

WEALTH MANAGEMENT PLATFORM

- Model Portfolios Program -

Part 2A – Appendix 1

Program Brochure

For

Royal Alliance Associates, Inc.

One World Financial Center

New York, NY 10281

(800) 821-5100

www.royalalliance.com

March, 2013

This wrap fee program brochure provides information about the qualifications and business practices of Royal Alliance Associates, Inc. If you have any questions about the contents of this brochure, please contact us at 800-821-5100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Royal Alliance Associates, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

The last annual amendment of the Wealth Management Platform Model Portfolios Program Part 2A – Appendix 1 (“Appendix 1”) was March, 2012. Since that amendment, Royal Alliance Associates, Inc. has made disclosure changes to the Appendix 1. Please see below for the material changes:

Item 1: Cover Page – The VISION2020 Modelfolios Program was migrated to an updated platform, and is now titled the VISION2020 Wealth Management® Platform Model Portfolios Program.

Item 4: Services, Fees and Compensation – Asset allocation models are provided for mutual funds and/or exchange traded funds by seven additional investment managers, with additional descriptions: LWI Financial, Inc.; OAM Avatar, LLC; Morningstar Associates, LLC; Morningstar Investment Services, Inc.; SEI Investments Management Corporation; Innealta Capital; Clark Capital Management Group, Inc.; and CLS Investments, LLC.

Item 4: Services, Fees and Compensation – The program fee range has increased to a maximum of 3% per annum, and the schedules of account fees have been updated with new ranges.

Item 4: Services, Fees and Compensation – Information has been added regarding: (1) the methods of calculating account fees using the “tiered” or “linear” methods. With tiered fees, individual “tiers” with a minimum and a maximum dollar range are established, and a set percentage charge is attached to each tier; whereas with linear fees, the percentage charge remains constant, regardless of the account size. Also, additional disclosure has been provided regarding the factors considered in the negotiation of account fees.

Item 5: Account Requirements and Types of Clients – The minimum account size is now determined by the applicable program investment manager and ranges from \$25,000 to \$50,000.

Item 9: Additional Information – Updated the revenue sharing disclosures to disclose those program managers that may pay the firm or its affiliates up to 35 basis points (0.35%) per year.

ITEM 3 – TABLE OF CONTENTS

ITEM 1: COVER PAGE	1
ITEM 2: MATERIAL CHANGES	2
ITEM 3: TABLE OF CONTENTS	3
ITEM 4: SERVICES, FEES AND COMPENSATION	4
Advisory Services	4
Program Costs	7
Schedule of Account Fees	7
General Information Concerning Fees and Other Charges	13
ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS	14
Types of Clients	14
Minimum Account Size	14
ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION	14
ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS	14
Privacy Notice	14
ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS	16
Client Advisor Relationship	16
ITEM 9: ADDITIONAL INFORMATION	16
Disciplinary Information	16
Other Financial Industry Activities and Affiliations	16
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Review of Accounts	18
Client Referrals and Other Compensation	18
Revenue Sharing Disclosure	18
Financial Information	19
ITEM 10: REQUIREMENTS FOR STATE REGISTERED ADVISERS	20

ITEM 4 – SERVICES, FEES AND COMPENSATION

Royal Alliance Associates, Inc. co-sponsors the Wealth Management Platform Model Portfolios Program (“Program”). Royal Alliance Associates, Inc. is registered with the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer engaged in the offer and sale of securities through its Registered Representatives (“Representatives”). The Firm is also registered with the Securities and Exchange Commission (“SEC”) as an investment adviser (“Corporate Registered Investment Adviser” or “Corporate RIA”) to offer certain investment advisory products and services. Registration does not imply a certain level of skill or training.

Some of the Firm’s Representatives provide investment advice for a fee and have registered as Investment Advisory Representatives (“Advisory Representatives”) of its Corporate RIA. Some of the Firm’s Representatives provide investment advice for a fee and are Advisory Representatives of unaffiliated registered investment advisers (“Independent RIAs”).

Henceforth, Royal Alliance Associates, Inc., in its role as Program Sponsor, will be referred to as “we”, “us” or “our”. Royal Alliance Associates, Inc., in its role as securities broker-dealer, will be referred to as “Royal Alliance”.

The Program is presented to the client (“you”) by Advisory Representatives of the Corporate RIA or by Advisory Representatives of Independent RIAs. The Corporate RIA and Independent RIAs will collectively be referred to as “Advisor”. “Advisory Representatives” will refer to Advisory Representatives of both the Corporate and Independent RIAs.

To join the Program, you will enter into an investment advisory client agreement (“Client Agreement”) with your Advisor and establish a brokerage account (“Program Account”) with Royal Alliance on a fully disclosed basis.

Advisory Services

The Program offers you managed asset allocation models (“Asset Allocation Models”) of mutual funds and exchange traded funds (“ETFs”) diversified across various investment styles and strategies. The Asset Allocation Models are constructed by the following managers (“Program Managers”).

