

ITEM 1 COVER PAGE

ESSEX FINANCIAL SERVICES, INC.

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ADV Part 2A Appendix 1

December 28, 2020

This wrap fee program brochure provides information about the qualifications and business practices of Essex Financial Services, Inc. If you have any questions about the contents of this brochure, please contact Michael D. O'Rourke, Chief Compliance Officer, at (800) 900-5972 or at Michael.O'Rourke@EssexFinancialServices.Com

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about EFS is also available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM-3 MATERIAL CHANGES

There have been no material changes since our last update on October 25, 2019.

Essex Financial Services Inc. (EFS), as a Registered Investment Adviser (Adviser) providing advice under a wrap fee program, must provide its clients with Appendix 1 (Wrap Brochure) to its Form ADV, in lieu of providing its general disclosure brochure (i.e. Part 2A of Form ADV).

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Michael O'Rourke, Chief Compliance Officer, at (860) 767-4300 or info@essexfinancialservices.com. Our Brochure is also available on our web site www.essexfinancialservices.com free of charge.

Additional information about Essex Financial Services, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Essex Financial Services, Inc. who are registered, or are required to be registered, as investment adviser representatives of the firm. You can search this site by a unique identifying number, known as a CRD number. The CRD number for EFS is 127549.

ITEM 4- SERVICES, FEES AND COMPENSATION

Services

Essex Financial Services Inc. (EFS), a SEC Registered Investment Adviser, provides portfolio management services to its clients. Certain of these services involve the sponsoring of "wrap fee programs", wherein clients are charged an all-inclusive fee for the provision of investment advice, trade execution and custodial fees.

EFS, pursuant to its agreement with Lockwood Advisors, Inc. ("Lockwood"), an investment adviser based in King of Prussia, Pennsylvania, is the sponsor of The SELECT Program, through which EFS offers a Separately Managed Accounts (SMA Account) option as well as Lockwood's Advisor*Flex* portfolio modeling product and Lockwood's Third Party Model Portfolios product.

A. SMA Account

The SMA option allows clients, in conjunction with EFS's Investment Advisory Representatives (Financial Advisors) to independently select the discretionary investment advisory services of certain professional portfolio management firms for the individual management of client accounts.

B. AdvisorFlex Account

AdvisorFlex offers a series of objectives-based portfolio modeling strategies, selected and managed by Lockwood, that provide investors with access to professionally managed solutions and seeks to address the unique challenges presented at each phase of the investor lifecycle, from wealth accumulation, to the transition into retirement, and ultimately, the management and distribution of income.

The AdvisorFlex product includes three (3), objectives-based strategies, *Appreciation, Income and Preservation* (the "Strategies"), with multiple models within each strategy, as described below. ADVISORFLEX consists of sixteen (16) models/asset allocation strategies ("Models"). The three strategies are described in brief below and in detail in Exhibit C hereto.

The Appreciation Strategy is designed to provide the long-term level of returns associated with equity and fixed income asset classes, while seeking above average risk-adjusted levels of appreciation. The Appreciation Strategy models, representing various levels of expected risk and return, are:

Appreciation Model I

Appreciation Model II

Appreciation Model III

Appreciation Model IV

Appreciation Model V

Appreciation Model VI

Model I is the most conservative model and Model VI is the most aggressive. The underlying Appreciation Strategy models seek to achieve their objectives through tilts toward asset classes with above-average cumulative return potential, as well as asset classes that pay a premium to investors with a long-term time horizon.

The Preservation Strategy is designed to provide the long-term level of returns typically associated with equity and fixed income asset classes, while seeking downside protection and a lower level of long-term volatility, relative to respective standard capitalization-weighted indices. The Preservation Strategy Models, representing various levels of expected risk and return are:

Preservation Model I
Preservation Model II
Preservation Model III
Preservation Model IV
Preservation Model V

Model I is the most conservative and Model V is the most aggressive. The underlying Preservation Strategy models seek to achieve their objectives through tilts toward non-cyclical economic sectors, higher quality securities, and alternative strategies that may alter the risk characteristics of the portfolio.

