

# Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure

March 30, 2020

## United Income, Inc.

### Principal Office

**1600 Capital One Drive**

**22<sup>nd</sup> Floor**

**McLean, VA 22102**

**(202) 539-1039**

**[unitedincome.com](http://unitedincome.com)**

This wrap fee program brochure provides information about the qualifications and business practices of United Income, Inc. If you have any questions about the contents of this brochure, please contact us by phone at (202) 539-1039 or by email at [uicompliance@capitalone.com](mailto:uicompliance@capitalone.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.

Additional information about United Income, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*This wrap fee program brochure provides information about the United Income Wrap Fee Program. A separate wrap fee program brochure has been prepared for United Income, Inc.'s Traditional Wrap Fee Program. Please contact us at [uicompliance@capitalone.com](mailto:uicompliance@capitalone.com) to request a copy of the wrap fee program brochure for the Traditional Wrap Fee Program or for a copy of our Form ADV Part 2A Brochure; all such brochures are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2: Material Changes

This Form ADV Part 2A Appendix 1, Wrap Fee Program Brochure, dated March 30, 2020, includes material changes since our last annual amendment dated March 2019. Below is a summary of material changes since United Income, Inc.'s last annual amendment:

Item 1: Cover Page

*Principal Office.* In March 2020, United Income, Inc. moved to its new principal office located at 1600 Capital One Drive, 22<sup>nd</sup> Floor, McLean, VA 22102.

Item 4: Advisory Services, Fees and Compensation

*Company Ownership.* In August 2019, Capital One Financial Corporation and its subsidiary, Capital One, N.A., acquired United Income, Inc., at which point United Income, Inc. became a direct subsidiary of Capital One, N.A. and an indirect subsidiary of Capital One Financial Corporation. As the result of an internal reorganization completed in February 2020, United Income, Inc. became a direct subsidiary of Capital One Financial Corporation.

*Fee Schedule.* United Income, Inc. has revised its fee schedule, and has provided additional clarifying information on the structure of its fee schedule.

Item 6: Portfolio Manager Selection and Evaluation: Methods of Analysis, Investment Strategies and Risk of Loss

*Investment Strategies.* United Income, Inc. added additional information regarding its tax-loss harvesting strategy.

Item 9: Additional Information: Client Referrals and Other Compensation

*Client Referrals.* United Income, Inc. has entered into a solicitation agreement with one of its supervised persons. Under the solicitation agreement, the supervised person receives compensation for client referrals, which creates an economic incentive to recommend United Income, Inc.'s advisory services.

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## Item 4: Services, Fees and Compensation

### General Description of the Company

United Income, Inc. (“United Income,” the “Advisor,” the “firm,” “us,” “we,” “our”), a direct subsidiary of Capital One Financial Corporation, is an SEC-registered investment adviser that offers portfolio management and financial planning services to clients. United Income’s principal owner is Capital One Financial Corporation (“Capital One”).

United Income was founded by Matt Fellowes in April 2016. Prior to United Income’s inception, Mr. Fellowes gained extensive knowledge about the financial industry through a breadth of experience, including as the Chief Executive Officer and founder of HelloWallet, the Chief Innovation Officer of Morningstar and a Fellow at The Brookings Institute. Mr. Fellowes applied such knowledge to create a solution to the observation that wealth management practices had been outpaced by medical and technological innovations. In response, he assembled a team of core leaders driven to find a solution – together they built the foundation of United Income.

United Income became an SEC-registered investment adviser in 2017, and, in 2019, Capital One acquired United Income in an effort to expand Capital One’s wealth management services. Today, our team is comprised of professionals with decades of experience in the finance and technology markets, including people who have written or overseen the laws governing the retirement and financial markets in places such as the White House and Department of Treasury; have worked on technology used by millions of people at places such as Amazon; and have won awards like the Webby for best financial services software.