Russell Investment Management Company

LWI Financial Inc.

OAM Avatar, LLC

Morningstar Associates, LLC and Morningstar Investment Services, Inc.

SEI Investments Management Corporation

Innealta Capital

Clark Capital Management Group, Inc.

CLS Investments, LLC

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

Based upon your risk tolerance and financial objectives, the Program utilizes a system that recommends a specific Asset Allocation Model which may contain: 1) a combination of mutual funds, 2) a combination of exchange traded funds (“ETFs”), or 3) a combination of mutual funds and ETFs, depending on which Program Manager is employed. After the recommendation is made, you and your Advisor will select an Asset Allocation

Model. Advisor, with our assistance, will open a Program Account and your assets will be invested in the specific investments contained within the selected Asset Allocation Model.

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

We make no representations regarding the future performance of any Asset Allocation Model. As always, past performance is not a guarantee of future results.

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

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

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

Russell Investment Management Company

The Russell Investment Company Funds ("Russell Funds") are managed by Russell Investment Management Company and other managers as disclosed by the respective prospectus for each of the Russell Funds. With our assistance, your Advisor will invest your Program Account in a recommended Asset Allocation Model of Russell Funds suitable to your risk tolerance and investment objectives. If suitable, assets may be invested in an Asset Allocation Model of Russell Funds designed to help minimize taxable events ("Russell – Tax Managed Model"). We will be responsible for rebalancing the portfolio of Russell Funds within your account, generally in accordance with the instructions provided by Russell Investment Management Company. There can be no assurance that any of the investment goals for your account will be met or that the net return on an investment in a portfolio of the funds will exceed what could have been obtained through other investment or savings strategies.

LWI Financial Inc.

Program Manager, LWI Financial Inc. ("Loring Ward" or "LWI") will provide Asset Allocation Models composed of SA Funds which are advised and administered by Loring Ward and sub-advised by Dimensional Fund Advisors, Inc. ("DFA"); or a group of mutual funds advised by DFA ("DFA Funds"). With our assistance, your Advisor will invest your Program Account in a recommended Asset Allocation Model of SA and DFA Funds (collectively, "SA/DFA Funds") suitable to your risk tolerance and investment objectives. We will be responsible for rebalancing the portfolio of SA/DFA Funds within your account generally in accordance with the instructions provided by Loring Ward. There can be no assurance that any of the investment goals for your account will be met or that the net return on an investment in a portfolio of the funds will exceed what could have been obtained through other investment or savings strategies.

OAM Avatar, LLC

Program Manager, OAM Avatar, LLC. ("Avatar") will provide Asset Allocation Models generally consisting of 20 to 35 ETFs across different asset classes and industry sectors. With our assistance, your Advisor will invest your Program Account in a recommended Avatar Asset Allocation Model of ETF Funds suitable to your risk tolerance and investment objectives. We will be responsible for rebalancing the portfolio of ETF Funds within your account generally in accordance with the instructions provided by Avatar. There can be no assurance that any of your investment goals will be met or that the net return on an investment in a portfolio of the ETFs will exceed what could have been obtained through other investment or savings strategies.

Morningstar Associates, LLC and Morningstar Investment Services, Inc.

Program Manager, Morningstar Associates, LLC ("MA") will provide strategic mutual fund Asset Allocation Models composed of a series of mutual funds offered within 8 different portfolios with each portfolio generally consisting of 10 to 15 mutual funds that provides conventional correlation to the broad market. Program Manager, Morningstar Investment Services, Inc. ("MIS") will provide a single mutual fund Asset Allocation Model, generally consisting of 10 to 15 mutual funds, with low correlations to the broad market, designed for risk-averse investors looking for growth potential. With our assistance, your Advisor will invest your Program Account in a recommended MA or MIS Asset Allocation Model of mutual funds suitable to your risk tolerance and investment objectives. We will be responsible for rebalancing the portfolio of mutual funds within your account generally in accordance with the instructions provided by MA and MIS. There can be no assurance that any of your investment goals will be met or that the net return on an investment in a portfolio of mutual funds will exceed what could have been obtained through other investment or savings strategies.

SEI Investments Management Corporation

Program Manager, SEI Investment Management Corporation ("SEI") will provide mutual fund Asset Allocation Models composed of a series of SEI mutual funds offered within 8 different portfolios with each portfolio generally consisting of 8 to 12 mutual funds. With our assistance, your Advisor will invest your Program Account in a recommended SEI Asset Allocation Model of mutual funds suitable to your risk tolerance and investment objectives. We will be responsible for rebalancing the portfolio of mutual funds within your account generally in accordance with the instructions provided by SEI. There can be no assurance that any of your investment goals will be met or that the net return on an investment in a portfolio of mutual funds will exceed what could have been obtained through other investment or savings strategies.