The Income Strategy is designed to provide an above-average level of yield while maintaining a diversified portfolio. The Income Strategy models, representing various levels of expected risk and return, are:

Income Model I
Income Model II
Income Model III
Income Model IV
Income Model V

Model I is the most conservative and Model V is the most aggressive. The underlying Income Strategy models seek to achieve their objectives through the use of numerous asset classes which may include high dividend-yielding stocks, real estate investment trusts, master limited partnerships, closed-end funds, fixed income, and preferred securities.

C. Third Party Model Provider Portfolios

Lockwood provides access to certain model portfolios (each a “Model Portfolio”) of third party model providers (each a “Model Provider”). The Third Party Model Provider Portfolios include Lockwood as Manager and various Model Providers who provide strategy-specific Model Portfolios. Lockwood will act as a discretionary Manager, and will, in its discretion, manage Portfolio Accounts based on the selected Model Portfolio. When a Model Provider makes model portfolio changes, the Model Provider will notify Lockwood, who will make the necessary changes to the Model Portfolio Accounts at its sole discretion. In its capacity as a Manager, Lockwood is authorized to rebalance portfolios within the Model Portfolio Accounts to within specified acceptable allocation ranges determined by Lockwood.

The Model Provider that Essex Financial has chosen to include in its SELECT program is Vanguard Advisers, Inc. The Vanguard ETF strategic model portfolios offer broad-market equity and fixed income exposure utilizing Vanguard ETFs in the following categories: Domestic equity, International equity, Domestic fixed income and International fixed income.

ETFs offer potential tax efficiency, transparency and low costs.

The Vanguard ETF strategic model portfolios offer six distinct asset allocations that range from the most conservative choice (0% Equity, 100% Fixed Income) to the most aggressive choice (100% Equity, 0% Fixed Income). The six available models are:

0% Equity, 100% Fixed Income

20% Equity, 80% Fixed Income

40% Equity, 60% Fixed Income

60% Equity, 40% Fixed Income

80% Equity, 20% Fixed Income

100% Equity, 0% Fixed Income

Essex Financial Services Financial Advisors are responsible for: 1) assisting each Investor in selecting the Model Portfolio(s) that is/are suitable for that Investor; 2) monitoring whether a Model Portfolio continues to be suitable for an Investor; and 3) communicating any Investor restrictions to Lockwood.

Execution Services

Execution of securities transactions in SMA, Advisor*Flex* and or Third Party Model Provider Portfolio accounts is generally provided by Pershing, who also acts as the custodian. Under certain limited circumstances, a portfolio manager participating in one of the programs may seek to effect a transaction for SMA, Advisor*Flex* and or Third Party Model Provider Portfolio accounts with a third party broker-dealer on a principal or agency basis when consistent with the portfolio manager's best execution duty. When such transactions are made, the third-party broker-dealer may receive an implicit profit (or loss) depending on the price that the broker-dealer paid for the securities or will receive on their resale. However, no mark-ups or mark-downs or other transaction fees will be charged to clients for these trades. Clients will receive confirmations as required by law on each trade, unless they elect suppression of such confirmations, account statements for every month in which there is brokerage activity in the account, quarterly performance evaluations, and quarterly portfolio manager commentaries

Fees and Compensation

A. SMA Account

The SMA standard program fee schedule is set forth below and is expressed in terms of an annual percentage of account asset value:

ASSET VALUE¹ (in \$ thousands)	100- 250	>250- 500	>500- 1,000	>1,000- 2,000	>2,000- 5,000	>5,000
EQUITY AND BALANCED Program Fee	3.00%	2.50%	2.00%	1.60%	1.40%	1.30%
FIXED INCOME Program Fee	1.50%	1.25%	1.10%	1.00%	.90%	.75%

The portion of the program fee paid to portfolio managers of equity and balanced accounts ranges from 40 to 50 basis points per annum. Portfolio managers of fixed income accounts are paid 25 to 30 basis points per annum. The fees paid to portfolio managers in the SMA account are generally less than a portfolio manager would charge a client seeking to establish a direct relationship with the portfolio manager outside of a wrap account program. This is principally due to the fact that EFS absorbs many of the billing, administrative, and marketing expenses that would otherwise be borne by the portfolio manager. Portfolio managers generally have higher minimum account size requirements and fees for direct accounts because of such additional expenses.