Through new technology, an expanding team of experienced wealth managers and a commitment to the highest ethical standards, we seek to unlock more effective ways for our clients to build wealth that endures throughout increasingly longer lifespans. Our unified system of money management reflects a deeply held belief that financial decisions are interconnected, and new data and technology allows us to observe and understand these relationships in new ways. Our team of professionals uses our innovative technology to provide holistic wealth management advice, which includes integrated financial planning, investment management, tax reduction analysis and retirement management.

This Form ADV Part 2A, Appendix 1, Wrap Fee Program Brochure (the “Wrap Brochure”) describes the investment advisory services offered under the United Income Wrap Fee Program (the “UIWP”). Unless otherwise specified, any references to clients and advisory services mentioned in this Wrap Brochure means clients of, and services provided by, the UIWP. United Income also provides advisory services through our Legacy Portfolio Management Program, Corporate Sponsored Retirement Plan Consulting Services and an additional wrap fee program, the Traditional Wrap Fee Program. Information on Corporate Sponsored Retirement Plan Consulting Services and our Legacy Portfolio Management Program is available in our Form ADV Part 2A Brochure and information on the Traditional Wrap Fee Program is available in a separate Form ADV Part 2A, Appendix 1, Wrap Fee Program Brochure, each of which is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### The United Income Wrap Fee Program

We are the sponsor and portfolio manager of the UIWP. For clients in the UIWP, we utilize new data and technology to analyze the complex interactions between the various decisions clients currently face and are expected to face in the future – from how to invest, to when to retire, to planning an estate. We then translate that understanding into a personalized, comprehensive financial plan and investment strategy that aspires to help clients simplify financial management.

Our innovative technology is built into our proprietary engine, which analyzes information our clients provide through our online application and it uses such information to create a risk-adjusted, integrated financial plan that estimates future spending needs, manages investments, identifies tax reduction strategies and provides personalized retirement management insights. We recognize that each person’s financial needs are likely to evolve throughout his or her lifespan; as such, our proprietary engine is built with logic that considers reasonably foreseeable future changes when creating the client’s financial plan, and it modifies the financial plan to account for updates and/or life events relevant to the financial

plan. Clients may access and/or modify their account any time by logging into our online application or by contacting one of our wealth managers. Our wealth managers leverage our proprietary technology to provide day-to-day investment management and implement personalized investment strategies. Our technology enables us to provide the UIWP as the most cost-effective program we offer.

### **Advisory Services**

All UIWP accounts are managed on a discretionary basis, in accordance with the terms set forth in the advisory agreement between each client and United Income. In order to create an integrated financial plan tailored to each client, we collect information on each client's financial circumstances (e.g., income, current investments, assets and liabilities) and investment goals, as well as factors relevant to determining each client's risk tolerance. Our proprietary engine then analyzes such information by running millions of market simulations that seek to identify a financial plan that:

- Has the highest chance of success;
- Minimizes lifetime taxes;
- Provides for the earliest possible retirement date;
- Maximizes social security benefits; and
- Maximizes the potential to reach the respective client's financial goals.

The client will then review and accept the recommended financial plan or contact a wealth manager with any questions. We manage each client's assets in accordance with the accepted financial plan. UIWP client assets are held in a brokerage account established by the client with Apex Clearing Corporation (the "Custodian"), a non-affiliated, registered broker-dealer and member of FINRA and SIPC.

Once the client has entered into an advisory agreement with United Income, accepted a financial plan and established a separate brokerage account with the Custodian, we will:

- Manage the account(s) in accordance with the financial plan;
- Monitor the account(s) for alignment with targeted asset allocation;
- Provide around-the-clock access to account information, accessible at any time through our online application;
- Send monthly updates on the status of attaining the client's financial goals (generally provided electronically, but paper communications are available upon request);
- Provide insight into how the client can attain his/her financial goals;
- Utilize our proprietary technology to analyze the account on an ongoing basis;
- Engage our wealth managers to review the client's account(s) at least quarterly;
- Seek to consult each client in person to discuss account performance at least annually; and
- Adjust the financial plan to reflect changes likely to impact a client's financial goals.

