%
Next \$500,000	2.25%
Next \$1,000,000	1.90%
Next \$2,500,000	1.70%
Over \$5,000,000	1.50%

The Total Program Fee schedule for Elite Trade is as follows:

<u>Total Assets</u>	<u>Maximum Total Program Fee as a % of Asset Value</u>
First \$500,000	2.50%
Next \$500,000	2.25%
Next \$1,000,000	2.00%
Over \$2,000,000	1.50%

Generally, Portfolio Manager fees (if applicable) are not included in the Total Program Fee for MAP. In the Elite LIS and Elite LAAP platforms where Lockwood serves as the Portfolio Manager, the Lockwood fees are included in the Total Program Fee. The fee schedules for the Lockwood portion of the Total Program Fee are detailed below.

Lockwood's fee schedule for LIS (part of the above Total Program Fee) is as follows:

<u>Total Assets</u>	<u>Lockwood's LIS fee as a % of Asset Value</u>
First \$500,000	0.75%
Next \$500,000	0.55%
Next \$4,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	0.30%

Lockwood's fee schedule for LAAP (part of the above Total Program Fee) is as follows:

<u>Total Assets</u>	<u>Lockwood's LAAP fee as a % of Asset Value</u>
First \$500,000	0.40%
Next \$500,000	0.35%
Next \$4,000,000	0.30%
Next \$5,000,000	0.25%
Over \$10,000,000	0.20%

Payment Method

Within a MAP account, fees are deducted from the account by SMHI and are noted on account statements sent to the client by the custodian. If the account does not maintain sufficient cash or money market balances to cover the Total Program Fee, the client may deposit additional funds by the due date. If no deposit is made, SMHI, the Representative or the Portfolio Manager may liquidate securities in the account in amounts sufficient to cover such fees. Any liquidation may cause the client to incur taxes and other costs. For each addition to or withdrawal from an account of \$25,000 or more in Elite or Elite Choice or \$10,000 or more in all other MAP platforms, the fee will be adjusted in the next billing period.

Changes to Fees

Portfolio Managers, Lockwood, or SMHI may change their respective fees at any time by giving thirty days prior written notice to the client. Following the 30-day notice period, the new fee schedule will become effective unless the client terminates the MAP Agreement. Any changes to the fees payable to the Representative require written authorization from the client.

Other Fees and Compensation

With the exception of Elite LIS and Elite LAAP, the Total Program Fee for MAP does not include any fees charged by the third party Portfolio Manager selected by the client, if any. The Portfolio Manager Fee varies per Manager selected by the client. For specific information regarding the fees charged by the Portfolio Manager, the client should refer to the Portfolio Manager's Form ADV. The Portfolio Manager Fee, if any, is reflected as a separate line item on the client account statement.

The Total Program Fees also do not include certain charges associated with securities transactions that may be imposed by regulatory authorities or by broker-dealers other than SMHI, including commissions charged by broker-dealers other than SMHI, dealer markups or markdowns in principal transactions by or agency transactions with broker-dealers other than SMHI, American Depositary Receipts (ADRs) agency processing fees, odd-lot differentials, SEC and exchange fees and transfer taxes, and any other charges imposed by law.

In addition to the Total Program Fees described above, each mutual fund or exchange traded fund in which the client may invest also bears its own fees, including but not limited to short-term redemption fees, and expenses. Complete details of fees can be found in the applicable mutual fund or exchange traded fund prospectus. Other fees, such as SEC fees, Individual Retirement Account custodial fees or other taxes as required by law, may be incurred.

Certain mutual funds may be subject to deferred sales charges. Neither SMHI nor the Representative recommends the transfer of such funds into MAP accounts. Should the client choose to transfer such funds into the account, the client may incur deferred sales charges upon the redemption of the shares.

Clients may invest in certain mutual funds that make payments to broker-dealers (such as SMHI) pursuant to a 12b-1 distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets. For all ERISA accounts, SMHI will credit 12b-1 fees back to the account. In non-ERISA MAP accounts, SMHI generally retains 12b-1 fees. However, upon the Representative's request, mutual fund 12b-1 fees may be credited back to non-ERISA MAP accounts.