SMA accounts are assessed the program fee quarterly, in advance, based on the market value of account assets as of the last business day of the previous quarter. At account inception, the program fee is charged on a prorated basis to reflect the number of days remaining in the calendar quarter. Due to the administrative costs of establishing SMA accounts, no pro rata refund is made if a client terminates an account within the first four full calendar quarters after inception. Additionally, an early closing fee equal to the lesser of \$2,000 or a full quarter's fee (based on account value upon closing) applies to accounts closed within this period.

Any Securities Exchange Commission (SEC) and exchange fees arising from account activity are absorbed by EFS as part of its bundled fee. Custodial and maintenance fees normally applicable to retirement accounts and qualified retirement plans for which Pershing acts as custodian are waived for The SELECT Program accounts. One-time fees related to the set-up of 401(k) plans and the termination of retirement accounts and qualified retirement plans for which Pershing acts as custodian apply. Pershing, subject to certain exceptions, may act as principal on securities transactions for SMA accounts. There is no mark-up or mark-down on such trades. Cash balances in SMA accounts are automatically swept to a money market fund. The client pays internal expenses of such funds, including management fees of the funds.

B. ADVISORFLEX

¹ Breakpoints on total assets are applied on a tiered (Blended Basis), graduating downwards on assets within each breakpoint reached. The exact fee charged would be a weighted average of all applicable breakpoints.

As a participant in the Program, Client will pay an annualized asset-based fee ("Fee") in accordance with the forgoing schedule. The total fee assessed to the Client will vary depending on the services the Client selects.

Typically, the Client fee will include Lockwood's advisory fee and overlay manager fee (if applicable), Sub-Adviser fee (if applicable), and the administrative fee clearing and custody fee as described below.

In addition, EFS and its Financial Advisors set and charges fees independently of the aforementioned fees and the fees charged by it may vary accordingly. Unless the Client instructs otherwise, Lockwood generally debits the Client's account for the fees charged by Lockwood, its clearing agent, and EFS and remits the fees to the respective parties accordingly.

Fees are calculated as an annual percentage of assets based on the value of the account. The Fee will be payable quarterly in advance. The first payment is due upon Lockwood's acceptance of the Account or Account funding, whichever is later, and will be assessed pro rata in the event this Agreement is executed at any time other than the first day of the calendar quarter.

Subsequent payments are due and will be assessed on the first business day of each calendar quarter based on the value of the Account assets under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise by Pershing in good faith based on Pershing's books and records. There is no adjustment to the Fee if assets are deposited or withdrawn after the inception of a quarter.

The Program Advisory Fee, consisting of the aforementioned fee components, is billed quarterly in advance as follows:

ASSETS UNDER MANAGEMENT (AUM)	PROGRAM FEE % AUM**
First \$500,000	1.40%
Next \$500,000	1.10%
Over \$1,000,000	.50%

** In addition to the aforementioned Program Fee, there may be other costs assessed which are not included in a variable rate bundled or wrap fee arrangement, such as dealer mark-ups, costs associated with the purchase and sale of certain mutual funds, odd-lot differentials, exchange or auction fees, transfer taxes, costs for transactions executed other than at Pershing, electronic fund

and wire transfers, fees imposed on cash management accounts, trust services charges and other charges mandated by law. Further, interest will normally be charged on a debit balance in a Client account. If Pershing has custody of the assets, it will credit interest and dividends to the account.

Pershing will deliver securities held in the Account as instructed by Client unless Client requests that the Account be liquidated. After the completion of four full calendar quarters, Client will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter of termination.

