

# **WealthSource Advisory, Inc.**

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2680 Merrick Road  
Bellmore, New York 11710  
516-785-1800

## ***WEALTHSOURCE ADVISORY PROGRAM***

### ***Wrap Fee Program Brochure***

**March 29, 2018**

This brochure provides information about the qualifications and business practices of WealthSource Advisory, LLC (“WealthSource”). If you have any questions about the contents of this brochure, please contact us at 516-785-1800 or Tom@bristol-financial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

WealthSource is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser are intended to provide you with information to assist in your determination as to whether or not to retain the services of that investment adviser.

Additional information about WealthSource also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Material Changes

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WealthSource Advisory, LLC (“WealthSource, we, our, ours”) will provide our disclosure brochure (“brochure”) to you when we enter into an advisory agreement with you. Our brochure will be updated no less than annually. Within 120 days of our fiscal year end we will deliver a summary of material changes which have been made to our brochure since its last annual update. This summary will include information about how you may obtain an updated brochure at no charge, and it will include the date of the last annual update. We will provide updated disclosure information about material changes more frequently as needed.

WealthSource has made the following material changes since our last annual brochure dated May 5, 2017:

- Updated the “*Services, Fees and Compensation – Portfolio Management*” section to include disclosure regarding the fees associated with exchange traded products.
- Updated the “*Services, Fees and Compensation – Custody*” section to include Raymond James & Associates, Inc. as a custodian we recommend.
- Updated the “*Services, Fees and Compensation – Custody*” section to provide information regarding standing letters of instruction.
- Updated the “*Portfolio Manager Selection and Evaluation – Methods of Analysis, Investment Strategies and Risk*” section to include discussion of common risks associated with investing.
- Updated the “*Additional Information – Other Financial Industry Activities and Affiliations*” section to include affiliation with Bristol Asset Management Corporation, a registered investment advisor, and Bristol Capital Corporation, an insurance agency.

A copy of our current brochure may be requested by contacting Thomas Katovitz at (516)785-1800 or Tom@bristol-financial.com. We will provide you with a copy of our current brochure at any time without charge.

Information about your Advisory Representative may be found in the supplements to our brochure.

*WealthSource Advisory, LLC  
CRD Number 283303*

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## Services, Fees and Compensation

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WealthSource Advisory, LLC (“WealthSource, we, our, ours”), located in Bellmore, New York, is a Limited Liability Company organized under the laws of the State of New York. Dominick Tavella is the President and principal owner. Michael Hartzman is the Vice President. WealthSource is registered as an investment adviser with the SEC.

We offer investment advisory services through a network of independent Investment Adviser Representatives (“IARs”, “Advisory Representatives”). Our Advisory Representatives work with you to identify your investment goals, objectives, and risk tolerances in order to structure an investment account and an ongoing investment strategy that is appropriate for you.

### The Wrap Fee Program Services

The WealthSource Advisory Wrap Fee Program (“Program”) offers individualized portfolio management, asset allocation, portfolio monitoring, and consolidated reporting. Portfolios may include mutual funds, exchange traded funds (“ETFs”), stocks, bonds, options, and alternative investments such as limited partnerships and real estate investment trusts. The Program may also include certain financial planning services.

Your portfolio (“account” or “investment account”) and the investment strategies utilized are determined based upon your specific individual investment objectives, goals and risk tolerances. Our Advisory Representatives may periodically adjust your account (a process referred to as “rebalancing”) to help ensure that your investment account remains consistent with your objectives, goals, and risk tolerances.

Our Advisory Representatives rely on you to notify them of any changes in your objectives, goals and risk tolerances, as well as any other material changes in your personal circumstances (such as your employment, marital status, financial condition, etc.). These changes may prompt changes in your investment account and the investment strategies employed.

Our Advisory Representatives may manage your investment account on either a discretionary basis (meaning that you authorize your Advisory Representative to make specific investment decisions on your behalf) or non-discretionary basis (meaning that

your Advisory Representative must obtain your specific prior approval before a transaction can be effected for your investment account).

Whether your Advisory Representative is authorized to exercise discretion with respect to your investment account is your choice. When you establish an advisory relationship with us, we will ask that you advise us in writing how you would like your Advisory Representatives to handle your account.