The cost of the services provided through MAP may be more or less than if each service was purchased separately. For example, the cost of services provided separately may be less for accounts with infrequent trading activity. Conversely, the cost of services provided separately may be more for an account with more frequent trading activity. Similarly, Representative compensation for MAP may be more than what the Representative would receive if the client participated in other available programs or paid separately for advice, brokerage, and other services and, therefore, the Representative may have a financial incentive to recommend MAP over other programs and services.

SMHI sponsors wrap fee programs other than MAP. The complete details of the other programs can be located in the wrap fee program brochure applicable to each program. To obtain a copy of the wrap fee program brochure for another SMHI-sponsored program, please contact your Representative.

Termination

The client or SMHI may terminate the MAP advisory agreement upon thirty days written notice to the counterparty. In the event that the advisory agreement is terminated prior to the end of a period for which a quarterly fee has been paid, fees are recalculated based on the length of service and unearned fees will be returned to the client.

Account Requirements and Types of Clients

MAP is generally offered to individuals who have a need for fee-based services or could benefit from fee-based pricing over that of a traditional commission-based brokerage arrangement. There is no account minimum to participate in Elite, Elite Choice, or Elite Trade; however, minimum requirements may be established by any third-party Portfolio Manager selected by the client. The account minimums for Elite LIS and Elite LAAP are \$250,000 and \$50,000, respectively.

SMHI primarily provides advisory services to individuals, high net worth individuals, pooled investments, trusts, estates, and corporations and other business entities.

Portfolio Manager Selection and Evaluation

Using the five platforms available in MAP, the client has the option to select a Portfolio Manager on which SMHI has performed due diligence, select a Portfolio Manager that has not been reviewed by SMHI, or allow the Representative to manage the Portfolio on a discretionary or non-discretionary basis. SMHI does not review Portfolio Manager performance information to determine or verify its accuracy or its compliance with presentation standards. SMHI assumes no responsibility for the selection of the Portfolio Manager or the suitability of the recommendations made by Portfolio Manager.

Elite

As discussed above, the client selects a third-party Portfolio Manager from the SMHI Focus List to manage and invest the assets in the Elite account on a discretionary basis. Prior to selecting Portfolio Managers to be included in the SMHI Focus List, SMHI conducts a due diligence review of the Portfolio Manager. In order to be considered for inclusion on the SMHI Focus List, Portfolio Managers must have a Global Investment Performance Standards (GIPS) compliant track record of at least three years. Additional information regarding personnel, compliance, investment strategy and methodology, research, trading, fees and other data is then collected in a due diligence questionnaire completed by the Portfolio Manager. The questionnaire responses are then evaluated and scored by the SMHI Due Diligence

Committee. If acceptable to the committee, the Portfolio Manager may then be added to the SMHI Focus List by entering into a sub-advisory agreement with SMHI through Lockwood. The Portfolio Managers participating in the Elite Platform are periodically reviewed and evaluated by SMHI. Subsequent due diligence information is gathered from each Portfolio Manager and evaluated on a quarterly basis. A portion of the Total Program Fee compensates SMHI for these services.

Elite Choice

Within the Elite Choice platform, the client selects a Portfolio Manager to manage the assets in the account. Although SMHI does not perform due diligence on the Portfolio Managers in the Elite Choice platform, Lockwood makes Scorecards available for certain Portfolio Managers. These Scorecards, available to the Representative in the Lockwood Workstation, are Lockwood's proprietary research and should not be construed as investment advice or recommendations by either Lockwood or SMHI.

Elite Trade

In Elite Trade accounts, the Representative manages and invests the assets in the account on either a discretionary or non-discretionary basis. Based on the investment objectives selected, the client may choose from equity, balanced and fixed income style investing. There is no minimum account value required to participate in Elite Trade.

Should the client elect a discretionary arrangement, the Representative will have trading authorization with respect to the account. As such, the Representative in his or her sole discretion and at the client's risk, can purchase, sell, exchange, convert, and otherwise trade the securities and other permitted investments in the account.

