

# 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 United Income Inc.'s Traditional Wrap Fee Program. A separate wrap fee program brochure has been prepared for the United Income Wrap Fee Program. Please contact us at [uicompliance@capitalone.com](mailto:uicompliance@capitalone.com) to request a copy of the United Income Wrap Fee Program brochure and 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 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.

### The Traditional Wrap Fee Program

United Income is the sponsor and portfolio manager of the Traditional Wrap Program. This Form ADV Part 2A, Appendix 1, Wrap Fee Program Brochure (the “Wrap Brochure”) describes the investment advisory services offered under United Income’s Traditional Wrap Fee Program (the “Traditional Wrap Program”).

Unless otherwise specified, any references to clients and advisory services mentioned in this Wrap Brochure means clients of, and services provided by, the Traditional Wrap Program. 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 United Income 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 United Income 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).

### Advisory Services

Accounts in the Traditional Wrap Program are managed on a discretionary basis. Our advisory services include individualized investment advice, portfolio management, ongoing monitoring, quarterly account updates and periodic discussions of the financial markets.

We provide individualized investment advice based on each client’s investment objectives, risk tolerance, liquidity requirements, time horizons and financial goals. We utilize such information to determine which investments are in each client’s best interest, and we exercise our discretionary authority to supervise and direct orders to TD Ameritrade, Inc. (the “custodian”), the qualified, non-affiliate broker-dealer with custody of accounts included in the Traditional Wrap Program. All clients in the Traditional Wrap Program establish a separate account with the custodian. Our team monitors client accounts on an ongoing basis and conducts a formal portfolio review on a quarterly basis. Additionally, we review accounts

in the event of material changes likely to impact the respective account, including a life event or a market event. We may rebalance the account in the event of any such material changes.

### Fees & 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. Given that the advisory fee for an account in a wrap fee program includes fees for advisory services and brokerages services, wrap fees are often higher than a typical asset-based advisory fee in a non-wrap account. 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 Traditional Wrap Program 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 quarterly in advance. 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 quarterly in advance and is based on the value of the client's account(s) as of the last day of the previous quarter. 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.

*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.

## Item 5: Account Requirements and Types of Clients

Generally, we require a minimum household account size of \$250,000 for our Traditional Wrap Fee Program; however, the account minimum is negotiable.

The types of clients to whom United Income provides investment advice under the Traditional Wrap Program includes individuals, small businesses, foundations, trusts, estates, corporations, limited liability companies and other business types.

## Item 6: Portfolio Manager Selection and Evaluation

### Advisory Business

United Income is the sole portfolio manager of the Traditional Wrap Program. We do not recommend or select other portfolio managers to manage Traditional Wrap Program client accounts. Accounts in the Traditional Wrap Program are managed on a discretionary basis. Investment recommendations are tailored to each client's individual needs. Clients may place reasonable restrictions on transactions in certain securities or certain types of securities.

### Performance-Based Fees & Side-By-Side Management

We do not charge performance fees to our clients. Conflicts of interest associated with side-by-side management are not applicable to United Income.

### Methods of Analysis

Our Traditional Wrap Fee Program investment approach is based on the philosophy that straightforward, systematic investment management that seeks low-cost, liquid instruments can provide clients with a lower-stress and potentially more-favorable investment experience. Our investment strategy is built from well-published academic financial research, such as Modern Portfolio Theory, Time-Series Momentum, Active-vs-Passive Performance Comparison, and research in the area of behavioral finance. From such research, we created an investment strategy that consists of two primary components: **Strategic Asset Allocation** and **Tactical Shifts Based on the Market Environment**.

#### **Strategic Asset Allocation is predicated upon three fundamental beliefs:**

##### **I. We believe that asset allocation is important.**

Many investment research studies have indicated that asset allocation (e.g., how much to hold in stocks juxtaposed with how much to hold in bonds) significantly contributes to the overall performance of a portfolio of securities. As such, we seek to define each client's suitable allocation weight across various asset classes and we select well-diversified investments in accordance with the defined weight.

##### **II. We believe that economies with strong growth prospects can lead to long-term investment returns.**

We believe that economies with strong economic growth prospects tend to attract foreign direct investment and have favorable demographic and regulatory conditions – all of which can create the opportunity for long-term investment returns if timed right. As such, our team reviews macroeconomic data from governments and NGOs (e.g., International Monetary Fund), as well as analyst reports from respected economists, academics, and asset managers, and we analyze this data in

order to identify potential opportunities for long-term investment returns and the proper allocation weight for each such investment opportunity.