Clients must notify us promptly when their financial situation, goals, objectives, personal circumstances, or needs change. Clients may notify us of such changes through our online application or by contacting us directly. In certain situations, UIWP clients will be able to make investment decisions other than those recommended by United Income via the client interface. Clients should understand that in doing so, they could impact our ability to create a comprehensive financial plan that maximizes the ability to attain their financial goals.

### **Fees and Compensation**

The defining feature that differentiates a wrap fee program from a non-wrap fee program is that the wrap fee program offers investment management and brokerage services for one, bundled fee. Fees assessed as part of a wrap fee program may be more or less than unbundled fees assessed for services received from a non-wrap program. Clients and prospective clients are encouraged to read the SEC's Investor Bulletin: Investment Adviser Sponsored Wrap Fee Programs (dated December 07, 2017) to learn more about wrap fee programs, and for questions to consider when determining if a wrap program is the best option for his or her individual needs.

The UIWP fee is assessed as one, bundled fee. We receive a portion of the fee. The fee covers United Income's investment advisory services as well as trade execution costs and custody expenses. The advisory fee is set forth in the advisory agreement by and between each client and United Income.

The standard advisory fee is calculated as an annualized rate of each corresponding tier of assets under management and is billed and payable monthly in arrears. The below table identifies the tiered fee structure:

Assets Under Management		Annualized Rate
\$0 to	\$1,000,000	0.99%
Next	\$1,000,000	0.89%
Next	\$3,000,000	0.79%
Next	\$5,000,000	0.69%
Above	\$10,000,000	0.59%

*Calculation.* Fees are deducted directly from the client's custodial account(s). The fee is assessed monthly in arrears and is based on the previous month's average account balance. The fee is prorated for each contribution and withdrawal made during the applicable month. Fees for partial periods will be charged on a pro rata basis based on the number of days the services were provided during the relevant billing period.

THE CUSTODIAN WILL PROVIDE CLIENTS WITH AN ACCOUNT STATEMENT AT LEAST QUARTERLY. THE ACCOUNT STATEMENTS REFLECT THE FEE ASSESSED ON THE ACCOUNT(S). YOU ARE URGED TO REVIEW THE ACCOUNT STATEMENTS TO CONFIRM THAT THE FEE IS CONSISTENT WITH INFORMATION PROVIDED BY UNITED INCOME AND/OR THE FEE SCHEDULE INCLUDED IN YOUR ADVISORY AGREEMENT.

*Limited Negotiability of Advisory Fees.* Advisory fees are negotiable under certain circumstances and at the sole discretion of United Income. Wrap fee waivers, which are not generally available to our advisory clients, are offered to employees of United Income and their family members, defined as children, siblings, parents, grandparents, registered domestic partners or spouses, in-laws, and aunts and uncles.

*Potential Additional Fees.* Additional fees that are not covered as part of the advisory fee may be assessed against the client's account, such as: (a) certain charges imposed by the Custodian, including custodial printing fees for paper-based statements and documents, odd-lot differentials, paper checks, transfer taxes, and wire transfer fees; (b) fees for services outside the scope of the advisory agreement; (c) any taxes or fees imposed by exchanges or regulatory bodies in connection with transactions effected on the client's behalf; (d) if the client is invested in a mutual fund or an ETF (each, a "fund"), the client, as a shareholder of such fund, will pay a proportionate share of the such fund's fees and expenses, including management fees, Rule 12b-1 fees, sub-transfer agency fees, and shareholder servicing fees, if applicable (please see the relevant fund's prospectus or other disclosure document for a description of its fees and expenses); and (e) costs associated with obtaining paper copies of account statements from the Custodian. Each of the foregoing additional fees, expenses, and charges may be separately charged to the client's account or reflected in the price paid or received for a given security or, in the case of a fund, reflected in the net asset value of the fund.