If the client elects a non-discretionary arrangement with the Representative, the client will be solely responsible for the selection of securities and other investments to manage the account, as well as approving or rejecting any asset allocation proposal.

Elite LIS

Lockwood serves as the Portfolio Manager for accounts on the Elite Lockwood Investment Strategies platform ("Elite LIS"). Prior to selecting Lockwood as Portfolio Manager, SMHI conducted a due diligence review. In order to be considered as a Portfolio Manager, Lockwood is required by SMHI to have a Global Investment Performance Standards (GIPS) compliant track record of at least three years. Additional information regarding personnel, compliance, investment strategy and methodology, research, trading, fees and other data was then collected in a due diligence questionnaire completed by Lockwood. The questionnaire responses were then evaluated and scored by SMHI Due Diligence Committee. After being accepted, Lockwood entered into sub-advisory agreement with SMHI. Lockwood is periodically reviewed and evaluated by SMHI.

Within the Elite LIS platform, the Client may select an investment model from among five core models or strategies, which include allocations to traditional asset classes, and four alternative models or strategies, which include exposure to non-traditional asset classes. As a result of the underlying allocations into varying asset classes, the risk/reward potential and inherent volatility vary among the models.

The five traditional strategies, ranging from conservative to aggressive, are: Model I - Current Income; Model II - Growth & Income; Model III - Conservative Growth; Model IV - Moderate Growth; and Model V - Growth.

The four alternative strategies, ranging from conservative to aggressive, are: Model II - Growth & Income; Model III - Conservative Growth; Model IV - Moderate Growth; and Model V - Growth. (Model I intentionally excluded.)

As Portfolio Manager, Lockwood determines the asset allocation of the available investment models, and selects Sub-Managers and specific investment vehicles for each investment style based on its proprietary modeling strategies, as well as its macroeconomic outlook and investment and research disciplines. Tax consequences taken into consideration in the portfolio management process of Elite LIS. For complete details regarding the investment philosophy and methodology used by Lockwood for the traditional and alternative models, clients should refer to Lockwood's Form ADV and/or other disclosure documentation made available by Lockwood.

Elite LAAP

Lockwood serves as the Portfolio Manager for all Elite Lockwood Asset Allocation Portfolios ("Elite LAAP") accounts. Prior to selecting Lockwood as Portfolio Manager, SMHI conducted a due diligence review. In order to be considered as a Portfolio Manager, Lockwood is required by SMHI to have a Global Investment Performance Standards (GIPS) compliant track record of at least three years. Additional information regarding personnel, compliance, investment strategy and methodology, research, trading, fees and other data was then collected in a due diligence questionnaire completed by the Lockwood. The questionnaire responses were then evaluated and scored by SMHI Due Diligence Committee. After being accepted, Lockwood entered into sub-advisory agreement with SMHI. Lockwood is periodically reviewed and evaluated by SMHI.

Within the Elite LAAP platform, the Client may select an asset allocation model from among five models or strategies. These models invest in mutual funds and exchange-traded funds exclusively. As a result of the underlying allocations into varying asset classes, the risk/reward potential and inherent volatility vary among the models.

The five asset allocation models, ranging from conservative to aggressive, are: Model I - Current Income; Model II - Growth & Income; Model III - Conservative Growth; Model IV - Moderate Growth; and Model V - Growth.

As Portfolio Manager, Lockwood determines the asset allocation of the available investment models and specific investment vehicles for each investment style based on its proprietary modeling strategies, as well as its macroeconomic outlook and investment and research disciplines. Tax consequences are not taken into consideration during the portfolio management process of Elite LAAP. For complete details regarding the investment philosophy and methodology used by Lockwood for the traditional and alternative models, clients should refer to Lockwood's Form ADV and/or other disclosure documentation made available by Lockwood.

Performance-Based Fees and Side-By-Side Management

SMHI does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). SMHI does not engage in side-by-side management.

Methods of Analysis, Investment Strategies and Risk of Loss

SMHI and its Representatives use a wide variety of methods, including charting, fundamental analysis and technical analysis to determine investment strategies for clients. The primary sources of information used to conduct these types of analysis are financial newspapers and magazines, inspections, research prepared by others, ratings services, press releases, and annual reports, prospectuses and other filings with the SEC. The implementation of these strategies varies based upon the individual client.