The scope of the discretionary authority that you may grant to one of our Advisory Representatives is limited to selecting specific investments for your account and deciding how to allocate your account assets among those investments. Your Advisory Representative may decide if and when to buy, hold, or sell those investments. Once you have granted discretionary authority to your Advisory Representative, it is effective until you change it or revoke it in writing.

#### Execution of Trades

Transactions for the Account will generally be executed through Bristol Financial Services, Inc., a broker-dealer affiliated with WealthSource. The specific broker-dealer and custodian will be named in the Program agreement. In certain cases, client may direct that transactions for the client's Program Account be executed through an unaffiliated broker-dealer named by the client in the Program Agreement.

#### Other Assets

In certain limited circumstances, the broker-dealer may permit assets that are not being managed under the Program to be held in the same brokerage account as the Program assets. These assets are referred to as "non-Program assets." WealthSource will not provide discretionary management of the non-Program assets, and the assets will not be taken into account when WealthSource manages the Program Assets. Client will typically receive consulting services in connection with the non-Program assets from their Advisory Representative and pay fees to their Advisory Representative based on the value of the non-Program assets.

#### Custody

An unaffiliated entity acts as custodian for Program Accounts. The custodian is named in the client's Program Agreement. WealthSource will generally recommend Pershing, LLC ("Pershing"), Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), or Raymond James & Associates, Inc. ("Raymond James") to act as custodian for Program Accounts although we may agree to employ the services of one or more other custodians.

WealthSource is deemed to have custody when you authorize us or to deduct our advisory fees directly from your accounts. At least quarterly, you will receive statements from your account custodian. The statements will show the advisory fees paid to us. Your custodian does not verify the accuracy of fee calculations so please review the fees carefully.

You should also confirm that the transactions in your account are consistent with the investment goals and the objectives for your account.

WealthSource is deemed to have custody when you authorize us via standing letters of instruction to direct funds to third-parties from your custodial accounts. In connection with standing letters of instruction you must provide signed written instruction to the custodian to direct transfers to a third party, which you may instruct the custodian to terminate or change at any time. WealthSource has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction. Your custodian will verify the instruction with an initial notice, provide you with a transfer of funds notice promptly after each transfer, and an annual notice reconfirming the instruction. WealthSource or its affiliates may not accept funds in connection with standing letters of instruction, nor may funds be delivered to locations where we or our affiliates conduct business.

Please promptly contact our Compliance Officer, Thomas Katovitz at (516) 785-1800, should you have any questions or concerns regarding your account.

#### Fees and Compensation

Each account in the Program will generally be charged an asset-based fee ("Program Fee") in advance on a quarterly basis. The Program Fee is comprised of the Advisory Fee and the Platform Fee. The Program Fee will be calculated based on the value of the Program Assets in the account on the last day of the previous quarter, as determined by the account custodian. The Advisory Fee rate or rates used to calculate the Program Fee are subject to negotiation between the Advisory Representative and each client. The Platform Fee is also negotiable. The actual fee rates charged will be set forth in the client's Program Agreement.

The maximum annual Program Fee rates are as follows:

| <b>Value of Account Assets</b> | <b>Account Size Range</b> | <b>Maximum Annual Total Program Fee</b> | <b>Maximum Advisory Fee</b> | <b>Platform Fee</b> |
|--------------------------------|---------------------------|---|-----------------------------|---------------------|
| Up to                          | \$100,000                 | 2.40 %                                  | 2.00 %                      | 0.40 %              |
| Next \$150,000                 | \$100,001 - \$250,000     | 2.35 %                                  | 2.00 %                      | 0.35 %              |
| \$Next \$250,000               | \$250,001 - \$500,000     | 2.25 %                                  | 2.00 %                      | 0.25 %              |

|                         |                           |        |        |        |
|-------------------------|---------------------------|--------|--------|--------|
| Next \$500,000          | \$500,001 - \$1,000,000   | 2.15 % | 2.00 % | 0.15 % |
| Next \$4,000,000        | \$1,000,001 - \$5,000,000 | 2.12 % | 2.00 % | 0.12 % |
| Assets over \$5,000,000 | \$5,000,0001 and up       | 2.05 % | 2.00 % | 0.05 % |