*Additional Fee Disclosures.* Clients are not assessed fees on a trade-by-trade basis. Fees for such brokerage services are contemplated as part of the bundled fee. As such, United Income financially benefits if the fees paid for brokerage services as part of the bundled fee are more than the actual fees generated by trading activity, which creates a financial incentive to limit trading activity.

Some of our wealth managers receive a higher compensation for enrolling clients in the UIWP than they would for enrolling the same clients in one of our other programs. As a result, such wealth managers have a financial incentive to recommend the UIWP over other services offered by United Income.

## Item 5: Account Requirements and Types of Clients

In order to receive the services offered under the UIWP, the minimum account size is \$300,000; however, the minimum account size is negotiable. The types of clients to whom United Income generally provides investment advice under UIWP includes individuals, trusts, estates, charitable organizations, and corporations.

## Item 6: Portfolio Manager Selection and Evaluation

### Advisory Business

United Income is the sponsor and sole portfolio manager of the UIWP. We do not recommend or select other portfolio managers to manage UIWP client accounts. As discussed in Item 4, advisory services offered as part of the UIWP include integrated financial planning, investment management, tax reduction analysis and retirement management, and such services are tailored to each client's individual needs. In order to provide advisory services tailored to each client's need, we collect information about each client's financial circumstances, investment objectives and risk tolerance. Our proprietary engine analyzes such data through millions of simulations designed to identify each client's optimized financial plan, which – upon the client's acceptance – is then carried out by the proprietary technology and our wealth managers. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

### Performance-Based Fees and Side-by-Side Management

United Income does not charge clients any performance-based fees. Conflicts of interest associated with side-by-side management are not applicable to United Income.

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

United Income invests in global asset classes to provide diversification. We focus on factor strategies such as value, quality, momentum and low-volatility with the goal of outperforming the market. Our approach is based on the economic theories of Nobel Laureate Harry Markowitz, Nobel Laureate Eugene Fama, and other academic researchers. Using capital market assumptions from Morningstar Financial, including correlation analysis and projected financial performance of asset classes, we create a diversified but personalized portfolio based on each client's time horizon, risk tolerance, spending needs, current asset allocation, income sources and financial goals.

### Targeted Asset Allocation

To determine the targeted asset allocation, we consider: current investment holdings, including holdings under United Income's management and holdings that are not under United Income's management; whether holdings are in taxable or non-taxable investment accounts; and other sources of income or other assets, such as real estate, Social Security Income, rental income, annuities, or expected inheritances. This provides context and a further understanding of the client's asset class diversification. In order to create a risk-adjusted financial plan, clients assign a risk tolerance to each one of their spending needs, which also translates to a targeted asset allocation between equity and fixed income. United Income selects investments that we believe capture the asset class well and are low-cost relative to other investments in the same asset class, including ETFs, stocks, bonds and mutual funds. Clients may place reasonable restrictions on transactions in certain securities or certain types of securities.

### Tax Drawdown Methodology

United Income utilizes account drawdown strategies derived from our research into academic literature that discusses how to achieve tax efficient withdrawals and effectively manage clients' required minimum distributions for different account types (Roth IRA, Traditional IRA, and Taxable Accounts). This includes helping clients avoid short-term capital gains during portfolio rebalancing and withdrawals, and identifying the appropriate timing of rebalancing to minimize taxes on client accounts. We understand the importance of tax efficient withdrawals for our clients and take very seriously the role that account-sequencing can play in increasing our clients' lifetime investment returns.

### Spending Curve Analysis and Methodology

Academic, data-driven research about behavioral spending patterns of the aging US population informs our withdrawal projections for each client. Recent literature has been unambiguous about the fact that spending patterns vary systematically as households' age, so we customize client spending projections to account for the fact that spending patterns evolve over time. Namely, health care costs have become an increasingly important factor to proactively manage as longevity continues to increase. We feel that this is a much more accurate approach, compared to the widely used standard of taking a share of income and assuming that it is constant throughout retirement.