Each client's account is managed on the basis of the client's financial situation, investment objectives and instructions. The Representative works with the client to obtain sufficient information from the client to provide individualized investment advice and is reasonably available to consult with the client on an ongoing basis. Clients are permitted to impose reasonable restrictions on the management of the account.

A quarterly custodial statement, containing a description of all account activity is provided to the client. The Representative reviews the overall performance of each account on a periodic basis in order to ensure that transactions are suitable based on the client's investment objectives, meet quality expectations of the client and comply with any investment restrictions requested by the client.

Clients who choose a third-party Portfolio Manager should carefully review the third-party firm's Form ADV Part 2 for information on their investment strategy. Investment strategies vary by the Portfolio Manager selected.

Investing in any type of security involves risk of loss that clients should be prepared to bear. SMHI does not guarantee the performance of an account or any specific level of performance. Market values of the securities in the account will fluctuate with market conditions. When the account is liquidated, it may be worth more or less than the amount invested.

Voting Client Securities

As a matter of firm policy and practice, SMHI has no authority to take action or render any advice with respect to voting proxies on behalf of advisory clients. Clients will receive proxies or other solicitations directly from the account custodian or transfer agent, not from SMHI. Clients retain the responsibility for voting all proxies for securities maintained in client portfolios.

Client Information Provided to Portfolio Managers

The Representative will obtain information prior to opening an account regarding the client's financial situation, goals and investment objectives, risk tolerance, time horizon and other relevant factors. The Representative will also inquire as to the client's interest in imposing any reasonable restrictions on the management of the account.

If a third party Portfolio Manager is selected by the client, the client's information and restrictions on investments will be shared as directed by the client in accordance with the parameters of the dual contract arrangement.

The Representative will contact the client at least annually to determine if any changes have occurred that may affect the ongoing suitability of the investments selected and to determine if any new restrictions

should be imposed on the account. If any changes have occurred, the Representative will notify the Portfolio Manager.

Client Contact with Portfolio Managers

Clients are generally free to contact SMHI and their Representative at any time during normal business hours via telephone, facsimile, mail or email. In-person meetings should be scheduled in advance to ensure that the Representative is available.

In the event that a third party Portfolio Manager has been hired, the client may contact the Portfolio Manager directly or contact their Representative to arrange a meeting with the Portfolio Manager.

Additional Information

Disciplinary Information

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

SMHI is a broker/dealer in addition to its activities as a registered investment adviser. In connection with its broker/dealer business, SMHI has been the subject of certain regulatory actions, some of which SMHI has determined to be immaterial. Others are summarized below:

On January 8, 2008, SMHI entered into a Letter of Acceptance, Waiver and Consent ("AWC") with the NASD (predecessor to FINRA) where SMHI neither admitted nor denied the allegations that during the period July 2000 until December 2005, SMHI (1) failed to establish, maintain, and enforce adequate procedures and systems that were tailored to ensure that its hedge fund, prime brokerage services, and soft dollar activities were in compliance with federal securities laws and rules, and pertained to supervision of its employees who provided services to funds utilizing the prime brokerage services divisions' platform; (2) allowed improper payment of \$325,000 in soft dollars to one hedge fund manager; and (3) lacked adequate procedures concerning the contents of hedge fund sales materials prepared and disseminated by SMHI and distributed sales literature that did not adequately disclose material investment risks to potential investors in accordance with NASD Notice to Members 03-07. During the period January 2003 until December 2004, SMHI (1) failed to retain certain e-mails and instant messages sent to and received by certain employees in the prime brokerage services division and (2) permitted an unregistered employee of the prime brokerage services division to engage in activities that required registration. In 2002, SMHI modified certain brokers' compensation structure so that they shared in the prime brokerage services profit pool, derived in part from commissions earned on the fund's trading. As a result, contrary to restrictions, from April 2002 to June 2004, the brokers shared indirectly in the commissions SMHI earned in the fund's trading, but did not amend the fund's offering document to accurately depict the sharing arrangement. SMHI was censured, paid a fine in the amount of \$450,000, and entered into an undertaking to have an independent consultant review SMHI's systems and procedures.