Innealta Capital

Program Manager, AI Frank Asset Management, Inc. through its Innealta Capital Division ("Innealta Capital") will provide ETF Asset Allocation Models composed of a series of ETFs offered within ten different portfolios with each portfolio generally consisting of 5 to 25 ETFs. With our assistance, your Advisor will invest your Program Account in a recommended Innealta Capital Asset Allocation Model of ETFs suitable to your risk tolerance and investment objectives. We will be responsible for rebalancing the portfolio of ETFs within your account generally in accordance with the instructions provided by Innealta Capital. There can be no assurance that any of your investment goals will be met or that the net return on an investment in a portfolio of ETFs will exceed what could have been obtained through other investment or savings strategies.

Clark Capital Management Group, Inc.

Program Manager, Clark Capital Management Group, Inc. ("Clark Capital") will provide Asset Allocation Models composed of a combination of mutual funds and ETFs offered within 4 different portfolios with each portfolio generally consisting of 2 to 4 holdings. Portfolios will provide exposure to a blend of fixed income and global equity asset classes. In addition, Clark Capital will provide a fixed income focused portfolio generally consisting of 2 to 4 ETF holdings ("Clark Capital Fixed Income"). With our assistance, your Advisor will invest your Program Account in a recommended Clark Capital Asset Allocation Model suitable to your risk tolerance and investment objectives. We will be responsible for rebalancing the portfolio within your account generally in accordance with the instructions provided by Clark Capital. There can be no assurance that any of your investment goals will be met or that the net return on an investment in a portfolio of mutual funds and ETFs will exceed what could have been obtained through other investment or savings strategies.

CLS Investments, LLC

Program Manager, CLS Investments, LLC ("CLS") will provide ETF Asset Allocation Models composed of a series of ETFs offered within 4 different portfolios with each portfolio generally consisting of 10 to 20 ETFs. With our assistance, your Advisor will invest your Program Account in a recommended CLS Asset Allocation Model of ETFs suitable to your risk tolerance and investment objectives. We will be responsible for rebalancing the portfolio of ETFs within your account generally in accordance with the instructions provided by CLS. There can be no assurance that any of your investment goals will be met or that the net return on an investment in a portfolio of ETFs will exceed what could have been obtained through other investment or savings strategies.

Program Costs

You will be charged an annual fee based upon the value of the Program assets you have under management which covers management, administrative and transaction costs ("Account Fee" or "Wrap Fee"). The Account Fee is negotiable and ranges up to 3% per annum.

Your Account Fee will bill quarterly, in advance, based upon the market value of the Program assets as of the last business day of the preceding calendar quarter. In the event that additions to, or withdrawals from, the account are made in excess of \$10,000 or more during any given quarter, the applicable Account Fee will be adjusted on a pro-rata basis, based on the market value of the assets at such time to reflect the addition or withdrawal.

Please find on the following page, the annualized, maximum Account Fee guidelines for the above referenced Asset Allocation Models. Your actual Account Fee schedule is set forth in your Client Agreement.

SCHEDULE OF ACCOUNT FEES

Russell and Russell Tax Managed

Total Account Value	Minimum Account Fee	Maximum Gross Account Fee ¹	Maximum Net Account Fee ²
\$25,000 to \$99,999	0.250%	2.050%	2.000%
\$100,000 to \$249,999	0.250%	2.050%	2.000%
\$250,000 to \$499,999	0.200%	2.000%	1.950%
\$500,000 to \$749,999	0.175%	1.975%	1.925%
\$750,000 to \$999,999	0.150%	1.950%	1.900%
\$1,000,000 to \$1,999,999	0.100%	1.900%	1.850%
\$2,000,000 to \$4,999,999	0.075%	1.875%	1.825%
\$5,000,000 to \$9,999,999	0.050%	1.850%	1.800%
\$10,000,000 to \$24,999,999	0.050%	1.850%	1.800%
25,000,000 and Over	0.040%	1.840%	1.790%

Minimum Account Size = \$25,000

[This section intentionally left blank.]

¹ The Maximum Gross Account Fee represents the maximum allowable account fee payable to your Advisory Representative and Advisor's associated broker-dealer. Account fee includes the advisory fee payable to your Advisory Representative and revenue sharing payments made by Russell to the Advisor's associated broker-dealer.

² The Maximum Net Account Fee represents the fee payable to your Advisory Representative directly from your account for advisory services. This fee is calculated by deducting from the Maximum Gross Account Fee an amount equal to revenue sharing payments made by Russell to the Advisor's associated broker-dealer. In no event, shall the amount payable to your Advisory Representative exceed the Maximum Net Account Fee.