### Tax-Loss Harvesting

United Income utilizes tax-loss harvesting for taxable accounts. Tax-loss harvesting is a strategy designed to help our clients lower their taxes while maintaining their portfolios' expected risk and return profile. The strategy harvests previously unrealized investment losses to offset taxes due on a client's other realized capital gains. The proceeds are then invested in securities with closely correlated risk and return characteristics. Clients are responsible for all tax consequences resulting from any rebalancing or reallocation of their accounts. We are not tax professionals and do not give tax advice.

### Cyclical Analysis

United Income's portfolios are subject to change based on new or updated information from the client as well as changes in current and projected financial market analysis. For instance, Morningstar Inc., the source of our capital market assumptions, periodically updates its projections of asset class performance. In addition, our clients may receive inheritances, have new health spending needs, or change their charitable preferences, which can adjust the strategies we employ to help our clients reach their financial goals. Accounts are subject to interval-based updating and may be rebalanced to accommodate changes likely to impact the client's financial goals.

### Risk of Loss

Investing in securities involves a risk of loss that clients should be prepared to bear. We cannot guarantee that our investments decisions will always be profitable, nor can we guarantee any certain level of performance. Further, past performance does not guarantee future results. Clients can lose some or all of the money invested, including principal, as the value of securities fluctuate. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

All investments carry some level of risk. Clients should understand that investment decisions made by United Income are subject to various market, currency, economic, political, and business risks. The degree of risk also depends on the type of security. Volatility is generally a good indication of the degree of risk; volatile stocks are generally riskier. For example, if a client has funds that are needed to pay for a near-term expense, such clients should carefully consider the degree of risk inherent to certain types of investments as short term investments in highly volatile stocks are more likely to be exposed to loss of principal and less likely to realize a short-term benefit.

**To help clients understand the risks associated with certain types of investments, the following is a discussion of risks associated with investments commonly held in accounts in the UIWP:**

#### Risks Associated with Investments in Exchange-Traded Funds

ETFs are subject to market risk, including loss of principal. An ETF's net asset value is the value of each share of the fund's underlying securities and cash as of the end of the trading day. Shares of ETFs can trade for more or less than the ETF's net asset value. Risks associated with each ETF depend on the securities held in the fund. Some ETFs may hold more diverse types of securities than others. ETFs with a diverse strategy are generally less risky. ETFs that focus on certain types of investments, such as limiting the investment strategy to certain sectors or in only real estate, are inherently exposed to more risk than a more diversified fund. Risks associated with underlying securities and non-diversified strategies include, but are not limited to, the following:

- Sector-Specific Investment Strategy: Typically more volatile than a more diverse strategy.
- International Securities: Risk of currency fluctuations and volatility due to political and economic events.
- Emerging Markets: Typically more volatile than investments in more developed countries.



- Real Estate: Exposure to volatility due to changes in interest rates and factors that can impact property value such as environmental disasters and economic changes.
- Commodities and Futures: The risk of loss is substantial. Commodities trading is often dictated by the person or entity with access to borrowed capital, which gives the person the leverage to control larger positions and ultimately magnify returns.

United Income can select which ETFs to recommend, but it cannot control which underlying securities are held in an ETF.

#### Risks Associated with Investments in Mutual Funds

Mutual funds involve risks including loss of principal. When a mutual fund is not fully invested and maintains a portion of its portfolio in cash or cash equivalents, there is a risk that the market will begin to rise and cause the mutual fund to miss capturing the full effect of changing market conditions. Some mutual funds may use leverage as part of their investment strategy. Using leverage can magnify a mutual fund's potential for gain or loss and, therefore, amplify the effects of market volatility on a mutual fund's share price. A mutual fund may be subject to the risk that its assets are invested in a particular sector or group of sectors in the economy, and as a result, the value of the mutual fund may be adversely impacted by events or developments in a sector or group of sectors.