On June 16, 2008, SMHI entered into an AWC with the NASD where SMHI neither admitted nor denied the allegations that, during the period December 2002 until April 2004, SMHI failed to establish, maintain or enforce a supervisory system and procedures reasonably designed to detect and prevent market timing activities and that SMHI failed to take supervisory action against a Representative who appeared to be market timing. SMHI was censured and paid a fine in the amount of \$45,000.

On November 20, 2008, SMHI consented to the entry of an Order brought by the Texas State Securities Board (“TSSB”) that alleged the firm failed to require two agents of an independent investment adviser within SMHI’s network to be appropriately registered to conduct business in the State of Texas. The TSSB found that SMHI failed to enforce a system reasonably designed to supervise the activities of its agents and also found that one of SMHI’s agents failed to disclose an outside advisory business activity. The firm was reprimanded and paid a fine in the amount of \$30,000.

Other Financial Industry Activities and Affiliations

SMHI is a subsidiary of Pinnacle Summer Investments Inc.. (“PSI”),, which is an indirect wholly-owned subsidiary of Lee Summer, LP, a holding company formed by equity investors led by LEP, a registered investment adviser, and Fredric M. Edelman, Chief Executive Officer of PSI. Equity investors in Lee Summer, LP include certain LEP private equity funds, other institutional investors, including the Teacher Retirement System of Texas, certain members of management of SMHI and certain members of management and employees of PSI, and other affiliated investment advisors. Except for Lee Equity Partners Fund Summer AIV, LP and Mr. Edelman, none of the investors has an economic interest that is greater than 6%.

The equity securities of Lee Summer LP do not confer voting rights. All management authority of Lee Summer LP resides with the board of managers (the “Board”) of Lee Summer GP, LLC, its general partner. The current Board structure contemplates: (a) four manager positions designated by LEP and (b) three manager positions designated by Mr. Edelman.

Neither LEP nor the other investors in Lee Summer LP (other than those employed by SMHI) have any involvement in the day-to-day investment or other business operations of SMHI, including with respect to SMHI’s investment determinations on behalf of clients. SMHI exercises its own independent investment discretion in accordance with its investment philosophy, fiduciary duties, and client guidelines.

In addition to advisory services, SMHI offers a broad range of financial services to clients. During 2013, approximately 20% of SMHI’s total revenues were from advisory services and fee-based business. SMHI is also registered as a broker-dealer and is affiliated with another broker/dealer, certain investment advisers and an insurance agency as described below.

Broker-dealers:

Sanders Morris Harris Inc., registered broker-dealer (CRD No. 20580)

As a result of the dual registration of Sanders Morris Harris Inc. as an investment adviser and broker-dealer, Representatives, principal executive officers and other related employees of SMHI may also be Registered Representatives, managers, and/or officers of the SMHI registered broker-dealer and FINRA member. SMHI may perform and receive compensation for, among other things, brokerage, asset management, underwriting of syndicate and secondary securities offerings, and similar services. The advice given and the action taken with respect to such services may differ from advice given or the timing and nature of action taken with respect to advisory accounts.

Dual registration may present a conflict of interest to the extent that a Representative recommends the purchase of security, which results in commissions being paid to the Representative as a registered representative of the broker-dealer. The commissions and fees charged by the broker-dealer are in addition to SMHI’s management fee and other fees and expenses of investment companies in which a client’s account may be invested.

SMHI may purchase or sell securities in which SMHI or its Representatives directly or indirectly have or may acquire a position or interest. In some circumstances SMHI may receive customary compensation from mutual fund companies, including 12b-1 fees for performing certain administrative and/or shareholder servicing related tasks associated with SMHI clients' investments in such securities. SMHI and its Representatives may also be compensated for referral activity.

Related Persons: Global Financial Services, LLC (“GFS”), registered broker-dealer (CRD No. 35699)

Relationships and arrangements with related persons: GFS is affiliated with SMHI. Certain members of the GFS Board of Managers also serve as officers and directors of SMHI. In addition, certain employees of SMHI maintain dual securities registrations with GFS and SMHI where services requiring registration are provided to both entities.