The Program Fee rate will be tiered according to the schedule set forth above and will be billed quarterly based on the value of the account on the last day of the previous quarter. When the value of the Program Assets meets the next tier, the new lower rate will be applied to all assets above the tier up to the next breakpoint as illustrated in the following example:

| Fees Calculation Example |         |   |               |
|--------------------------|---------|---|---------------|
| End of Quarter Value     | Rate    | Calculation   | Quarterly Fee |
| \$ 100,000               | 2.40%   | $(100,000 \times 0.024) \div 4$                             | \$ 600.00     |
| \$ 200,000               | Blended | $[(100,000 \times 0.024) + (100,000 \times 0.0235)] \div 4$ | \$ 1,187.50   |

Either party at any time upon written notice may terminate the Program Agreement and a *pro rata* portion of any Program Fee paid by the client in advance will be remitted to the client based on the number of days left in the quarter following receipt of the notice of termination by WealthSource.

The Program Fee covers the consulting services provided by the Advisory Representative, the portfolio management services provided by WealthSource and third party asset managers (if applicable), program administrative services, execution of transactions through the broker-dealer named in the agreement and custodial services (unless otherwise agreed between the custodian and the client). WealthSource's portion of the Program Fee for portfolio management ranges from 1.1 to 2.00%. If there are any non-Program assets in the account, WealthSource will generally not receive a portion of the Program Fee for portfolio management services with respect to those assets. WealthSource may receive a portion of the Platform Fee for administrative services and the Advisory Representative will receive a portion for consulting services. The Program Fee charged on non- Program assets may be less than the Program Fee charges on Program assets, as set forth in the client's Program agreement.

Bristol receives a portion of the fee for supervision and administrative services, if one of its registered representatives is the Advisory Representative for the Account. If the broker-dealer for the account is Bristol, Bristol will also receive a portion of the Program Fee for the execution of transactions and generally pays part of its compensation to the custodian.

If Client directs WealthSource to execute transactions through an unaffiliated broker-dealer named by the Client, WealthSource will generally pay the broker-dealer a transaction charge for each trade in the account. The cost of these trades is covered by the Program Fee. Client will generally not pay separately for each transaction, unless specifically set forth in the Client's Program agreement. Thus, WealthSource, including its Advisory Representative, will earn more compensation if fewer transactions are executed for the accounts or if transacted through its affiliated broker/dealer. WealthSource reduces this conflict of interest by managing these accounts in the same way that it manages accounts that execute through Bristol.

WealthSource absorbs certain transaction costs in wrap fee accounts. The investment advisor has a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.

The Program may cost a client more or less than purchasing such service separately depending on the frequency of trading in the Program Accounts, commissions charged at other broker-dealers for similar products, fees charged for like services by other advisers and broker-dealers and other factors.

The Program Fee does not cover:

- Brokerage commissions or other charges resulting from transactions not effected through the broker-dealer named in the client's Program Agreement;
- Any additional custodial services contracted for directly by the client with the custodian;
- Certain costs or charges that may be imported by the broker-dealer or custodian named in the client's Program Agreement or third parties, including costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, postage fees, and other fees or taxes required by law.

In addition to the Program Fee, each mutual fund or exchange-traded fund (ETF) in which a client may invest also bears its own investment advisory fees and other expenses. The mutual funds available through the Program may be available directly from the funds pursuant to the terms of their prospectuses and without paying the Program Fee and exchange-traded funds are available outside of the Program without paying the Program Fee, subject to applicable commissions and/or transaction charges. Further, to the extent that cash used for investment through the Program comes from redemptions of client's mutual fund or other investments outside of the Program, there may be tax consequences or additional cost from sales charges previously paid and redemption fees incurred. Such redemption fees would be in addition to the Program Fee on those assets.

The broker-dealer and/or custodian will receive payments from certain mutual funds (including money market funds) pursuant to a 12b-1 distribution plan or other such plan as compensation for distribution or administrative services and are distributed from the fund's total assets. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus. The Advisory Representative may receive a portion of these fees received by the broker-dealer in his or her capacity as a registered representative of the broker-dealer. This receipt of compensation creates a conflict of interest because the Advisory Representative has an incentive to recommend strategies that utilize funds that pay compensation to the Advisory Representative. In addition, the Advisory Representative may receive such compensation in connection with non-Program assets. Thus, the Advisory Representative may have an incentive to recommend Non-Program assets.