Loring Ward – SA Funds

Total Account Value	Minimum Account Fee	Maximum Gross Account Fee ³	Maximum Net Account Fee ⁴
\$25,000 to \$99,999	0.00%	2.10%	1.75%
\$100,000 to \$249,999	0.00%	2.10%	1.75%
\$250,000 to \$499,999	0.00%	2.10%	1.75%
\$500,000 to \$749,999	0.00%	2.10%	1.75%
\$750,000 to \$999,999	0.00%	2.10%	1.75%
\$1,000,000 to \$1,999,999	0.00%	2.10%	1.75%
\$2,000,000 to \$4,999,999	0.00%	2.10%	1.75%
\$5,000,000 to \$9,999,999	0.00%	2.10%	1.75%
\$10,000,000 to \$24,999,999	0.00%	2.10%	1.75%
25,000,000 and Over	0.00%	2.10%	1.75%

Minimum Account Size = \$25,000

Loring Ward – DFA Funds

Total Account Value	Minimum Account Fee	Maximum Account Fee
\$50,000 to \$99,999	0.600%	2.350%
\$100,000 to \$249,999	0.600%	2.350%
\$250,000 to \$499,999	0.550%	2.300%
\$500,000 to \$749,999	0.525%	2.275%
\$750,000 to \$999,999	0.500%	2.250%
\$1,000,000 to \$1,999,999	0.425%	2.175%
\$2,000,000 to \$4,999,999	0.400%	2.150%
\$5,000,000 to \$9,999,999	0.375%	2.125%
\$10,000,000 to \$24,999,999	0.375%	2.125%
25,000,000 and Over	0.365%	2.115%

Minimum Account Size = \$50,000

³ The Maximum Gross Account Fee represents the maximum allowable account fee payable to us and your Advisory Representative. Account fee includes the advisory fee payable to your Advisory Representative and revenue sharing payments made by Loring Ward to us.

⁴ The Maximum Net Account Fee represents the fee payable to your Advisory Representative directly from your account for advisory services. This fee is calculated by deducting from the Maximum Gross Account Fee an amount equal to revenue sharing payments made by Loring Ward to us. In no event, shall the amount payable to your Advisory Representative exceed the Maximum Net Account Fee.

Avatar

Total Account Value	Minimum Account Fee	Maximum Account Fee
\$100,000 to \$249,999	0.700%	2.450%
\$250,000 to \$499,999	0.650%	2.400%
\$500,000 to \$749,999	0.625%	2.375%
\$750,000 to \$999,999	0.600%	2.350%
\$1,000,000 to \$1,999,999	0.525%	2.275%
\$2,000,000 to \$4,999,999	0.500%	2.250%
\$5,000,000 to \$9,999,999	0.475%	2.225%
\$10,000,000 to \$24,999,999	0.475%	2.225%
\$25,000,000 and Over	0.465%	2.215%

Minimum Account Size = \$25,000

Morningstar Associates, LLC

Total Account Value	Minimum Account Fee	Maximum Gross Account Fee ⁵	Maximum Net Account Fee ⁶
\$0 to \$99,999	0.50%	2.35%	2.25%
\$100,000 to \$249,999	0.50%	2.35%	2.25%
\$250,000 to \$499,999	0.45%	2.30%	2.20%
\$500,000 to \$749,999	0.425%	2.275%	2.175%
\$750,000-\$999,999	0.40%	2.25%	2.15%
\$1,000,000-\$1,999,999	0.325%	2.175%	2.075%
\$2,000,000 to \$4,999,999	0.30%	2.15%	2.05%
\$5,000,000 to \$9,999,999	0.275%	2.125%	2.025%
\$10,000,000 to \$24,999,999	0.275%	2.125%	2.025%
\$25,000,000 and Over	0.265%	2.115%	2.015%

Minimum Account Size = \$50,000

⁵ The Maximum Gross Account Fee represents the maximum allowable account fee payable to your Advisory Representative and Advisor's associated broker-dealer. Account fee includes the advisory fee payable to your Advisory Representative and 12b-1 fees paid by Morningstar mutual funds to the Advisor's associated broker-dealer.

⁶ The Maximum Net Account Fee represents the fee payable to your Advisory Representative directly from your account for advisory services. This fee is calculated by deducting from the Maximum Gross Account Fee an amount equal to 12b-1 fees paid by Morningstar mutual funds to the Advisor's associated broker-dealer. In no event, shall the amount payable to your Advisory Representative exceed the Maximum Net Account Fee.

Morningstar Investment Services, Inc.

Total Account Value	Minimum Account Fee	Maximum Gross Account Fee⁷	Maximum Net Account Fee⁸
\$0 to \$99,999	0.50%	2.40%	2.25%
\$100,000 to \$249,999	0.50%	2.40%	2.25%
\$250,000 to \$499,999	0.45%	2.35%	2.20%
\$500,000 to \$749,999	0.425%	2.325%	2.175%
\$750,000 to \$999,999	0.40%	2.30%	2.15%
\$1,000,000 to \$1,999,999	0.325%	2.225%	2.075%
\$2,000,000 to \$4,999,999	0.30%	2.20%	2.05%
\$5,000,000 to \$9,999,999	0.275%	2.175%	2.025%
\$10,000,000 to \$24,999,999	0.275%	2.175%	2.025%
\$25,000,000 and Over	0.265%	2.165%	2.015%