Investment Advisers:

Related Persons: Edelman Financial Services LLC (“EFS”)

Relationships and arrangements with related persons: EFS is affiliated with SMHI. EFS employees may also be Registered Representatives of SMHI in its capacity as a broker-dealer. Those Registered Representatives may receive compensation from the sale of investment companies (mutual funds), insurance, and other investments to various clients. All such securities transactions are through the SMHI broker-dealer. EFS anticipates that future employees may also be Registered Representatives of SMHI. Additionally, the EFS EMAP program may be solicited by SMHI Representatives. In those situations, EFS and SMHI would share in the program fees.

Related Persons: SMH Capital Advisors, Inc. (“SMHCA”)

Relationships and arrangements with related persons: SMHCA, an affiliated adviser of SMHI, is a wholly-owned subsidiary of PSI. SMHCA employees may also be Registered Representatives of SMHI in its capacity as a broker-dealer. Those Registered Representatives may receive compensation from the sale of investment companies (mutual funds), insurance, and other investments to various clients. All such securities transactions are through the SMHI broker-dealer. SMHCA anticipates that future employees may also be Registered Representatives of SMHI. Additionally, the client could select SMHCA as the Portfolio Manager of the account. In such event, SMHCA and SMHI will share in the fees collected.

Related Persons: GFS Advisors LLC (“GFSA”)

Relationships and arrangements with related persons: GFSA is an affiliate of SMHI. Certain members of the GFSA Board of Managers also serve as officers and directors of SMHI.

Related Persons: Miller-Green Financial Services, Inc., Leonetti & Associates LLC and The Rikoon Group, LLC (“Other Advisers”)

Relationships and arrangements with related persons: Other Advisers are under common ownership with SMHI. Employees of some of the Other Advisers may also be representatives of SMHI, the dual registrant. Those representatives may receive compensation from the sale of investment companies (mutual funds), insurance, and other investments and services to various clients. Future employees of

Other Advisers may also be representatives of SMHI. Certain officers and directors of the Other Advisers may also serve as officers and directors of SMHI.

Insurance Agency:

Related Persons: HWG Insurance Agency, Inc.

Relationships and arrangements with related persons: SMHI Representatives may also be licensed insurance agents for HWG Insurance Agency, Inc., a subsidiary of SMHI. If a client elects to purchase an insurance product through an SMHI employee or Representative, which may include life, accident, disability insurance and annuities, the Representative may receive a commission from those sales. This presents a conflict of interest to the extent that the Representative recommends the purchase of an insurance product resulting in a commission being paid to the Representative as an insurance agent.

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

SMHI has adopted a Code of Ethics for all Representatives and employees of the firm describing its high standard of business conduct and its fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, insider trading, rumor mongering, gifts and entertainment, and personal securities trading, among other things. All Representatives and employees at SMHI must acknowledge the terms of the Code of Ethics annually, or as amended. SMHI's Representatives and employees are required to follow SMHI's Code of Ethics.

SMHI's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us using the information the cover page.

SMHI anticipates that from time to time, SMHI may recommend and effect the purchase or sale of securities in which SMHI, its affiliates and/or clients, directly or indirectly, have a position of interest.

In compliance with the Code of Ethics and applicable laws, officers, directors and employees of SMHI and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for SMHI's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of SMHI will not interfere with: (i) making decisions in the best interest of advisory clients; and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

The Code of Ethics requires pre-clearance of certain transactions. It also restricts trading in close proximity to client trading activity. In some situations employees may be permitted to invest in the same securities as clients. As a result, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored to reasonably prevent conflicts of interest between SMHI and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis to obtain best execution and avoid price differential. In such circumstances, the affiliated and client accounts will share commission costs equally (if applicable) and transactions are executed on an average price basis.

SMHI prohibits principal transactions in advisory client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an

affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account.