Additional expenses associated with the specific underlying investment funds such as, redemption fees may apply. Certain mutual funds used in the Program may charge a redemption fee if shares are redeemed within a specified period of time. Clients may incur redemption fees in the event that a sell is executed or model update is implemented. Redemption fees vary by fund and are described in each fund's prospectus.

The Advisory Representative recommending the Program to the client may receive more compensation than if the Client participated in other programs offered by WealthSource or paid separately for investment advice, brokerage, and other services. Thus, the Advisory Representative has a financial incentive to recommend the Program over other programs or services.

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## **Account Requirements and Types of Clients**

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WealthSource does not require a minimum account value in order to establish an advisory relationship.

The following types of clients may participate in the Program: individuals, including high net worth individuals, including small business owners, pension and profit sharing plans, including the plan participants, trusts, estates and charitable organizations, corporations or other business entities, Taft-Hartley plans, and not-for-profit entities.

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## **Portfolio Manager Selection and Evaluation**

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Your Advisory Representative is the sole portfolio manager for your account in this Program. Please refer to your Advisory Representative's Supplement to this brochure

for information about his or her education, business experience, and disciplinary information.

#### Individual Needs of Clients and Restrictions

As described in “Services, Fees and Compensation” above, clients inform their Advisory Representative of their investment objectives, risk tolerance, and investment time horizon and give their Advisory Representative any applicable investment policies, guidelines, or reasonable restrictions. Based on this information, the Advisory Representative assists the client in selecting an investment strategy.

Clients may impose restrictions on the investments in their accounts, including designating particular securities or types of securities that should not be purchased for an account. The Advisory Representative will communicate any restrictions imposed by the client to WealthSource. WealthSource may reject the restriction or the account if WealthSource deems the restriction to be unreasonable.

#### Other Types of Accounts

WealthSource provides advice through other programs and services. These programs and services are described in *WealthSource Advisory LLC's Disclosure Brochure* which is available upon request. These programs and services generally are not managed using the same strategies and funds used in the Program. WealthSource does not manage these accounts differently than accounts in the Program.

#### Assets Under Management

As of the initial filing of this Brochure on March 5, 2016 we have no assets under management. We intend to manage client assets on a discretionary basis (where we make all of the investment decisions) and on a non-discretionary basis (where our clients make the investment decisions based upon our recommendations).

#### No Performance-based Fees

Neither WealthSource nor any of its supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

#### Methods of Analysis, Investment Strategies and Risk

WealthSource will primarily rely on publicly available materials, financial publications, research materials prepared by others, annual reports, prospectuses, filings with the SEC, company press releases and timing services. WealthSource employs a regiment of quantitative and qualitative investment criteria which allows Advisory Representatives to analyze potential funds and select funds for inclusion in the strategies available through the Program.

The investment strategies of our Advisory Representatives may include long-term and short-term investments. You may place reasonable restrictions on the strategies to be employed by your Advisory Representative in your account (such as, for example, the types of investments to be held in your account).

General economic conditions, current interest rates, the performance of a particular industry or a particular company, and any number of other factors can affect investment performance.

You should be prepared to bear the risk of loss. All investments are subject to loss, including (among other things,) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings.

The use of margin, options and short sales are higher risk strategies. It is possible to lose all of the principal you invest, and sometimes more. In a cash account, your risk is limited to the amount of money that you have invested. In a margin account, your risk includes the amount of money invested plus the amount that has been loaned to you. When you short sell, your losses can be infinite.

You should also be aware that transactions in the account (including account reallocations and rebalancing) may trigger a taxable event for you (unless your account is a qualified retirement account).

We manage wrap fee accounts and non-wrap fee accounts in the same manner.

#### Voting Client Securities

WealthSource and its Advisory Representatives do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits.

