

Form ADV Part 2A
Investment Advisor Brochure



SIGNATURE ESTATE & INVESTMENT ADVISORS, LLC®
www.SEIA.com

Cover Page

This Form ADV Part 2A (Investment Advisor Brochure) provides information about the qualifications and business practices of Signature Estate & Investment Advisors, LLC (SEIA).

If you have any questions about the contents of this brochure, please contact us at 310-712-2323 or operations@seia.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. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of training.

Additional information about SEIA also is available on the SEC's website at: www.adviserinfo.sec.gov.

Attached are the Brochure Supplements for Deron McCoy (SEIA Chief Investment Officer), as well as SEIA's Privacy Notice and Business Continuity Program.

Date of Brochure as Last Revised: November 5, 2018

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WWW.SEIA.COM

Securities offered through Royal Alliance Associates, Inc. member FINRA/SIPC. Investment advisory services offered through SEIA, LLC. Royal Alliance Associates, Inc. is separately owned and other entities and/or marketing names, products or services referenced here are independent of Royal Alliance Associates, Inc.

Material Changes to Investment Advisor Brochure

Summary of Material Changes

The purpose of this section is to discuss only material changes since the last annual update of the SEIA Investment Advisor Brochure. The date of the last annual update was January 15, 2018.

1. Updated language to further explain the use of Prime Brokers as a component of our brokerage practices.
2. Added language regarding custody in that, under the updated Custody Rule SEIA is deemed to have custody for accounts that have certain money movement authorities. SEIA is taking the required steps to be in compliance with the criteria outlined in the No-action Letter required for limited custody.
3. The Redondo Beach location has moved to 1848 S. Elena Ave., Suite 100, Redondo Beach, CA 90277
4. SEIA has added a new office located at 3 East Third Ave., #217, San Mateo, CA 94401
5. SEIA has added a new office located at 1700 Post Oak Blvd, 2 Blvd Pl., Suite 600, Houston, TX 77056
6. Expanded and updated the disclosure language in the section regarding “Client Referrals from Brokers.”
7. Added an additional Investment Management service, Signature Targeted Strategies.
8. Updated language throughout the brochure to reflect the purchase of Signator Investors Inc. by Royal Alliance Associates, Inc. and its parent company Advisor Group. Updates include: changing name of BD, update to Ancillary Services to remove the Solicitor Program to Signator John Hancock Portfolio Solutions.
9. Update to Advisory Business section to reflect a reorganization of the SAS platforms and addition of a No Transaction Fee Platform.

Please review the full document SEIA ADV 2A for further information associated with these changes.

Delivery:

Within 120 days of our fiscal year end we will deliver our annual Summary of Material Changes if there have been material changes since the last annual updating amendment.

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Advisory Business

Advisory Firm

Signature Estate & Investment Advisors, LLC® ("SEIA") has been providing Investment Advisory Services since 1997. The firm is a Registered Investment Advisor under the Investment Advisers Act of 1940. The principal owner is Brian D. Holmes, founder, President, CEO, and Secretary. Mr. Holmes has been in the financial services industry since 1984.

As of December 31, 2017, SEIA has \$5,077,703,768 of assets under management on a non-discretionary basis and \$748,308,722 assets under management on a discretionary basis.

Advisory Services

Clients work with their personal Investment Advisor Representative ("Financial Advisor") to determine the appropriate Wealth Management Service to match the client's need.

- Signature Elite
- Signature Allocation Series
- Signature Target Strategies
- Financial Planning (**Modular & Comprehensive** financial planning)
- Investment Consulting
- Retirement Plan Consulting

◆ Signature Elite ◆

SEIA provides investment supervisory services under a program called "Signature Elite." Signature Elite is a six-step investment management process designed to assist clients with their financial goals and objectives.

- Determining investors needs and objectives
- Assessing risk tolerance and investor suitability
- Reviewing asset allocation
- Implement strategic plan
- Rebalance and monitor portfolio
- Comprehensively report the results

Signature Elite is a **non-discretionary** service. Clients will approve the asset allocation prior to implementing the investments. Prior to making changes, the Financial Advisor will call the client and make a recommendation for client approval. The portfolio is monitored on a continuous basis.

When reviewing the asset allocation with clients, the Financial Advisor may recommend stocks, bonds, mutual funds, closed-end mutual funds, exchange traded funds ("ETFs"), exchange traded notes ("ETNs"), preferred stocks, options, structured products, hedge funds and/or private placements.

SEIA may also recommend portion(s) of the portfolio to a Third-Party Money Manager. The Third-Party Money Manager will supervise the portfolio on a discretionary basis.

In instances where clients have variable annuities in their accounts at custodians where we are able to provide advisory services, SEIA will monitor the annuity, review allocations with clients, make recommendations to clients, and implement approved trading recommendations.