Although occurring on an infrequent basis, SMHI or its Representatives may effect transactions in which the client's securities are sold to or bought from an SMHI brokerage customer (i.e., an agency cross transaction). Agency cross transactions are only effected for those clients who have provided written consent. Written consent is obtained only after the client has received full written disclosure that SMHI or the Representative may act as broker, receive commissions from, and potentially have a conflicting division of loyalties and responsibilities regarding both parties to such transaction. Client's written consent may be revoked at any time by written notice to SMHI. Each client will receive a written confirmation at or before the completion of each such transaction. The confirmation will include a statement of the nature of such transaction and the date the transaction took place. The confirmation must also contain an offer to furnish, upon request, the time the transaction took place and the source and amount of any other remuneration received or to be received by the SMHI or the Representative in connection with the transaction. An annual disclosure statement identifying the total number of such transactions and the total amount of all commissions or other remuneration received in connection with such transactions during the period must also be provided. Under no circumstances will SMHI or a Representative make recommendations to parties on both sides of the transaction.

Representatives may buy or sell for themselves securities that they also recommend to clients. Securities purchased and sold for the account of a Representative or employee are purchased and sold on the same basis for a client according to the client's stated goals and investment objectives. In all instances, the positions would be so small as to have no impact on the pricing or performance of the security.

Representatives may hold positions in securities held or recommended to clients but may not front-run or otherwise benefit from these positions. Internal procedures have been instituted to ensure that the client is treated fairly in execution of all trades.

To avoid conflicts of interest, SMHI directors, officers or employees are prohibited from buying or selling securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of their employment unless the information is also available to the investing public on reasonable inquiry. No associated person of SMHI shall place their own interests over those of the advisory client. Further, all Representatives must comply with all applicable federal and state regulations governing registered investment advisory practices.

Review of Accounts

SMHI Representatives monitor investment strategies on a periodic basis. Changes affecting a particular investment strategy may trigger changes to all client portfolios following that strategy. Portfolios not following a particular strategy may also be reviewed periodically by the Representative for investment opportunities. In addition, not less than annually, accounts are reviewed with clients by Representatives to ensure that the strategy continues to meet the client's investment objectives and to determine if the client wishes to impose any new restrictions on the management of the account.

The overall performance of each portfolio is reviewed on a periodic basis by the Representative. Portfolio transactions are reviewed to ensure that each transaction: (1) is suitable to the client's investment objectives, (2) meets the client's quality standards, and (3) complies with the client's investment restrictions, if any.

The nature and frequency of reports to clients are determined primarily by the particular needs of each client. Generally, SMHI issues quarterly performance reports detailing account holdings. Clients also receive account statements from the custodian at least quarterly detailing all activity in the client's managed account.

Accounts are valued by the account custodian who utilizes a third party pricing service. If third party pricing is unavailable, valuations are provided on at least a quarterly basis and are summarized in a portfolio performance report detailing assets, transactions, receipt and disbursement of funds, interest and dividends received and gain or loss by security and for the overall account. SMHI assumes no responsibility for the accuracy of the valuation of illiquid investments, such as private placements, non-traded REITs, and annuities included in the account for reporting purposes only.

Third party portfolio managers, if applicable, will also review and monitor accounts on a periodic basis. A detailed explanation of the portfolio manager's review can be found in the manager's Form ADV Part 2A.

Client Referrals and Other Compensation

From time to time, SMHI may enter into solicitation agreements with individuals or entities whereby investment advisory accounts or private fund investors are solicited by SMHI and referred to another state or SEC-registered investment adviser. In these situations, SMHI may be compensated for the referral activity.

Similarly, SMHI may enter into solicitation agreements where investors are solicited by another individual or entity and referred to SMHI. In these situations, the individual or entity may be compensated by SMHI for the referral activity.

Solicitation agreements require the solicitor to perform his duties in accordance with the Investment Advisers Act of 1940 and appropriate state regulations. Under the agreement, the solicitor must also provide each prospective client with Part 2 of Form ADV for the firm receiving the referral and SMHI's separate written disclosure document.

Financial Information

Registered investment advisers are required to provide clients with certain financial information or disclosures about its financial condition. Currently, SMHI has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients. SMHI has not been the subject of any bankruptcy proceeding.