You will receive information related to proxies directly from your account custodian. We will forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

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### **Client Information Provided to Portfolio Managers**

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As described in “Services, Fees and Compensation” above, clients inform their Advisory Representative of their investment objectives, risk tolerance, and investment time horizon and give their Advisory Representative any applicable investment policies, guidelines, or reasonable restrictions.

This information is updated when you communicate new information about your financial circumstances, objectives, or goals to your Advisory Representative.

WealthSource values you as a client and recognizes the importance of protecting the personal information you provide. WealthSource protects your information in accordance with our Privacy Statement which has been provided to you.

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## **Client Contact with Portfolio Managers**

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Clients are encouraged to contact their Advisory Representatives when they have questions about their Account, or to update their investment objectives, risk tolerance or other financial information that may affect the manner in which their accounts are managed.

Advisory Representatives are expected to periodically meet with you and generally be available to take your call on advisory-related matters.

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## **Additional Information**

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### Disciplinary Information

There are no legal or disciplinary events that are material to an evaluation of WealthSource's advisory business or the integrity of its management

### Other Financial Industry Activities and Affiliations

WealthSource is under common ownership with Bristol Financial Services, Inc. ("Bristol"), a registered broker/dealer, member FINRA/SIPC, and with Diversified Private Wealth Advisors, Inc., an SEC-registered investment adviser.

Bristol will generally execute trades for the Client's Program Account. Bristol receives compensation for these brokerage services, which it may share with WealthSource Advisory Representatives who are also registered broker-dealer representatives of Bristol.

Certain principal executive officers of WealthSource are also officers or employees of Bristol. These permitted additional responsibilities could be viewed as creating a conflict of interest in that the time and effort of the directors, officers, principals and employees of WealthSource will not be devoted exclusively to the business of WealthSource and may have conflicts of interest due to their loyalties to the other entity.

Certain of WealthSource's principal executive officers, members of the WealthSource investment committee and other individuals who determine investment advice given

to clients are registered representatives of Bristol.

When WealthSource includes certain funds in the Program, WealthSource's affiliated broker-dealer, Bristol, may receive additional compensation from those funds. For example, certain mutual fund sponsors may provide marketing allowances or conference support based upon the amount of the sponsor's product purchased into Program Accounts. The broker-dealer, at its sole discretion, may share all or some of any marketing allowance payments with representatives as part of compensating them for marketing and distribution expenditures incurred promoting the sponsor's products. Although the affiliated broker-dealer may receive compensation in connection with investments in products through the Program, no portion of any compensation received from sponsors is passed through to WealthSource or your Advisory Representative in connection with the Program.

WealthSource is also affiliated with Bristol Asset Management Corporation, a registered investment advisor.

Our advisory representatives may also be insurance licensed in one or more states and may recommend the purchase of insurance products to you. They will receive commissions for the sale of such insurance products. In addition to offering insurance products directly, they may also recommend clients purchase insurance products through our affiliate insurance agency, Bristol Capital Corporation. The ability to receive commissions from the sale of insurance products presents a conflict of interest, in that it gives an incentive to recommend a particular insurance product over a different insurance product or a different investment, based on the compensation received, rather than on a client's needs. WealthSource addresses these conflicts by disclosing this potential conflict to clients to assure that their interests are considered.

#### Brokerage Practices

We will generally recommend Bristol, clearing through Pershing, LLC ("Pershing"), Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab") or Raymond James & Associates, Inc. ("Raymond James") to you for custody and brokerage services although we may agree to employ the services of one or more other custodians. Pershing, Schwab, and Raymond James are SEC-registered broker/dealers. Pershing, Schwab and Raymond James (collectively, the "Custodian") offer independent investment adviser services which include custody of client securities, trade execution, clearance and settlement of transactions.

Third party asset managers may require use of certain custodians. Please refer to the Brokerage Practices sections of their respective brochures for more information.

We are independently owned and operated and not affiliated with the custodians we recommend. Our use of a particular custodian is, however, a beneficial business arrangement for us and for the custodian. Information regarding the benefits of this relationship is described below.

Our recommendation of a specific custodian is based in part on our existing relationships; the custodian's financial strength; reputation; breadth of investment products; and, the cost and quality of custody and brokerage services provided to you and our other clients.

The determining factor in the selection of a particular custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether they can provide what is in our view the best qualitative execution for investment transactions for your account.