◆ Signature Allocation Series ◆

SEIA provides investment supervisory services under a program called Signature Allocation Series (“SAS”). SAS is a six-step investment management process designed to assist clients with their financial goals and objectives. Signature Allocation Series uses the same six-step process used in Signature Elite.

Services are based on the individual needs of the client. An initial interview and data gathering questionnaire is undertaken to determine the client’s financial situation and investment objectives. The client is given the opportunity to impose reasonable restrictions on the management of the account. Clients have the ability to leave standing instructions with the Financial Advisor to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities.

At least quarterly, the Financial Advisor will notify the client in writing to contact the Financial Advisor if there have been any changes in the client’s financial situation or investment objectives, or to impose or modify account restrictions. The Financial Advisor will contact or attempt to contact the client annually on these matters. It is the client’s responsibility to notify the Financial Advisor any time there are changes. Clients may call in at any time during normal business hours to discuss directly with the Financial Advisor about the client’s account, financial situation, or investment needs.

A qualified custodian maintains client funds and securities in a separate account for Client under Client’s name. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program. Clients will receive from the custodian/brokerage firm timely confirmations and at least quarterly statements containing a description of all transactions and all account activity. In addition to custodial statements, SEIA sends quarterly reports to clients.

The portfolio is supervised (monitored) on a continuous basis. SEIA’s Chief Investment Officer (Deron McCoy) and his team. My. McCoy will rebalance the portfolio back within the asset allocation range as needed, without contacting the client. (Mr. McCoy’s brochure supplement is attached to this brochure.) SAS is a **discretionary** service. SEIA will have the limited power of attorney to select securities to be bought and sold (subject to the restrictions in the Investment Policy Statement), and the quantities. When reviewing the asset allocation with clients, clients will work with the Financial Advisor to create an Investment Policy Statement that will identify the asset allocation classes, investment styles, and other trading guidelines.

SAS Platforms

SAS consists of eight model platforms (“S1, S2, S3, S4, S4+, N1, N2, & NTF”) with multiple asset classes, investment styles and vehicles. Each platform employs different investment vehicles according to the chart below. The Investment Policy Statement will indicate which platform is used as the base model, which can be further customized based on client need.

S-Series Platform	Exchange Traded Products	Mutual Funds	Individual Bonds	Individual Stocks
S1	X			
S2	X	X		
S3	X	X	X	
S4	X	X	X	X
S4+	X	X	X	X

NTF Platform	No Transaction Fee Exchange Traded Products	No Transaction Fee Mutual Funds
N1	X	
N2	X	X
NTF		X

◆ Signature Targeted Strategies ◆

SEIA provides investment supervisory services under a program called Signature Targeted Strategies (“STS”). STS is a discretionary account that employs an investment supervisory process to target specific investment objectives or themes.

STS employs an active allocation approach that may use mutual funds, ETFs, closed end funds, bonds, sub-managers, options and stocks to target the specific investment objective or theme as stated in the Investment Policy Statement. Services are based on the individual needs of the client pursuant to the theme as stated in the Investment Policy Statement. An initial interview and data gathering questionnaire is undertaken to determine the client’s financial situation and investment objectives. The client is given the opportunity to impose reasonable restrictions on the management of the account. Clients may leave standing instructions with SEIA to refrain from investing in specific equity securities. Targeted Strategies are designed to be a part of, or supplement to, and not a substitute for, an overall well-diversified investment portfolio.

SEIA or its designee will notify the client in writing to contact SEIA or its designee if there have been any changes in the client’s financial situation or investment objectives, or to impose or modify account restrictions. SEIA or its designee will contact or attempt to contact the client annually on these matters. It is the client’s responsibility to notify SEIA or its designee at any time there are changes. Clients may call in at any time during normal business hours to discuss directly with SEIA about the client’s account, financial situation, or investment needs.

A qualified custodian maintains client funds and securities in a separate account, for the Client, under Client's name. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program. Clients will receive from the custodian/brokerage firm timely confirmations and at least quarterly statements containing a description of all transactions and all account activity. In addition to custodial statements, SEIA sends quarterly reports to clients.

The portfolio is supervised (monitored) on a continuous basis. SEIA's Chief Investment Officer (Deron McCoy) will automatically rebalance the portfolio based on the specific investment objective or theme as specified in the Investment Policy Statement as needed, without contacting the client. (Mr. McCoy's brochure supplement is attached to this brochure.) This is a **discretionary** account. SEIA will have the limited power of attorney to hire and fire sub-managers, select securities to be bought and sold, and the quantities (subject to the restrictions in the Investment Policy Statement).

◆ Financial Planning ◆

SEIA provides two levels of "Financial Planning." Each level of financial planning includes a review of the client's current financial position, stated goals and objectives. The client's Financial Advisor will deliver a written plan except as otherwise stated below.

1. **Modular** financial planning is based on a single area of concern for a client i.e. retirement, investments, estate or other single client goals. The client's Financial Advisor may deliver a written plan or provide verbal consultations.
2. **Comprehensive** financial planning is integrated and assesses the client's entire financial picture. These plans may or may not include stress testing.