Client authorizes Pershing and Lockwood to deduct all applicable fees from Client's Account and all such fees will be clearly noted on Client's statements.

Client understands that the Portfolio Manager, EFS, Pershing, Lockwood and their agents, in connection with the performance of their respective services, shall be entitled to and will share in the Fee payable hereunder.

C. Third Party Model Provider Portfolios

As a participant in the Program, Client will pay an annualized asset-based fee ("Fee") in accordance with the forgoing schedule. The total fee assessed to the Client will vary depending on the services the Client selects. Typically, the Client fee will include Lockwood's advisory fee and Model Provider fee (if applicable).

In addition, EFS and its Financial Advisors set and charges fees independently of the aforementioned fees and the fees charged by it may vary accordingly. The total advisory fee will range from .45%-1.28% and is negotiable. Lockwood generally debits the Client's account for the fees charged by Lockwood, the Model Provider, and EFS and remits the fees to the respective parties accordingly.

Fees are calculated as an annual percentage of assets based on the value of the account. The Fee will be payable quarterly in advance. The first payment is due upon Lockwood's acceptance of the Account or Account funding, whichever is later, and will be assessed pro rata in the event this Agreement is executed at any time other than the first day of the calendar quarter.

Subsequent payments are due and will be assessed on the first business day of each calendar quarter based on the value of the Account assets under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise by Pershing in good faith based on Pershing's books and records. There is no adjustment to the Fee if assets are deposited or withdrawn after the inception of a quarter.

ITEM- 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Account Requirements

A. SMA Account

Account minimums are generally less than those required by such managers outside of their participation in SELECT and generally range from \$100,000 to \$250,000.

B. AdvisorFlex Account

The minimum size for ADVISORFLEX accounts is \$50,000.00, with minimum, subsequent contributions of \$1,000.00. Lockwood, in its sole discretion, may waive the minimum account size. Accounts may be funded with cash equivalents or shares of investment selections included within a given Model.

C. Third Party Model Provider Portfolios

The minimum size for Third Party Model Provider Portfolio accounts is \$10,000.00, with minimum subsequent contributions of \$1,000.00.

Types of Clients

Essex Financial Services Inc. (EFS) provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments and municipalities.

ITEM- 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

A. SMA Account

Participating portfolio managers are selected for the program and reviewed on an ongoing basis by EFS through its Investment Committee (Committee). The Committee consists of the firm's Financial Advisors who provide investment advisory services. A list of current portfolio managers selected by the EFS's Committee is included in this Appendix 1 as Attachment A.

EFS's Financial Advisors utilize software and documentation provided by EFS to assist the Client in selecting an investment style allocation and/or a diversified portfolio of investments including investment vehicle(s) and/or managers (Manager(s)) appropriate for the Client both initially and on an on-going basis.

Portfolio Managers May Be Selected From The Following Investment Styles:

EQUITY

Large Capitalization

- Core
- Equity Income
- Global Equity (ADR)
- Growth
- International Equity (ADR)
- Value

BALANCED

Large Capitalization

- Core
- Value

FIXED INCOME

Intermediate-Term Bonds
Municipal Bonds

Mid Capitalization

- Growth
- Value
- Core

Multi Capitalization Growth

Small to Mid Capitalization Growth

The Committee relies upon data about portfolio managers provided by the portfolio managers to a third party, to Lockwood or directly to EFS. Utilizing quantitative and qualitative information, the Committee reviews and analyzes portfolio managers based on the following criteria:

i. Quantitative Criteria

Quantitative criteria are evaluated in terms of a portfolio manager's absolute performance and performance relative to the portfolio manager's investment style group and may include:

- Rate of return
- Standard deviation of returns
- Consistency of returns

ii. Qualitative Criteria

Qualitative criteria evaluated may include:

- Number of years in the business
- Assets under management
- Investment philosophy
- Adherence to investment philosophy
- Client servicing resources

The Committee meets periodically to review the portfolio managers that are currently participating in the program, and on an as-needed basis, to facilitate the addition of new managers to the program or the replacement of existing managers. The Committee may elect to replace a participating portfolio manager should it determine that the portfolio manager has failed to meet one or more of the above-listed selection criteria.