Minimum Account Size = \$50,000

SEI

Total Account Value	Minimum Account Fee	Maximum Gross Account Fee⁹	Maximum Net Account Fee¹⁰
\$50,000 to \$99,999	0.300%	2.150%	2.050%
\$100,000 to \$249,999	0.300%	2.150%	2.050%
\$250,000 to \$499,999	0.250%	2.100%	2.000%
\$500,000 to \$749,999	0.225%	2.075%	1.975%
\$750,000 to \$999,999	0.200%	2.050%	1.950%
\$1,000,000 to \$1,999,999	0.150%	2.000%	1.900%
\$2,000,000 to \$4,999,999	0.125%	1.975%	1.875%
\$5,000,000 to \$9,999,999	0.075%	1.925%	1.825%
\$10,000,000 to \$24,999,999	0.075%	1.925%	1.825%
25,000,000 and Over	0.065%	1.915%	1.815%

Minimum Account Size = \$50,000

⁷ The Maximum Gross Account Fee represents the maximum allowable account fee payable to your Advisory Representative and Advisor's associated broker-dealer. Account fee includes the advisory fee payable to your Advisory Representative and 12b-1 fees paid by Morningstar mutual funds to the Advisor's associated broker-dealer.

⁸ The Maximum Net Account Fee represents the fee payable to your Advisory Representative directly from your account for advisory services. This fee is calculated by deducting from the Maximum Gross Account Fee an amount equal to 12b-1 fees paid by Morningstar mutual funds to the Advisor's associated broker-dealer. In no event, shall the amount payable to your Advisory Representative exceed the Maximum Net Account Fee.

⁹ The Maximum Gross Account Fee represents the maximum allowable account fee payable to your Advisory Representative and Advisor's associated broker-dealer. Account fee includes the advisory fee payable to your Advisory Representative and revenue sharing payments made by SEI to the Advisor's associated broker-dealer.

¹⁰ The Maximum Net Account Fee represents the fee payable to your Advisory Representative directly from your account for advisory services. This fee is calculated by deducting from the Maximum Gross Account Fee an amount equal to revenue sharing payments made by SEI to the Advisor's associated broker-dealer. In no event, shall the amount payable to your Advisory Representative exceed the Maximum Net Account Fee.

Innealta Capital

Total Account Value	Minimum Account Fee	Maximum Account Fee
\$50,000 to \$99,999	0.700%	2.450%
\$100,000 to \$249,999	0.700%	2.450%
\$250,000 to \$499,999	0.650%	2.400%
\$500,000 to \$749,999	0.625%	2.375%
\$750,000 to \$999,999	0.600%	2.350%
\$1,000,000 to \$1,999,999	0.525%	2.275%
\$2,000,000 to \$4,999,999	0.500%	2.250%
\$5,000,000 to \$9,999,999	0.475%	2.225%
\$10,000,000 to \$24,999,999	0.475%	2.225%
25,000,000 and Over	0.465%	2.215%

Minimum Account Size = \$50,000

Clark Capital

Minimum Account Size = \$25,000

Total Account Value	Minimum Account Fee	Maximum Gross Account Fee ¹¹	Maximum Net Account Fee ¹²
\$25,000 to \$99,999	0.450%	2.500%	2.200%
\$100,000 to \$249,999	0.450%	2.500%	2.200%
\$250,000 to \$499,999	0.400%	2.450%	2.150%
\$500,000 to \$749,999	0.375%	2.425%	2.125%
\$750,000 to \$999,999	0.350%	2.400%	2.100%
\$1,000,000 to \$1,999,999	0.275%	2.325%	2.025%
\$2,000,000 to \$4,999,999	0.250%	2.300%	2.000%
\$5,000,000 to \$9,999,999	0.225%	2.275%	1.975%
\$10,000,000 to \$24,999,999	0.225%	2.275%	1.975%
25,000,000 and Over	0.215%	2.265%	1.965%

¹¹ The Maximum Gross Account Fee represents the maximum allowable account fee payable to us and your Advisory Representative. Account fee includes the advisory fee payable to your Advisory Representative and revenue sharing payments made by Clark Capital to us.

¹² The Maximum Net Account Fee represents the fee payable to your Advisory Representative directly from your account for advisory services. This fee is calculated by deducting from the Maximum Gross Account Fee an amount equal to revenue sharing payments made by Clark Capital to us. In no event, shall the amount payable to your Advisory Representative exceed the Maximum Net Account Fee.