Both **modular** and **comprehensive** planning services can be executed as either a singular engagement or on-going engagement.

Some comprehensive financial plans can include an online wealth management portal that allows the client to consolidate and view financial data to include banking accounts, bills, insurance, and investment accounts. The client monitors the wealth management portal and makes online updates to the data. SEIA personnel do not have access to client online login and password information for their financial accounts. This portal provides real-time access to net worth updates, consolidated investment analysis, financial goal progress, and account aggregation.

On-Going financial planning provides the client with on-going services from SEIA. The client will meet with his / her Financial Advisor during the year to discuss aspects of the financial plan. SEIA uses best efforts to meet with the client to make updates to the client's financials and goals on an annual basis. SEIA will perform an annual Financial Plan review. The **On-Going** planning service requires that the client also engage SEIA for one of the investment supervisory services (Signature Elite, Signature Allocation Series or Signature Targeted Strategies).

◆ Investment Consulting ◆

SEIA manages investment accounts under a program called "Investment Consulting." Investment Consulting utilizes a six-step investment process designed to assist clients with their financial goals and objectives. In contrast to services provided under "Signature Elite," the portfolio is reviewed on a quarterly basis, rather than monitored on a continuous basis. Clients must still approve the initial asset allocation and approve any investment transactions prior to the change taking affect (non-discretionary account).

◆ Retirement Plan Consulting ◆

Certain Financial Advisors provide services to retirement plans ("Plans") and their participants on behalf of SEIA. The plan sponsor (or the responsible plan fiduciary if that person is not the plan sponsor) executes SEIA's Engagement Agreement on behalf of the Plan with SEIA, to designate, among other things, the services it will receive from SEIA. Services can be provided for a one-time limited engagement, or as on-going services.

Services may include development of an Investment Policy Statement ("IPS") for the Plan; investment recommendations about asset classes, investment alternatives, and the selection of investment options; and performance monitoring. SEIA will recommend an investment fund product or model portfolio meeting the definition of a Qualified Default Investment Alternative ("QDIA") as defined in the Pension Protection Act. SEIA is providing non-discretionary investment advice only. The Plan retains the sole final decision-making authority to accept or reject the non-discretionary advice or recommendations delivered by SEIA. Services are delivered with respect to the particular needs of each Plan and its participants, for the purpose of providing retirement income, based on generally accepted investment theories and prevailing investment industry standards. In providing the aforementioned services, SEIA is acting as a fiduciary with respect to the Plan under the Employee Retirement Income Security Act of 1974 ("ERISA"), the federal law governing pension plans.

Services may also include financial education of Plan participants about investments generally or Plan investment options, but are not rendered by SEIA as individualized investment advice for any particular participant. Services may include general assistance with group enrollment meetings for employees, or plan-level consulting services such as fee and expense evaluation, vendor analysis or general support for plan design features. In general, for these services, SEIA is not acting as a fiduciary to the Plan under ERISA.

◆ Ancillary Services ◆

Seminars:

SEIA provides seminar services. These seminars may include presentations on current events, economic trends and cycles, market cycles, investment fundamentals, financial products, equities, fixed income, alternative investments, and/or financial planning strategies. A fee is not charged to those in attendance.

Third-Party Money Managers and Solicitor Arrangements:

SEIA may make referrals to Third-Party Money Managers (other Registered Investment Advisors) to manage client assets. SEIA will gather suitability information on behalf of the firm that will be responsible for managing the portfolio. Accounts referred to Third-Party Money Managers are subject to their terms and conditions.

SEIA has entered into a Solicitor's Agreement with Signature Intelligent Portfolios, LLC ("SIP"). SIP is an online investment advisory platform that automatically trades and rebalances client portfolios. SIP has full investment discretion. SIP's Form ADV Part 2A is given to clients and prospective clients and contains specific details about its Investment Advisor qualifications and services. For additional information about SIP please see SIP's Form ADV Part 2A. This arrangement is described in further detail below under **Other Financial Industry Activities and Affiliations**.

SEIA offers certain clients Envestnet's proprietary mutual fund and ETF programs. SEIA acts as a solicitor in connection with offering these programs to clients. For additional information about these programs, please see Envestnet's Form ADV Part 2A.

SEIA has entered into Solicitor Agreements with other Registered Investment Advisors. SEIA will act as a service provider to the clients introduced by the other Registered Investment Advisors through these arrangements. Under these arrangements, SEIA will be responsible for ensuring all of its normal account opening documentation is completed by the client. SEIA will be responsible for managing the client's portfolio under these arrangements.

SEIA has access to third party money managers at both Schwab & Fidelity. See the Brokerage Practices section for further disclosures on these accounts.

The client is under no obligation to use the services of the other account manager(s) or Advisor(s) that are recommended.