In making a decision to replace a portfolio manager, the Committee takes into consideration all criteria; no one criterion is necessarily a determinant in the replacement decision. Additionally, during its review process, the Committee places emphasis on long-term, overall

portfolio manager performance from both a qualitative and quantitative viewpoint. Short-term developments are monitored but are not necessarily sufficient for a decision to replace a portfolio manager.

Portfolio manager rate of return performance is reported by Lockwood quarterly. These are not actual SMA account returns, but instead are returns of accounts (which may include institutional accounts) as provided by the portfolio managers to a third party or directly to Lockwood. Since portfolio managers may use different methods for selecting accounts to be included in their performance composites and for calculating performance, returns of different portfolio managers may not be comparable. All material is compiled from sources believed to be reliable, but is not independently verified. Past performance is not an indication of future results. Portfolio manager rate of return performance is generally calculated by the portfolio managers in a manner that is compliant with Association for Investment Management and Research (AIMR) standards.

SMA clients receive individual quarterly portfolio evaluations. Portfolio evaluations, distributed by EFS through Lockwood, use performance reporting software provided by an unaffiliated firm. Portfolio evaluations are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices.

B. Advisor*Flex* Account

The Advisor*Flex* Models are intended to align with the different phases of the investor life cycle, from wealth accumulation, to transition into retirement and ultimately, the management and distribution of income. Each of the Models contains specific investment selections. Disclosures relating to the specific investment selections are contained herein and should be reviewed in detail by each Client. The Client and his/her Financial Advisor are responsible for selecting the appropriate Model for the Client.

Lockwood may make available research reports relating to the investment selections within the Models and prepared by Morningstar, Inc. ("Morningstar").

Lockwood makes available through EFS 16 Models and over 100 investment options to Financial Advisors and his/her Client. For each investment selection within a Model, Lockwood identifies several options from which the Client and his/her Financial Advisor may choose. Within each Model, there will be primary investment selections ("Primary Selections") and alternate investment selections ("Alternate Selections") from which the Client and his/her Financial Advisor may choose.

At any time and in Lockwood's sole discretion, Lockwood may reclassify a Primary Selection as an Alternate Selection. In such a case, existing Accounts holding the Primary Selection may retain selection or affirmatively change to the new Primary Selection. In each instance, Lockwood will issue an "alert" to identify the new Primary Selection. In the event that a Primary Selection is eliminated from a Model altogether, all Accounts in the Model holding the current Primary Selection will default to the new Primary Selection. In the event that Lockwood removes one of the Alternate Selections, affected Accounts will default to either the Primary Selection or another,

available Alternate Selection, as determined by Lockwood.

In certain instances when a Client selects both Primary Selections and Alternate Selections to complete a Model, the mixture of Primary Selections and Alternate Selections may result in changes to the weightings within an asset allocation.

Certain asset classes may contain only Primary Selections; Alternate Selections will not be made available in those cases, in Lockwood's sole discretion.

C. Third Party Model Provider Portfolios

The Investment Committee selects from a list of Model Providers that Lockwood has chosen to include in their program. The Committee will utilize similar Qualitative and Quantitative criteria as they do with SMA account Managers.

The Committee meets periodically to review the Model Providers that are currently participating in the program, and on an as-needed basis, to facilitate the addition of new providers to the program or the replacement of existing providers. The Committee may elect to replace a participating portfolio manager should it determine that the portfolio manager has failed to meet one or more of the above-listed selection criteria.

In making a decision to replace a portfolio manager, the Committee takes into consideration all criteria; no one criterion is necessarily a determinant in the replacement decision. Additionally, during its review process, the Committee places emphasis on long-term, overall portfolio manager performance from both a qualitative and quantitative viewpoint. Short-term developments are monitored but are not necessarily sufficient for a decision to replace a portfolio manager.