Clark Capital Fixed Income

Minimum Account Size = \$25,000

Total Account Value	Minimum Account Fee	Maximum Account Fee
\$25,000 to \$99,999	0.850%	2.600%
\$100,000 to \$249,999	0.850%	2.600%
\$250,000 to \$499,999	0.800%	2.550%
\$500,000 to \$749,999	0.775%	2.525%
\$750,000 to \$999,999	0.750%	2.500%
\$1,000,000 to \$1,999,999	0.675%	2.425%
\$2,000,000 to \$4,999,999	0.650%	2.400%
\$5,000,000 to \$9,999,999	0.575%	2.325%
\$10,000,000 to \$24,999,999	0.525%	2.275%
\$25,000,000 and Over	0.515%	2.265%

CLS

Total Account Value	Minimum Account Fee	Maximum Net Account Fee
\$50,000 to \$99,999	0.650%	2.400%
\$100,000 to \$249,999	0.650%	2.400%
\$250,000 to \$499,999	0.600%	2.350%
\$500,000 to \$749,999	0.575%	2.325%
\$750,000 to \$999,999	0.550%	2.300%
\$1,000,000 to \$1,999,999	0.475%	2.225%
\$2,000,000 to \$4,999,999	0.450%	2.200%
\$5,000,000 to \$9,999,999	0.375%	2.125%
\$10,000,000 to \$24,999,999	0.375%	2.125%
\$25,000,000 and Over	0.365%	2.115%

Minimum Account Size = \$50,000

Methods of Calculating Account Fees

Your Account Fee may be billed using the “Tiered” or “Linear” method. To illustrate, please refer to the sample billing schedule below:

Total Account Value:

Account Fee:

\$0 - \$249,999

X%

\$250,000 - \$499,999

Y%

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

The Statement of Investment Selection which will be provided to you will disclose if your Account Fee is calculated using Tiered or Linear billing.

Negotiation of Account Fees

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

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

General Information Concerning Fees and Other Client Charges

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

All mutual funds offered by the Program will be purchased at Net Asset Value without the imposition of any sales charges. A fee of \$1.50 will apply for each mutual fund trade confirmation that you do not elect to receive electronically ("Paper Confirmation Fee").

To avoid the Paper Confirmation Fee, contact your Advisory Representative and elect to receive your trade confirmations electronically or request that Royal Alliance suppress trade-by-trade confirmations. In instances of trade confirmation suppression, Royal Alliance will present the periodic account statement, not less often than monthly, containing the information that would have been required to be disclosed to you in trade-by-trade confirmations generated pursuant to Rule 10b-10.

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

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

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

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

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

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

- 1) as a result of your participation in the Program then if you participate in other programs that your

Advisor offers.

- 2) if your Advisor charges you the Wrap Account Fee which wraps management, administrative and transaction costs into one fee rather than having you pay for these services separately.

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

ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Types of Clients

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

Minimum Account Size

The minimum account size for Program Accounts for each Program Manager is disclosed above in Item 4 under each Program Manager's fee schedule.

ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

Your Advisory Representative is the sole portfolio manager available with respect to the Program. Advisors select their Advisory Representatives based on various criteria including experience. You should refer to the relevant Form ADV of the Firm with which your Advisory Representative is associated.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

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

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

We share your personal account data in accordance with our privacy policy detailed below.

Privacy Notice

We have adopted the following privacy policy:

"Maintaining your trust and confidence is a high priority. That is why we want you to understand how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of Royal Alliance Associates, Inc."

Information We Collect:

In connection with providing investment products, financial advice, or other services, we obtain non-public personal information about you, which may include:

- Information we receive from you on account applications, such as your address, date of birth, Social Security Number, occupation, financial goals, assets and income;
- Information about your transactions with us, our affiliates, or others; and

- Information received from credit or service bureaus or other third parties, such as your credit history or employment status.

Categories of Parties to Whom We Disclose:

We will not disclose information regarding you or your account with us, except that we may disclose under the following circumstances:

- To your authorized Financial Adviser and his or her manager;
- To our parent companies or affiliates, to the extent permitted by law;
- To entities that perform services for us or function on our behalf, including financial service providers, such as a clearing broker-dealer, investment company, or insurance company;
- To consumer reporting agencies;
- To third parties who perform services on our behalf;
- To your attorney, trustee or anyone who represents you in a fiduciary capacity;
- To our attorneys, accountants or auditors; and
- To government entities or other third parties in response to subpoenas or other legal process as required by law or to comply with regulatory inquiries.
- We do not sell customer lists or customer information to third parties.
- We may disclose non-public personal information about you in connection with the transfer of your account to another financial institution at your request or the request of your Advisory Representative. We permit Advisory Representatives that terminate their affiliation with us to make copies of their client files.* If you do not want Royal Alliance Associates, Inc. to disclose your non-public personal information with your Advisory Representative's new financial institution, please contact **Royal Alliance Associates, Inc., Attention: Legal Department, One World Financial Center, 15th Floor, New York, NY 10281.***

How We Use Information:

Information may be used among the affiliate companies that perform support services for us, such as data processors, technical systems consultants and programmers, or companies that help us market products and services to you for a number of purposes, such as:

- **To protect your accounts** from unauthorized access or identity theft;
- **To process your requests** such as securities purchases and sales;
- **To establish or maintain an account with an unaffiliated third party**, such as a clearing broker-dealer providing services to you and/or Royal Alliance Associates, Inc.
- **To service your accounts**, such as by issuing checks and account statements;
- **To comply** with Federal, State, and Self-Regulatory Organization requirements; and
- **To keep you informed** about financial services of interest to you.