Fees and Compensation

Fees for Advisory Services

◆ Signature Elite, Signature Allocation Series & Signature Targeted Strategies Fees ◆

Fees for **Signature Elite, Signature Allocation Series & Signature Targeted Strategies** (together known as "Investment Management") are computed at an annualized percentage of assets under management including cash balances, accrued interest and dividends.

The actual fee for any portfolio is negotiated based on the unique objectives of each client, the complexity of the investment plan, types of assets held in the account, and other factors. Fees are negotiable and may be a flat fee rate or a tiered fee rate. A flat fee rate would charge a single fee for all assets in the portfolio; whereas, a tiered fee rate would charge a different fee for assets at each level. The negotiated (actual) fee may be more or less than the ranges reflected in the fee schedule. The specific negotiated fee will be stated in the Engagement Agreement.

Declines in account value due to declines in the markets will not trigger the annual minimum household fee calculation (client withdrawals will trigger the annual fee minimum calculation), if applicable. Likewise, at our discretion, if the client is on a tiered billing schedule, the decline in account value due to market declines will not trigger a higher fee.

The fees are payable quarterly in arrears. Fees begin accruing when accounts become linked to us or when funded. To allow for additional account setups, transfers, final strategy discussions, etc., at our discretion, SEIA can delay or wave the first quarter fees. The first payment is assessed and due at the end of the first calendar quarter and will be assessed pro rata in the event the Agreement is executed at any time other than the first day of the current calendar quarter. Subsequent payments are due and will be assessed on the first day after the end of each calendar quarter based on the value of the account assets under supervision as of the close of business on the last business day of that quarter. Fees may be waived at our discretion, on the value of large deposits made shortly before the end of the quarter. Single account sizes under \$20,000 will not be billed a management fee.

The fees are for advisory services only and do not include any transaction fees or commissions, or Third-Party Money Manager advisory fees, which may be charged separately by the broker/dealer custodial firm.

SEIA makes recommendations to Third-Party Money Managers. Depending upon the money manager firm (as disclosed in detail in the sub-section for Third-Party Money Manager Fees), the SEIA fee schedules may or may not reflect our full compensation for making such referrals.

Some Financial Advisors of SEIA may impose higher minimum portfolio sizes. Higher minimum portfolio and account sizes may apply for solicited accounts.

In some cases, clients may be eligible for their Investment Management assets to be viewed in conjunction with another client’s Investment Management assets (“Householding”) for the purposes of meeting minimum Household Portfolio size.

“Equity/Blended” Portfolio Fees

The sliding scale below shows the fee ranges generally charged at certain dollar breakpoints for Signature Elite and Signature Allocation Series **“Equity/Blended”** portfolios.

<u>Portfolio Value Between</u>	<u>Equity/Blended</u>
\$ 250,000 - \$ 999,999	0.90 - 1.50%
\$1,000,000 - \$2,499,999	0.70 - 1.30%
\$2,500,000 - \$4,999,999	0.60 - 1.20%
\$5,000,000 - \$9,999,999	0.50 - 1.10%
\$10,000,000 and above	negotiable

For Investment Management (**“Equity/Blended” portfolios**), the **recommended** minimum Household Portfolio (aggregate of all accounts in the same household) size to be established is generally **\$250,000**, subject to the clarifications below:

Households that are only using Elite Service:

- The minimum annual fee per client Household Portfolio is **\$3,500, billed as a minimum quarterly fee of \$875.**

- Due to the minimum annual fee per client household, the fee a client may pay can be higher than the stated maximum rate of 1.5% shown in the above fee grid. In all cases, the maximum annual fee a client will pay is capped at 2%.

“Fixed-Income” Portfolio Fees

The sliding scale below shows the fee ranges generally charged at certain dollar breakpoints for Signature Elite and Signature Allocation Series “**Fixed-Income**” portfolios. This schedule applies only to households who have chosen the “Fixed Income” model for their entire portfolio.

<u>Portfolio Value Between</u>	<u>Fixed Income</u>
\$ 250,000 - \$ 999,999	0.45 - 1.00%
\$1,000,000 - \$2,499,999	0.40 - 0.90%
\$2,500,000 - \$4,999,999	0.35 - 0.80%
\$5,000,000 - \$9,999,999	0.25 - 0.70%
\$10,000,000 and above	negotiable

For Investment Management (**“Fixed-Income” portfolios**), the **recommended** minimum Household Portfolio (aggregate of all accounts in the same household) size to establish is generally **\$500,000**, subject to the clarifications below:

Households that are only using Elite Service:

- The minimum annual fee per client Household Portfolio is **\$3,500, billed as a minimum quarterly fee of \$875.**
- Due to the minimum annual fee per client household, the fee a client may pay can be higher than the stated maximum rate of 1.0% shown in the above fee grid. In all cases, the maximum annual fee a client will pay is capped at 2%.