ITEM -7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

A. SMA ACCOUNT

The Financial Advisor collects financial and personal information from the Client and assists the Client in establishing investment objectives and strategies. The Financial Advisor assists the Client in selecting a Manager(s) to manage the portfolio. Clients receive initial and ongoing assistance from EFS' Financial Advisors in the SMA portfolio manager selection process. EFS forwards the Client's personal and financial information to Lockwood, who provides the information to selected portfolio manager(s) for review.

B. ADVISORFLEX ACCOUNT

The Financial Advisor collects financial and personal information from the Client and assists the Client in establishing investment objectives and strategies. The Financial Advisor assists the Client in selecting a particular portfolio modeling strategy. EFS forwards the Client's personal and financial information to Lockwood, who provides the information to selected portfolio manager(s) for review.

As with both the SMA and *AdvisorFlex* options, in the event the portfolio manager(s) accept the account, the portfolio manager(s) will then direct the investment and reinvestment of the assets in the client's account on a discretionary basis in accordance with the information provided by the client in the investor profile, including any reasonable restrictions imposed by the client, and subject to the client meeting the portfolio manager's minimum account size.

The Financial Advisor assigned to the account will periodically monitor the account to determine whether the client's investment objectives are being met. The Client grants limited discretion to his/her Financial Advisor to make changes to Primary Selections and Alternate Selections in Client's *AdvisorFlex* account and to make other decisions relating to the AFP Account on the Client's behalf.

Pursuant to program agreements, the client agrees to promptly provide to EFS information regarding material changes in the client's financial circumstances or investment objectives. Upon receipt, EFS forwards this information to Lockwood, who in turn forwards such information to the client's portfolio manager(s).

C. Third Party Model Provider Portfolios

The Financial Advisor collects financial and personal information from the Client and assists the Client in establishing investment objectives and strategies. The Financial Advisor assists the Client in selecting a particular portfolio modeling strategy. EFS forwards the Client's personal and financial information to Lockwood. The Client's personal and financial information is not shared with the Model Provider.

ITEM 8-CLIENT CONTACT WITH PORTFOLIO MANAGERS

SMA ACCOUNT and ADVISORFLEX ACCOUNTS

Clients may communicate directly with, the portfolio manager(s), although clients are encouraged to direct communications through EFS and its Financial Advisors.

ITEM 9- ADDITIONAL INFORMATION

What You Need To Know About Fee-Based Accounts

In making the determination of whether the aforementioned wrap fee programs are appropriate for their needs, clients should bear in mind that asset-based fee arrangements, when compared with the commission option, generally result in lower costs during periods when trading activity is heavier, such as the year an account is established.

During periods when trading activity is lower, such arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under the wrap fee arrangement for SELECT programs versus the management fee and commission arrangement can vary significantly, depending on the account size, amount of turnover, type of securities purchased or sold, quantities of securities purchased or sold, commission rates negotiated with the broker/dealer, and the client's tax situation. When making cost comparisons, clients should be aware that the combination of investment advisory, custodial and brokerage services available through these programs may not be available separately or may require multiple accounts, documentation and fees.

Clients should understand that the annual advisory fees charged in SELECT programs are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that a client intends to hold fund shares for an extended period of time, it may be more economical for the client to purchase fund shares outside of these programs. Clients may be able to purchase mutual funds directly from their respective fund families without incurring EFS's advisory fee. When purchasing directly from fund families, clients may incur a front- or back-end sales charge, or "load". In the case of load funds, only such funds, for which the load has been waived, pursuant to SEC rules, may be purchased in these programs. Clients may hold fund shares purchased with a front-end load in their SELECT account.

Certain open-end mutual funds which may be acquired by clients, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. If received by the firm, these fees will be credited quarterly to the client's account(s) to offset Advisory Fees incurred by clients with accounts in SELECT account programs.

A client's total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program.