The price of small or medium capitalization company stocks can be subject to more abrupt or erratic market movements than larger capitalization securities or than the market averages in general. A higher portfolio turnover will result in higher transactional and brokerage costs and can result in higher taxes when mutual fund shares are held in a taxable account. Mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by the client who owns the mutual fund. As a result, the cost of investing in some mutual funds may be higher than the cost of investing in other mutual funds.

#### Risks Associated with Investments in Common Stocks

The risks of investing in common stocks include, but are not limited to the following:

- Market Risk: Stock prices will fluctuate and can decline.
- Sector Risk: Events that impact a sector may also impact the securities classified under the same sector.

#### Risks Associated with Investments in Fixed Income

The risks of investing in fixed income securities include, but are not limited to the following:

- Credit Risk: If a credit agency (e.g., Moody's or Standard & Poor's) downgrades the rating on a municipal, government, or corporate bond, the bond value can decline.
- Call Risk: If a callable, high coupon bond is called away from the investor in a low interest rate environment, the investor will have less attractive reinvestment options.
- Interest Rate Risk: Bond prices move inversely to interest rates; therefore, if interest rates rise, the price of bonds will decline.

#### **Unforeseen Risks**

Securities markets are subject to unforeseen risks caused by political events, terrorism, fraud and certain events commonly referred to as acts of God, such as a fire, flood, earthquake, an infectious disease outbreak or any other serious public health concern. These unforeseen risks can negatively affect the performance of clients' investment portfolios.

#### **Cybersecurity Risks**

As the use of technology has grown, there are ongoing cybersecurity risks that make United Income and its clients susceptible to operational and financial risks associated with cybersecurity. To the extent that United Income is subject to a cyber-attack or other unauthorized access is gained to its systems, United Income and its clients may be subject to substantial losses in the form of theft, misuse, improper release of or unauthorized access to confidential or restricted data. Cyber-attacks affecting United Income's service providers holding its financial or client data may also result in financial losses to United Income's clients, despite efforts to prevent and mitigate such risks under United Income's policies. While measures have been developed which are designed to reduce the risks associated with cybersecurity, there are inherent limitations in such

measures and there is no guarantee those measures will be effective, particularly since United Income does not directly control the cybersecurity measures of its service providers and financial intermediaries with which it does business.

### **Voting Client Securities**

As of the date of this Wrap Fee Brochure, United Income does not vote proxies on behalf of clients. Clients will not receive proxies or issuer solicitations from United Income. Clients should receive proxies and other issuer solicitations from the Custodian or the applicable transfer agent. Clients may contact us with questions about proxies or issuer solicitations, by calling us at (202) 539-1039 or by sending an email to [members@unitedincome.com](mailto:members@unitedincome.com).

## **Item 7: Client Information Provided to Portfolio Managers**

United Income is the sponsor and portfolio manager of the UIWP. No other portfolio manager has access to the UIWP client information.

## **Item 8: Client Contact with Portfolio Managers**

There are no restrictions on a client's ability to contact and consult with his or her wealth manager. Clients are encouraged to contact United Income's wealth managers. Clients who are unable to contact his or her wealth manager are encouraged to contact our CCO at [uicompliance@capitalone.com](mailto:uicompliance@capitalone.com).

## **Item 9: Additional Information**

### **Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to evaluating United Income or the integrity of our management. We do not have any information to disclose concerning United Income, its management, or any of its employees that would be material to a client's or prospective client's evaluation of United Income's advisory business or the integrity of its management.

### **Other Financial Industry Activities and Affiliations**

#### **Insurance**

Two of United Income's Investment Adviser Representatives ("IARs") hold licenses to sell fixed and variable insurance products. The IARs receive compensation for providing insurance-related services and are therefore incentivized to sell such insurance products. Any time a fiduciary is incentivized to sell a product, there is a potential conflict of interest as the fiduciary directly benefits from such recommendations and, as such, may make a recommendation that serves his or her own interests. United Income neither offers such insurance products nor provides compensation for such insurance-related services. Clients are not obligated to purchase insurance products from United Income's IARs with licenses to sell fixed and variable insurance products.