◆ Financial Planning Fees ◆

Fees for Financial Planning (**Modular** and **Comprehensive**) will be quoted as a single fixed fee. Clients may pay a retainer, not to exceed \$1,200, for Financial Planning services. Further, information regarding refunds found below in **General Fee Disclosures**. Clients must pay any balance due upon delivery. Fees are as follows:

	Fee Maximum
Modular Financial Plan	\$10,000
Comprehensive Planning	\$15,000

Fees for **On-Going** financial planning can either be computed as an annualized percentage of client investment management assets or quoted as a fixed fee that will be charged each year. **On-Going** financial planning fees will generally be between 0.03% and a maximum of 0.60%. This fee is separate from any

other services SEIA provides, and will be added on to the fee scale for investment management services (Elite, SAS & STS), which is a pre-requisite of the **On-Going** financial planning service. The fee will be payable quarterly in arrears and deducted directly from the investment account the client chooses. **On-Going** financial planning fees begin accruing when SEIA becomes linked to the investment management accounts, or when those accounts are funded.

◆ Investment Consulting Fees ◆

Fees for **Investment Consulting** are computed at an hourly rate. The fee ranges are between \$200 - \$750.

The exact rate will be negotiated between the client and Financial Advisor within the stated ranges and will be specified in the Engagement Agreement. The fee is payable quarterly in arrears based on actual hours at the quoted rate. However, the annual fee paid at the hourly calculation will not exceed (1.0%) per annum of managed assets. Accounts must be “linked” to SEIA at custodians Schwab or Fidelity.

For Investment Consulting the recommended minimum is \$350,000, however, smaller portfolios may be opened or maintained at the discretion of SEIA. The minimum fee for Investment Consulting is \$3,500.

◆ Retirement Plan Consulting Fees ◆

Fees are billed quarterly in arrears, pro rata for any partial quarter. The Plan may elect to have the Fees billed directly to the Plan sponsor, or deducted from Plan assets by the custodian, TPA or record keeper and remitted directly to SEIA.

SEIA will offset any other compensation it receives directly or indirectly for Services provided to the Plan.

In addition to the Fee charged by SEIA, Plans may also incur certain charges imposed by unaffiliated third parties. Such charges may include, but are not limited to, fees charged by other investment managers, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the Plan which shall be disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), fees imposed by variable annuity providers and disclosed in the annuity contract, certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

SEIA charges a fee for Services calculated as either (I) a percentage of the market value of includable Plan assets, (II) a flat dollar amount or (III) an hourly rate. The hourly fee range is between \$200 - \$750. The per annum fees are negotiable and will generally follow the schedules below.

<u>Per Annum Fee Range</u>	<u>Portfolio Value Between</u>
0.40 - 1.10%	\$0 - \$1,000,000
0.30 - 1.00%	\$1,000,001 - \$5,000,000
0.20 - 0.90%	\$5,000,001 - \$15,000,000
Negotiable	\$15,000,001 +

There are no minimum conditions (account size or fee) for clients retaining Retirement Plan Consulting.

◆ Third-Party Money Manager Fees, Solicitor Fees and Other Disclosures ◆

In addition to fees paid to SEIA for advisory services with respect to clients' investments with Third-Party Money Managers, clients may pay additional fees to the separate account managers and the custodial firms.

SEIA is compensated as a solicitor by Signature Intelligent Portfolios, LLC ("SIP"). SEIA earns a portion of the fee quoted by SIP for so long as the agreement between the Client and SIP remains in effect.

For Investnet services, SEIA will earn a percentage of the fee as quoted by the Third-Party Money Manager's schedule. In these instances, the assets will not be included in the calculation for SEIA's fee schedule and fee deduction. Clients are encouraged to review Investnet's Statement of Investment Selection ("SIS") with their SEIA Advisor for descriptions of the fees and will be provided Investnet's ADV 2A for additional program information.

For the Schwab & Fidelity programs, SEIA earns compensation under the fee schedule for Investment Management and will deduct its fee from the brokerage custodial account as authorized by the client.

For all solicitor arrangements, clients will receive a separate written compensation disclosure statement, applicable agreements for the custodian and money manager, and Investment Advisor Brochure for the other Registered Investment Advisor.

General Fee Disclosures

Clients may authorize the custodian holding client funds and securities to deduct SEIA advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by SEIA. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by SEIA. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated. In no case are Fees collected in advance for services to be performed.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the investment because the mutual funds also pay advisory and/or management fees to an investment advisor.

Termination

As of the date of termination of services, SEIA will no longer be the investment advisor of record. All assets will remain at the custodian and it will be Client's responsibility to monitor the account and instruct the custodian as to the final disposition of assets. SEIA will not take any other action, unless specifically notified by the client. The following termination clauses apply based on the service provided.

- For **Investment Management, On-Going** financial planning and **Investment Consulting**, services will continue until either party terminates the Engagement Agreement on immediate written

notice. If termination occurs prior to the end of a calendar quarter, SEIA maintains the right to invoice for fees due on a pro-rata basis.