III. We believe that a passive investment strategy is cost-efficient and less volatile.

An active investment strategy that seeks to build a portfolio of equities can result in underperformance due to less diversity, higher fees, increased volatility, inherent biases and style drift. Consequently, our investment strategy relies on passively-constructed ETFs to help reduce the risks associated with active management.

**How We Implement Strategic Asset Allocation:**

We implement Strategic Asset Allocation by: gathering economic and financial data from reputable sources; identifying long-term investment themes and sources of possible risk and opportunity; conducting scenario analysis to identify the relationships between themes and asset class returns, as well as possible risk factors; increasing or decreasing allocation to asset classes, sectors, or maturity terms based on the results of the analysis; and reflecting allocation changes in client portfolios as a part of the account review process.

**Tactical Shifts Based on the Market Environment is derived from four fundamental observations:**

I. We have observed that market indices are more volatile than traditional statistical models have predicted.

Historically, major market indices (e.g., S&P 500, etc.) have exhibited expected returns and volatility that traditional statistical models would not predict. Specifically, there are significantly more "major" declines (i.e., greater than 10% in a quarter) than predicted. Our expectation is that this will continue or increase in the future and that investors will be exposed to greater-than-expected risk of substantial market drops.

II. We have observed that investors tend to have a higher sense of urgency to mitigate losses in bear markets than they do to maximize gains in bull markets.

We seek to reduce an investor's exposure to indices that appear to be in a downward trend, while still increasing exposure to indices that appear to be in an upward trend. The underpinning of this design is to provide clients with peace-of-mind that there is a systematic process to reduce their exposure to markets in prolonged decline.

III. We have observed that market returns can be impacted by momentum.

We have identified rolling return and moving-average indicators, collectively referred to as "momentum-based return indicators," to track examples of instances when market returns were impacted by momentum. In short, momentum can cause a decreasing share price to fall lower than it otherwise would have and an increasing share price to jump higher than it otherwise would have. Past performance is no guarantee of future results. Rather, we rely on the momentum-based return indicators as a signal to further analyze whether there appears to be momentum and whether we should make adjustments in light of such possible momentum indicators.

IV. We have observed that liquidity is an important consideration.

Thinly-traded securities can create wide price spreads and increase the risk of poor trade execution, which historically has had a negative effect on portfolio performance. As such, we seek ETFs that are among the most heavily traded and efficient (in terms of spread) in their asset classes. We believe that highly-traded and efficient ETFs have some of the lowest expense ratios in their asset classes.

**How We Implement Tactical Shifts Based on the Market Environment:**

We implement Tactical Shifts Based on the Market Environment by: calculating momentum-based returns of each asset class on a weekly basis; comparing the momentum-based returns to defined sensitivity points, which the team determined using historical return and volatility testing; and periodically testing and adjusting momentum-based trigger points, taking into consideration changes in market conditions.

## Investment Strategies

Our investment strategies are designed to provide different market exposures. We employ a combination of these strategies to attain risk-adjusted exposure proportionate with each client's investment goals. The key factors we take into consideration in creating an individualized investment plan include the following:

- I. Risk Tolerance: Influences how much to hold in equity investments vs. other types of investments.
- II. Account Size: Influences the number of investment positions.
- III. Income & Expenses: Influences whether the team includes income-focused investments.
- IV. Tax Implications: Influences the types of investments (e.g., corporate vs. municipal bonds).

### Our Five Core Strategies

#### Dynamic Global Equity Strategy

The Dynamic Equity Strategy aims to provide global equity market returns with decreased risk and forms the core of many client portfolios. The strategy includes five primary ETFs representing US large-cap companies, US small-cap companies, international developed-market companies, and international emerging-market companies. A sixth short-term US Treasury ETF represents a "low risk" position and comes into the allocation from time-to-time. We adjust ETF weightings based on the strategic allocation analysis and tactical momentum shifts described in Methods of Analysis.