The IARs with licenses to sell fixed and variable insurance products spend less than ten percent of their time providing such services.

### **Summary Description of Code of Ethics**

United Income has adopted a Code of Ethics, pursuant to SEC Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), which sets forth the high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. United Income personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and adherence to applicable state and federal securities laws. Consistent with our fiduciary duties, United Income has an

obligation to adhere, not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports, as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and record-keeping provisions.

United Income's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. All employees are reminded that such information may not be used in a personal or professional capacity. A copy of United Income's Code of Ethics is available to our prospective and current clients upon request by sending an email to [uicompliance@capitalone.com](mailto:uicompliance@capitalone.com) or by calling our office at (202) 539-1039.

### Personal Trading Practices

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees 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.

United Income and/or our employees are permitted to buy or sell for their personal accounts securities identical to or different from those recommended to our clients, and United Income employees may own securities which are also recommended to clients. This creates a potential conflict of interest. Accordingly, United Income has adopted policies and procedures designed to ensure that such purchases and sales do not place United Income employees' interests ahead of our clients' interests. United Income and our employees are prohibited from engaging in principal transactions and agency cross transactions.

We aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average execution price, and transaction costs will be shared equally and on a pro rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro rata, with each account receiving the average price. Our employee accounts will be included in the pro rata allocation.

United Income has established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosures:

- No principal or employee of our firm will put his or her own interest above the interest of an advisory client.
- Principals and employees of United Income are prohibited from buying or selling securities for their personal portfolio(s) while in possession of material, non-public information relating to such securities.
- We maintain a list of all reportable securities held in our firm's and employees' investment accounts. These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his designee.
- We have established procedures for the maintenance of all required books and records.
- Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
- All of our principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- United Income will provide its Code of Ethics to all supervised persons and will require each supervised person to acknowledge their receipt and understanding of the Code of Ethics.
- United Income's Code of Ethics requires all supervised persons to report violations of the Code of Ethics to senior management.
- Any individual who violates any of the above restrictions may be subject to termination.

### Review of Accounts

Our proprietary technology reviews client accounts on an ongoing basis, under the supervision of our wealth managers. Account information is updated daily and made accessible through our online application. More in-depth reviews are conducted upon material changes likely to impact the client's financial plan.

The Custodian is responsible for providing trade confirmations and account statements to clients in the UIWP. The account statements must be provided to clients at least quarterly. Account statements include information on trades, contributions and withdrawals, fees and expenses and the account value as of the beginning and end of the relevant time period. Clients are urged to compare information provided in the custodial statement against account information United Income communicates to the client.

### Client Referrals and Other Compensation

United Income may, from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. United Income is aware of the requirements of Rule 206(4)-3 (the "Cash Solicitation Rule") under the Investment Advisers Act of 1940. As such, all appropriate disclosures will be made, and all written agreements will be maintained by United Income as it relates to client referral activities covered under the Cash Solicitation Rule. United Income is currently under contract with an affiliated investment adviser representative ("solicitor") who is compensated for referring new prospective clients to United Income. As compensation for each prospective client referral that results in the opening of a new investment advisory account, United Income will pay a fee based on the Account's average annualized United Income advisory fee. Clients should understand that solicitors have an economic incentive to recommend the advisory services of United Income. This relationship is fully disclosed to the client prior to initiating a new account and does not result in the client paying any additional fees other than United Income's investment management fees indicated in Item 4 herein.

### Financial Information

United Income does not have a financial condition reasonably likely to impair our ability to meet contractual commitments to clients. United Income has not been the subject of a bankruptcy petition at any time over the past ten years.