- For **Retirement Plan Consulting**, services may be finite and terminate on delivery of the services in accordance with the Financial Planning provisions below, or services may be on-going in accordance with the investment supervisory/management provisions above.
- For **Financial Planning (Modular or Comprehensive)**, the client may terminate the Engagement Agreement at any time and a refund of the unearned fees will be made based on time and effort expended before termination. The Agreement terminates upon delivery of the plan or consultations. If client is dissatisfied with the plan or consultations, and if client so states in writing within 10 days of delivery of the plan or consultations, SEIA will (at SEIA's sole discretion) either modify/make changes to the plan or provide additional consultations at no additional cost, or refund all or part of the fees paid.
- For **Third-Party Money Managers**, services will terminate in accordance with the outside Money Manager's Agreement.

The Engagement Agreement contains a pre-dispute arbitration clause. Client understands that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Arbitration is final and binding on the parties.

Financial Advisors of our firm are also Registered Representatives of Royal Alliance Associates, Inc. (RA), a Broker Dealer, and as such may receive commission-based compensation for the sale of securities and other investment products. Securities offered through RA member FINRA/SIPC. RA is separately owned and other entities and/or marketing names, products or services referenced herein are independent of RA and any subsidiaries or affiliates. SEIA and its Financial Advisors do not double-dip (*definition of double-dipping: "For brokerage firms, when a broker puts commissioned products into a fee-based account."*), and will either receive fee-based compensation or commissions on specified assets, not both. Mutual funds recommended under advisory services will be "no-load" or "load-waived." Clients are not obligated to purchase investment products recommended, or to purchase through our firm or affiliated firms.

Performance-Based Fees and Side-By-Side Management

SEIA does not charge performance-based fees (a fee that is based on gains in the client account).

Types of Clients and Account Requirements

Types of Clients: SEIA provides advisory services to individuals, trusts, estates, pension/profit sharing plans (ERISA accounts), charitable organizations and business entities.

Account Requirements: Please see the section "Fees and Compensation" for SEIA's household minimums.

Methods of Analysis, Investment Strategies

SEIA's Department of Investment Management and Economic Strategy ("DIMES") is responsible for the research and development of SEIA's asset allocation targets. DIMES uses the principles found in Modern Portfolio Theory, proprietary research, and third-party research. Underlying this approach is:

- Strategic Macro Asset Allocation, which is based on asset class and style through the use of computer software models, based on capital market assumptions and modern portfolio theory principles.
- Tactical Micro Allocation, which is based on business cycle, global and domestic macro / micro-economic conditions and other potential event-driven opportunities.

DIMES analysis and investment selection are driven by a two-prong approach to filter the investment universe of each asset class and style down to specific investments that meet SEIA's standards.

- Quantitative metrics focus on identifying potential investments with consistent, good risk-adjusted performance returns based on mathematical and statistical methods and analysis.
- Qualitative metrics focus on the "quality" of potential investments that meet the above quantitative standards. DIMES focuses on attributes of investments that cannot be directly captured by quantitative measurement.

Allocation strategies and potential investments are then presented at SEIA's Investment Committee meeting for final discussion and determination. SEIA's Investment Committee is comprised of the Chief Investment Officer, Senior Partners, Financial Advisors and members of the research team. The Investment Committee meets monthly to monitor global economic cycles, track investment trends, and provide research on investment vehicles and Third-Party Money Managers.

While the client's Financial Advisor will apply the asset allocation strategy to their client's individual accounts and monitor the portfolios, the Investment Committee performs an oversight of the Financial Advisors' client portfolios. Some SEIA Advisors may use Technical Analysis in addition to the methods described above.

Risk of Loss

The Financial markets are volatile and there are risks in all types of investment vehicles, including "low-risk" strategies. Client at all times shall elect unilaterally to follow or ignore completely, or in part, any information, recommendation, or advice given by SEIA. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. **For those investments sold by prospectus, clients should read the prospectus in full.**

SEIA predominantly utilizes the following investment vehicles in our portfolios: Stocks, bonds, mutual funds, closed-end funds, Exchange Traded Funds ("ETFs"), Exchange Traded Notes ("ETNs"), and options.

SEIA is disclosing those risks and opportunities for our investment strategy or for particular types of securities used. The main risks associated with the financial markets and the securities we recommend to clients are:

Market Risk - Market risk applies mainly to stocks, but can also apply to other securities SEIA recommends. This is the most familiar of all risks. Also referred to as volatility, market risk is the day-to-day fluctuation in a securities' price. As a whole, stocks tend to perform well during a bull market and poorly during a bear market. Volatility is not so much a cause but an effect of certain market

forces. Volatility is a measure of risk because it refers to the behavior, or "temperament", of your investment rather than the reason for this behavior. Because market movement is the reason why people can profit from stocks, volatility is essential for returns, and the more unstable the investment the more chance there is that it will experience a dramatic change in either direction. Stock investments can and will go down in value during adverse market conditions, just as they can deliver sizeable gains during favorable market conditions.