Cost factors may include the client's ability to:

- 1) Obtain the services provided within the programs separately with respect to selection of mutual funds,
- 2) Invest and rebalance selected mutual funds without the payment of a sales charge, and
- 3) Obtain performance reporting comparable to those provided within each program.

When making cost comparisons, clients should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the client otherwise does not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or

the client otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

This program may cost the client more or less than purchasing such wrap account services separately, assuming that similar services could be purchased directly from the various providers thereof. As indicated, portfolio managers may impose higher account minimums outside of a wrap program context. Additionally, providers of portfolio evaluation services may not offer such services for client accounts of the size typically associated with wrap account programs, or, if so, only at a higher cost as such service providers do not enjoy the economies of scale associated with providing services to clients of a wrap program. SELECT fees may be negotiable at the discretion of, and within the means, of EFS. In addition, EFS may negotiate SELECT service charges with Pershing.

Financial Advisors of EFS receive compensation as a result of a client's participation in SELECT. Depending on, among other things, the value of the account, changes in its value over time, and the ability to negotiate fees or commissions, the amount of this compensation may be more than what the Financial Advisors would receive if the client participated in other programs offered by EFS, or if the client paid separately for investment advice, brokerage, and other services. Therefore, while wrap account compensation cannot be determined in advance, the Financial Advisors may have an incentive to recommend these programs over other programs or services.

Other Business Activities

In addition to offering investment advisory services, EFS is a registered broker-dealer and is a member of the Financial Industry Regulatory Authority. EFS is also licensed as an insurance agency with the State of Connecticut Insurance Department. It is expected that EFS and its executive officers will spend more than fifty percent of their time on investment advisory services, and less than fifty percent of their time on matters related to brokerage and insurance related activities. As a registered broker-dealer and as a licensed insurance agent EFS sells products and services consistent with those businesses, including securities and insurance policies.

EFS is a wholly-owned subsidiary of Essex Savings Bank ("*Bank*"). Certain of EFS' directors are also directors of the Bank. Financial Advisors may recommend the use of the Bank to clients in need of banking services. No client is obligated to use the Bank for any banking service. Any compensation received by the Bank for providing banking services is entirely separate and distinct from the advisory fees charged by EFS. Financial Advisors receive no compensation for recommending the Bank to advisory clients.

EFS, as a registered broker-dealer, and the Financial Advisors, as registered representatives of EFS, may receive separate and typical compensation from any brokerage transaction they implement on behalf of EFS. Except with respect to the Flagship Program, no investment advisory client is obligated to use EFS or the Financial Advisors for brokerage services.

In addition, EFS, as an insurance agency, offers fixed annuities and other insurance products. Financial Advisors who are licensed as insurance agents may offer these products to clients

for separate and typical compensation. No client is obligated to use EFS or the Financial Advisors to purchase fixed annuities or other insurance products.

Any recommendation of a security or insurance product in which either EFS or its Financial Advisors may have a financial interest is purely coincidental and EFS or its Financial Advisors shall immediately disclose any such potential conflict to clients.

Not FDIC Insured

The investment products and services offered pursuant to The SELECT Program (1) are not insured by the FDIC or any other agency of the United States, Essex Savings Bank, or an affiliate of Essex Savings Bank, (2) are not a deposit or other obligation of, or guaranteed by, Essex Savings Bank or any affiliate of Essex Savings Bank, and (3) are subject to investment risks, including possible loss of the principal amount invested.

Solicitors Rule Disclosure

Written agreements are entered into among EFS, portfolio managers, and solicitors (oftentimes participating professionals) for the referral of clients to the Select Program as required by Rule 206(4)-3 of the Investment Advisers Act of 1940 (the “Act”). Pursuant to such agreements, EFS provides the solicitor with this “SELECT Disclosure Statement” and an additional “Solicitation Fee Disclosure Statement,” which are to be furnished to prospective clients at the time of solicitation by the solicitor. A solicitation fee is paid by or through EFS to the professionals who solicit clients to open Select Program accounts. The compensation paid is a percentage of the annual fee paid by such accounts.