In addition to brokerage and custody services, the Custodians may provide access to investments generally available to institutional investors; research; software; and, educational opportunities. The Custodians may also make available or arrange for discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Thus, we receive economic benefits as a result of our relationship with the Custodians, because we do not have to produce or purchase the products and services listed above.

These services are not contingent upon us committing any specific amount of business to the Custodians in trading commissions. WealthSource does not enter into any "soft dollar" arrangements with custodians and broker/dealers through which we receive research or other services based on commissions generated in your account or the number transactions effected in your account.

Our recommendation of specific custodians may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. This may create a conflict of interest for us. We nonetheless strive to act in your best interests at all times.

The custodians may not charge separately for holding our client accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions they execute for your account.

Commissions and other fees for transactions executed through the custodians we recommend may be higher than commissions and other fees available if you use another custodian firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our

clients by our recommended custodians outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained through our recommended custodians. We do not attempt to allocate these benefits to specific clients.

#### Code of Ethics and Personal Trading

WealthSource has adopted a *Code of Ethics* for all supervised persons of the firm describing our high standard of business conduct, and fiduciary duty to our clients. All supervised persons at our firm must acknowledge the terms of the *Code of Ethics* and personal securities transactions and holdings annually, or as amended. Our *Code of Ethics* sets forth detailed policies and procedures regarding the personal trading of its personnel.

WealthSource's *Code of Ethics* is designed to ensure that our personnel: a) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; b) at all times place the interests of our clients first; c) disclose all actual or potential conflicts; d) adhere to the highest standards of loyalty, candor and care in all matters relating to our clients; e) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and f) not use any material non-public information in securities trading. The Code of Ethics also establishes policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of these rules, WealthSource personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of these rules.

WealthSource personnel are required to conduct their personal investment activities in a manner that is not detrimental to our advisory clients. They are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described above, there may be circumstances when WealthSource personnel may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access & Supervised Persons (defined as investment personnel, which includes portfolio managers, research analysts and trading room personnel, operations

and officers of WealthSource, and other designated persons) to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics.

The Code of Ethics is enforced through compliance monitoring activities and surveillance. In cases where the firm discovers that an employee has violated a firm policy and/or procedure, the firm's code of business conduct or code of ethics, a state or federal law, regulation of FINRA, the SEC, or other regulatory agency, the Compliance Department will take appropriate steps to investigate the circumstances and will take action commensurate with the manner of the violation. Such actions could take the form of a written warning to the employee in conjunction with the firm's Legal Department, or be as serious as disciplinary action up to and including termination. Any such investigations will be brought to the appropriate regulator's attention, if necessary, which may result in a disclosure of the violation on the employee's U-4 form, if required.

A copy of the WealthSource Code of Ethics may be obtained by writing to: WealthSource Advisory, LLC, 2680 Merrick Rd, Bellmore NY 11710.

#### Review of Accounts

The Advisory Representative is primarily responsible for reviewing the investment strategy selected by Client on an on-going basis to ensure that it continues to be suitable for the client, taking into account any changes to the information provided by the Client. No less than annually, Advisory Representative will review the Program with Client, and update Client's information.

We will review your account on an on-going and periodic basis to monitor that your investments and investment strategies are consistent with your stated goals and objective. The Chief Compliance Officer is responsible for the reviews.

As previously noted, we strongly encourage you to advise your Advisory Representative of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you.

You will receive account statements directly from your account custodian. Please review these carefully.

#### Client Referrals and Other Compensation

WealthSource may enter into agreements with third parties that will solicit clients for WealthSource and receive compensation for referring clients to WealthSource. In such instances, the third party solicitor will receive either a percentage of, or a set fee

from, the fee charged to the client. If a solicitor is used in connection with a client's account, the structure and arrangement of the solicitation agreement, as well as the compensation paid to the solicitor, will be fully disclosed to the client, which disclosure will be acknowledged in writing by the client when participating in a WealthSource program. The fee charged to a client is not affected by the use of a third-party solicitor in connection with client accounts, and a client will not be charged any additional fees for the use of such services.

#### Financial Information

WealthSource has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. WealthSource has never been the subject of a bankruptcy petition.