Our Security Policy:

We restrict access to nonpublic personal information about you to those individuals who need to know that information to provide products or services to you and perform their respective duties. We maintain physical, electronic, and procedural security measures to safeguard confidential client information.

Closed or Inactive Accounts:

If you decide to close your account(s) or become an inactive customer, our Privacy Policy will continue to apply to you.

Complaint Notification:

Please direct complaints, questions, or issues regarding the Privacy Policy to: Chief Privacy Officer, One World Financial Center, 15th Floor, New York, NY 10281.

Changes to This Privacy Policy:

If we make any substantial changes in the way we use or disseminate confidential information, we will notify you.

*If you reside part-time or full-time in a state that requires your affirmative consent before we provide your non-public personal information to certain third-parties – such as in connection with the transfer of your Advisory Representative to another financial institution – we will obtain such consent as required.”

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**Client-Advisor Relationship**

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Account.

You should direct any questions that you have regarding the Program to your Advisor.

ITEM 9 - ADDITIONAL INFORMATION**Disciplinary Information**

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

Other Financial Industry Activities and Affiliations

All Advisory Representatives that offer the Program to you are also Royal Alliance Representatives. Advisory Representatives may recommend that you purchase securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions which may be in addition to your customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your interests.

While Royal Alliance reviews security sales for suitability by an appointed supervisor, you should be aware of the incentives that Advisory Representatives may have to sell certain securities products and are encouraged to ask them about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by your Advisor, Advisory Representative or any Royal Alliance Representative in connection with providing you with any advisory program that they offer.

Program Accounts and general securities accounts for Royal Alliance brokerage customers are maintained and custodied on a fully disclosed basis by Pershing, LLC (“Pershing”) which is both a registered broker-dealer and an investment adviser.

In addition to our role as Broker-Dealer and Investment Adviser, we have Related Persons (as defined below) that are:

1. other broker-dealers
2. investment companies
3. investment advisers
4. lawyers or law firms
5. banking institutions
6. accounting firms
7. insurance companies
8. real estate broker/dealers
9. pension consultants
10. commodity pool operator or commodity trading advisor

Related Persons are defined as entities that we control or control us or are under common control with Your Advisor may have different financial industry affiliations and activities than those listed above.

Please see the ADV Part 2A of your Advisor that will be provided to you for further industry affiliation and activity details and for any associated conflicts of interest.

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

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

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

We will provide a copy of the Code to you or any prospective client upon request.

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

Related Person(s) to us may have an interest or position in securities which may also be recommended to you.

Advisory Representatives, from time to time, may recommend investment products to you, including mutual funds, variable and fixed annuities, and other insurance products, sponsored, distributed, or managed by our Related Persons.

Examples of the above referenced follows:

1) AIG Federal Savings Bank, doing business as SunAmerica Trust Company (STC), is a Related Person who may act as trustee or administrator for certain employee benefit accounts, individual retirement accounts and other retirement or pension plan accounts. STC charges transactional and other fees for its services that are separate from any fees or services provided by us. STC may also act as custodian in certain Third-Party Advisory Services' programs or for certain managed accounts. While you are not required to use STC over other approved custodians or trust banks, you should be aware that a potential conflict of interest

exists in our approving or recommending STC to the extent that STC earns fees in connection with services provided to you.

2) When permitted by law, Advisory Representatives may place your account in a SAAMCo cash sweep vehicle. A conflict of interest may exist to the extent that SAAMCo, a Related Person, makes payments to us or other Related Persons of ours.

While Royal Alliance reviews security sales for suitability by an appointed supervisor, you should be aware of the incentives that Advisory Representatives may have to sell certain securities products and are encouraged to ask them about any conflict presented.

Review of Accounts

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

Client Referrals and Other Compensation

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above. In addition, Royal Alliance may receive 12b-1 distribution fees paid by mutual fund sponsors and is also compensated through revenue sharing arrangements it maintains with certain third parties. Please see below for Royal Alliance's revenue sharing disclosure.

For further details on compensation and other economic benefits that your Advisor may receive, please see their ADV Part 2A.

Revenue Sharing Disclosure

General

Royal Alliance Associates, Inc. (Royal Alliance) maintains revenue sharing arrangements with certain mutual funds, annuities, life insurance, direct participation programs (DPPs), real estate investment trusts (REITs), 529 plan providers, and third party money managers. These sponsors have greater access to our advisors to provide training and other educational presentations and product information so that they can serve investors better. Please visit the "Client Information and Disclosures" section of our Web site www.royalalliance.com to see a list of sponsors who participate in these revenue sharing arrangements.