Proxy Voting Client Procedures

A. SMA Account

Proxy Voting: As a matter of firm policy and practice, EFS does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients’ investment portfolios. EFS may provide advice to clients regarding the clients’ voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that EFS will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client’s account(s), including, but not limited to, the filing of “Proofs of Claim” in class action settlements. If desired, clients may direct EFS to transmit copies of class action

notices to the client or a third party. Upon such direction, EFS will make commercially reasonable efforts to forward such notices in a timely manner.

B. Advisor*Flex* and Third Party Model Provider Portfolios

Upon request of the Client, pursuant to NYSE regulations, the Client can delegate all proxy voting rights to Lockwood and designate it to receive all proxies and any and all related materials and to vote the same. The Client has the right to rescind this delegation at any time with prior written notice to Lockwood.

ATTACHMENT A

Separately Managed Account Platform Managers

Alliance Bernstein Municipal High Quality SMA
Allianz Global Investors NFJ Mid Cap Value
Allianz NFJ Dividend Value Equity
Anchor Capital Advisors All Cap Value
Atalanta Sosnoff Capital Large Cap Core
Atlanta Capital High Quality Small Cap (Transfers Only)
BlackRock Equity Dividend
Boyd Watterson High Quality Intermediate Municipal (National)
Boyd Watterson High Quality Intermediate Municipal (State Specific)
Boyd Watterson Investment Grade Core SMA
Brandes Global Equity
Brandes International Equity
Brandes U.S. All Cap Value Equity
Calamos Advisors All Cap Value
Cincinnati Broad Market Bond (1/3 High Yield - 2/3 Investment Grade)
Cincinnati High Yield Bond
Cincinnati Investment Grade Bond
Dalton Greiner Hartman Maher All Cap Value
Dalton, Greiner, Hartman, Maher Mid Cap Value
Davis Real Estate Sector
Davis Selected Large Cap Value
Eagle Asset Equity Income
Eagle Asset High Quality Taxable Bonds
Eagle Asset SMID Cap Strategy
Eaton Vance Large Cap Growth
Eaton Vance Large Cap Value
Eaton Vance Parametric Tax Aware Large Cap Value
Equity Investment All Cap Value
Federated Strategic Value Dividend
Franklin Intermediate Fixed Income SMA
Fred Alger Mid Cap Growth
Glenmede Aggregate Taxable Fixed Income
Glenmede Intermediate Bond Portfolio
Glenmede Large Cap Core Equity
Glenmede Large Cap Value
GW&K Municipal Bond
Hamlin Equity Income
Janus Henderson Concentrated Growth Managed Account
Kayne Anderson Rudnick Small/Mid Cap Core

Lazard Global Equity Select ADR
 Lazard International Equity Select ADR
 Legg Mason All Cap Blend Portfolios (MDA0)
 Legg Mason ClearBridge All Cap Growth Portfolios
 Legg Mason ClearBridge Multi Cap Growth Portfolios
 Madison Large Cap Equity
 Madison Taxable Fixed Income - A or Better
 MDT Advisers All Cap Core
 Oak Ridge Investments Small-Mid Cap Growth
 Parametric Custom Core - Russell 3000
 Parametric Custom Core- S&P 500
 Parametric TABS Municipal Ladder 5-15 Yr
 Parametric TABS Municipal Ladder Long (State Specific)
 Riverbridge Partners SMID Cap Growth (Transfer Only)
 Rushmore Large Cap Growth Equity
 Santa Barbara Asset Management Dividend Growth
 Sterling Capital Equity Income
 Sterling Capital Management Special Opportunities
 TCW Investment Concentrated Core Equity (Transfer Only)
 Templeton Global Equity SMA
 Templeton International Equity SMA
 Thornburg International ADR Strategy
 Uniplan High Income Total Return Non K-1s
 ValueWorks Capital Appreciation (Large Cap Value)
 ValueWorks Large Cap Value Balanced
 Wedgewood Large Cap Focused Growth
 WHV Investment International Equity