Financial Risk - Financial risk is the additional risk a shareholder bears when a company uses debt in addition to equity financing. Companies that issue more debt instruments would have higher financial risk than companies financed mostly or entirely by equity.

Business Risk - A company's risk is composed of financial risk, which is linked to debt, and business risk, which is often linked to economic climate. If a company is entirely financed by equity, it would pose almost no financial risk, but it would be susceptible to business risk or changes in the overall economic climate.

Management Risk - This term refers to the risk of the situation in which the company and shareholders would have been better off without the choices made by management.

Liquidity Risk - The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.

Interest Rate Risk - Interest rate risk is the risk that an investment's value will change as a result of a change in interest rates. This risk affects the value of bonds more directly than stocks.

Credit Risk - Credit risk is the risk that a company or individual will be unable to pay the contractual interest or principal on its debt obligations. This type of risk is of particular concern to investors who hold bonds in their portfolios. Government bonds, especially those issued by the federal government, will normally have the least amount of default risk and with corresponding lower interest rates, while corporate bonds tend to have the highest amount of default risk but also higher interest rates. Bonds with a lower chance of default are considered to be investment grade, while bonds with higher chances are considered to be below investment grade ("junk bonds"). Bond rating services, such as Standard & Poors ("S&P"), give investors their opinions on which bonds are investment-grade, and which bonds are "junk".

Currency Risk - When investing in foreign countries you must consider the fact that currency exchange rates affect asset prices. Currency risk applies to all financial instruments that are in a currency other than your domestic currency. As an example, if you are a resident of America and invest in a Canadian stock priced in Canadian dollars, even if the share value appreciates, you may lose money if the Canadian dollar depreciates in relation to the American dollar.

Country Risk - A collection of risks associated with investing in a foreign country. These risks include political risk, exchange rate risk, economic risk, sovereign risk and transfer risk, which is the risk of capital being locked up or frozen by government action. Country risk can reduce the expected return on an investment and must be taken into consideration whenever investing abroad.

The risks of **Mutual Funds** and **ETFs** depend on the underlying securities they hold, as well as added manager risk, which refers to the manager underperforming their benchmark. Stock funds have similar risks as stocks, just as bond funds have similar risks as bonds. Some ETFs that trade infrequently will have an added liquidity risk.

All **debt securities** are subject to interest rate risk and credit risk. High yield securities, which are debt securities rated below investment grade, face higher credit risk and downgrade risk (the chance that a credit rating agency will downgrade their rating / opinion on the safety of the security) than other debt securities.

Some SEIA Financial Advisors may use **Options**. The predominant use of options at SEIA is selling a covered call contract ("covered call"). When the investor sells the call option on a security held in the portfolio, the benefit is to increase income while holding the security. The covered call is a conservative way to participate in the options market. However, the investor limits the upside potential of the stock in a rising market if the stock increases in value over the strike price. The client can also suffer from a declining market in the value of the stock, but can continue to sell more call options. The premium received is taxable income. The sale of the stock at the strike price may be a taxable event.

Other basic option contracts may be utilized at times by SEIA Financial Advisors, although not a primary strategy. This includes buying a call, buying a put, or selling a put. These contracts have different and increased risks than the strategy described above. Options investors will receive a copy of Characteristics and Risks of Standardized Options published by The Options Clearing Corporation.

Alternative Product Risks:

Some Advisors may recommend to certain clients the use of **Alternative Products**: Structured Notes, Hedge Funds, Private Placements and other alternative investments. Due to the complexities of these investments, SEIA has in place certain guidelines, additional information and disclosures for client accounts we manage involved with alternative products. Some of the specific alternative product risks include but are not limited to:

Complex Payout Structure Risk - The payout structures for each alternative product vary and are often complex. Alternative investments may have complicated limits or formulas for the calculation of investor returns. Investors should refer to the prospectus, private placement memorandum or other offering documentation for specific details on the respective alternative investment product payout structure.

Expiration Risk/Consideration – Some structured products have an expiration date after which the issue may become worthless; the amount payable on the structured products is not linked to the level of the underlying investments at any time other than the date of maturity. If the investment is sold prior to the stated maturity date, the market price may be higher or lower than the price paid.

Issuer Credit Risk – some products may be unsecured debt of the investment bank who issues the product; the credit quality of a structured product may or may not be reliant on the credit quality of the issuer; if the issuer defaults, you may lose your entire investment.

Legal and Tax Consideration Risks -There are legal risks involved with holding complex alternative investment products and regulatory and tax considerations may change during the term of the investment. Alternative products/funds may have exposure to foreign exchange risk or a substantial portion of trades executed on foreign exchanges.