In addition to the customary sales charges, the sponsors make payments to Royal Alliance to participate in the program. All sponsors who participate in meetings may pay meeting fees of up to \$150,000 per year, per sponsor. For mutual funds, including mutual funds available in retirement plans, Royal Alliance receives a payment of up to 0.25 percent (25 basis points) on all sales of mutual fund shares (the "Gross Sales Payment"). Royal Alliance may also receive an additional payment, paid quarterly, of up to 0.45 percent (45 basis points) per year of the assets under management held at Royal Alliance. Royal Alliance may also receive a payment of \$10 for mutual fund purchases or exchanges which may assist in offsetting a fee normally paid by advisors. For variable annuities, Royal Alliance receives a Gross Sales Payment of up to 0.25 percent (25 basis points). Royal Alliance may also receive an additional payment, paid quarterly, of up to 0.15 percent (15 basis points) per year of the assets under management. In addition, certain variable annuity sponsors may pay so-called Persistency payments of between 5 basis points and 25 basis points based on a formula determined by contracts with a minimum persistency of 95%, assets in excess of \$15 million, and contracts in effect more than six years. Persistency payments are fees paid by variable annuity companies, through Royal Alliance, based upon the amount of assets in a variable annuity contract managed by your financial advisor, and the length of time the assets have been held in the variable annuity. For fixed annuities, Royal Alliance receives a Gross Sales Payment of up to .10% (10 basis points). For variable universal life insurance, Royal Alliance receives a 6% marketing allowance on all paid first year commission target premium from all sources on permanent plans of life insurance (to include variable universal life, universal life, indexed universal life and whole life products). Any levelized first year commission or spread first year commission products will earn the 6% marketing allowance

for the term of the spread commission (i.e.: 3 years, 5 years, etc.). For DPPs and REITs, Royal Alliance receives a Gross Sales Payment of up to 2 percent. For 529 plans, Royal Alliance receives a Gross Sales Payment of up to 0.125 percent (12.5 basis points). In addition, Royal Alliance may also receive an additional payment, paid quarterly, of up to 0.15 percent (15 basis points) per year of the assets under management. For third party money managers, Royal Alliance may receive up to 0.20 percent (20 basis points) per year of the assets under management or up to 20 percent of management fees earned on behalf of financial advisors of Royal Alliance. For specific information about payments from the sponsors, please see our website at www.royalalliance.com and click on "Client Information and Disclosures".

Financial advisors of Royal Alliance do not receive additional compensation from Royal Alliance in connection with sales of certain sponsors' products as opposed to other sponsors, including some mutual fund families, insurance companies, DPP sponsors, REIT sponsors or third party money managers. In connection with sales of the sponsors' mutual funds, however, Royal Alliance often absorbs all or part of the nominal "ticket charge," which is normally borne by your advisor (up to \$15 per transaction).

Because of these revenue sharing arrangements, though they do not impact advisor compensation, advisors may prefer recommending products offered by a sponsor who is participating in the revenue sharing program over other mutual funds, variable products, DPPs, REITs or third party money managers available through Royal Alliance. You should feel free to ask your advisor how he or she will be compensated for any transaction involving a sponsor's products.

This information is current as of March 15, 2013. Royal Alliance will update information regarding sponsors who participate in revenue sharing arrangements with Royal Alliance on its website on a regular basis. You can access this updated information, and our Disclosure Document For Mutual Fund, Insurance Products, Real Estate Investment Trust, Direct Participation Program, Third Party Money Manager Investors and Expense Reimbursements at www.royalalliance.com and click on "Client Information and Disclosures".

Program

Regarding the Wealth Management Platform – Model Portfolios Program ("Program"), we maintain revenue sharing arrangements with SEI Investments Management Corporation, CLS Investments, LLC, LWI Financial, Inc. and Clark Capital Management Group, Inc. (collectively, "Program Manager Partners").

Each Program Manager Partner will pay us up to .35% (35 basis points) per year of the assets under management held in the Program within its mutual fund asset allocation models.

Our affiliates maintain further arrangements pertaining to revenue sharing and/or the payout of 12b-1 fees with Russell Investment Management Company and Morningstar Associates, LLC. For further details, please see our affiliate websites (www.royalalliance.com; www.sagepointfinancial.com; www.joinfsc.com).

Advisor does not receive additional compensation from us in connection with the placement of assets with Program Manager Partners, however because of these revenue sharing arrangements, Advisor may prefer recommending asset allocation models of Program Manager Partners over other investment models or products whose sponsors do not maintain revenue sharing arrangements with us. You should feel free to ask your Advisor how it will be compensated for any transaction.

This information is current as of March 15, 2013. We will update information regarding revenue sharing arrangements as necessary and contact clients as required.

Financial Information

We exercise investment discretion in your Program Account as described in Item 4 above. We are well capitalized in full compliance with applicable regulations and do not foresee any financial conditions that may impair our fulfillment of reasonable obligations or contractual commitments to you.

Your Program assets will be custodied at Pershing, LLC or at National Financial Services, LLC. The Program does not require prepayment of fees six months or more in advance and we do not exercise investment discretion in your Program Account. As such, we have not included a balance sheet or other associated financial information.

ITEM 10 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not Applicable. We are an SEC registered investment adviser. We are not registered with any State Securities Authority.