#### Dynamic Equity with Sectors Strategy

The Dynamic Equity with Sectors Strategy uses the same approach and investments of the Dynamic Global Equity Strategy but also includes nine additional ETFs that sub-divide the US large-cap exposure into market sectors (e.g., industrials, technology, health care, etc.). Using the market sectors enables the team to reduce exposure to one sector while maintaining allocation to the others, if warranted by market conditions.

#### Dynamic Income Strategy

The Dynamic Income Strategy seeks to provide higher levels of dividend income to investors by providing exposure to asset classes such as high-yield bonds and master-limited partnerships. The strategy uses strategic and tactical analyses that are similar to the equity strategies in an attempt to reduce the risk of loss.

#### Investment-Grade Fixed Income Strategy

The Investment-Grade Fixed Income Strategy uses instruments that provide exposure to government, agency, and corporate bonds. The positions include a combination of fixed-maturity and perpetual-maturity investments in an attempt to manage interest rate and reinvestment risks.

#### Tax-Efficient Investment-Grade Fixed Income Strategy

The Tax-Efficient Investment-Grade Fixed Income Strategy uses the same instruments as the Investment-Grade strategy but adds exposure to municipal bonds for income that is not subject to federal income tax.

*While the majority of client assets are invested utilizing our five core strategies, we may incorporate other securities from time-to-time, as we deem in the client's best interest.*

## 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 Traditional Wrap Program:**

*Market Risk.* Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

*Foreign Securities and Currency Risk.* Investments in international and emerging market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

*Capitalization Risk.* Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

*Interest Rate Risk.* In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

*Credit Risk.* Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

*Securities Lending Risk.* Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

*Derivative Risk.* Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and the fund could lose more than the principal amount.

*Hedging Risk.* While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Derivative securities are subject to a number of risks, including: liquidity risk; interest rate risk; market risk; credit and management risks; and risk of improper valuation.

*Risks associated with Exchange-Traded Funds.* ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

*Risks associated with Borrowing Money (Margin Accounts).* A margin account is an account where you may borrow funds for the purpose of purchasing additional securities. You may also borrow money to pay for fees associated with your account or to withdraw funds. If you decide to open a margin account, please carefully consider the following:

- If you do not have available cash in your account and use margin, you should understand that you will be borrowing money to purchase securities, pay for fees associated with your account or withdraw funds;
- You are using the securities that you own as collateral; - if the securities decline in value, so does the value of the collateral, and as a result the custodian may take action, such as issuing a margin call and/or selling securities in the account in order to maintain the required equity;
- Money borrowed is charged an interest rate that is subject to change over time;

- Because your advisory fee is based on the total market value of the securities in your account, if you have a margin debt balance (in other words you have borrowed and owe money to your custodian), your margin debit balance does not reduce the total market value. In fact, incurring margin debt results in a total market value in the account that is higher than it would be if you didn't incur margin debt, which results in a higher advisory fee;
- The use of borrowed money may result in greater gains or losses than otherwise would be the case without the use of margin, and
- There will be no benefit from using margin if the performance of the account does not exceed the interest expense being charged on the margin balance plus the additional advisory fees assessed on the securities owned using margin.

Please also review the margin disclosure document provided by your custodian for additional risks involved in opening and maintaining a margin account.

#### **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, loss, misuse, improper release or unauthorized access to confidential or restricted data related to United Income or its clients. 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 their 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 Traditional Wrap Program. No other portfolio manager has access to the Traditional Wrap Program 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

The underlying securities within the investment advisory services are regularly monitored. These reviews will be conducted by Louise Short, Travis Smythe and Brad White. An annual review is usually conducted in person or by telephone. The purpose of these reviews is to ensure that the investment plan is consistent with each client's objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as individual circumstances, or the market, political or economic environment. Clients are urged to notify us of any changes likely to impact his or her financial goals.

Account custodians are responsible for providing trade confirmations and account statements to clients in the Traditional Wrap Program. 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 & 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. Clients should understand that third party 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.

Investment advisers may receive other forms of compensation through step-out trading. Step-out trading occurs when an investment adviser directs trades to a broker-dealer other than the broker-dealer that has custody of assets under the adviser's management and that the adviser otherwise uses to effect trades. Step-out trading is sometimes used to attain best execution, but it also can provide benefits to advisers in the form of soft dollar credits or commission recapture arrangements. As of the date of this Wrap Brochure, TD Ameritrade allows step-out trading, but United Income doesn't engage in the practice as a matter of internal policy.

#### 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.