Liquidity Risks: It may be the case that no secondary market exists or is expected to exist for a respective alternative investment product. Due to the highly customized nature of alternative products, they rarely trade after issuance; and if investors are looking to sell a structured product before maturity, it may sell at a significant discount. Further, the security may be subject to a lock up period: a period of time when investors are not permitted to redeem or sell their shares. Once a lock up period ends, investors may redeem their shares according to a set schedule.

Registration Risk - Alternative products have not been registered under the securities act of 1933 or applicable state securities laws and being offered and sold in reliance on exemptions from the registration requirements of these laws. If the exemptions relied upon for the issuance of any alternative product are not available or become unavailable in the future the shares may lose some or all of their value.

Rights – You might not have any shareholder rights or right to receive any underlying security.

Secondary Market Risks - Issuers of alternative products are not under a legal obligation to make a market in these products and there is no assurance that any other party will be willing to purchase them in the secondary market. They may not be listed on any securities exchange. There may not be a public market for the securities described herein, and/or it may be the case that no public market is expected to develop.

Speculation Risks - Alternative products are highly speculative and an investment involves a high degree of risk. Immediate and substantial dilution from the offering price may occur. Alternative product funds may use leverage and other speculative investment practices that may increase the risk of investment loss. Alternative product funds may have performance that is volatile. Alternative product funds may own investments that are illiquid.

Tax Treatment – Alternative investments may involve complex tax strategies and there may be delays in distributing tax information to investors. An investor may be subject to phantom income tax where earnings are taxed but not received or an adverse change in tax treatment in the future.

Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client’s evaluation of the advisory business or of the integrity of its management personnel.

SEIA does not have any disclosure items.

Other Financial Industry Activities and Affiliations

SEIA is not, but the Financial Advisors of the firm are licensed as securities registered representatives and insurance agents, and are in the business of selling insurance and securities products.

The Financial Advisors of SEIA, as Registered Representatives, are licensed with Royal Alliance Associates, Inc. ("RA"). RA is a general securities broker/dealer, member FINRA & SIPC. RA is a wholly-owned subsidiary of Advisor Group, Inc. ("AG"). AG is one of the largest networks of independent wealth management firms in the United States. The four individual firms that comprise Advisor Group are Royal Alliance Associates, FSC Securities Corporation, SagePoint Financial, and Woodbury Financial Services.

Financial Advisors of SEIA, in their capacity as Registered Representative of RA, insurance brokers through Signature Comprehensive Insurance Services LLC ("SCIS") (for fixed insurance other than JHUSA), Signature Estate & Insurance Services LLC ("SEIS") (for JHUSA fixed insurance) or other insurance

companies approved by SEIA, are restricted to represent only products approved for sale through these entities. Other suitable investment products might be available through other broker/dealers or insurance companies. If clients purchase these products through us, we will receive the normal commissions or fees. Thus, a conflict of interest exists between our interests as Registered Representative and those of advisory clients. The client is under no obligation to purchase securities or insurance products recommended, or to purchase products either through us, RA, JHUSA, SCIS, SEIS, or other affiliated companies. SEIA is independently owned, and is not owned by AG or any of its affiliated companies.

SCIS & SEIS are affiliated with SEIA. Paul Taghibagi, Brian Holmes, Mark Copeland, and Gary Liska are officers.

Signature Investment Advisors, LLC ("SIA") is a subsidiary of SEIA that provides Investment Management services to clients referred through RA. SEIA and SIA have shared personnel.

Signature Intelligent Portfolios, LLC ("SIP") is a subsidiary of SEIA that provides automated portfolio allocation services to clients referred by SEIA, and to the general public. SEIA and SIP have shared personnel.

Code of Ethics, Participation/Interest in Client Transactions, Personal Trading

Code of Ethics

SEIA maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Clients may request a copy of the Code of Ethics.

Employee Personal Trading

SEIA's policy is designed to avoid conflicts of interest with our clients. We will not violate the Advisor's fiduciary responsibilities to our clients. At times the interests of SEIA and/or its access persons correspond with our client's interests, and then we may invest in the same securities that are recommended to clients. Additionally, these access persons may trade in securities not recommended to clients, when the investment objectives differ. Financial Advisors may take more or less risk in their personal investing compared to what is recommended to clients. We are mindful that SEIA and its access persons shall not misappropriate an investment opportunity that should first be offered to eligible clients.

SEIA has a comprehensive personal trading policy designed to supervise employees personal trading activities. SEIA monitors its access persons' personal security transactions on an on-going basis.

Should a conflict occur because of materiality (i.e. a purchase or sale of an access person's prior holding of a thinly traded security), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale of an access person's prior holding of a security which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

SEIA and its access persons will keep records of all personal securities transactions whether done through the firm or not.

Principal Trades

SEIA does not participate in Principal trades.

Brokerage Practices

Selection or recommendation of broker/dealers

Because Financial Advisors of SEIA are registered representatives with RA, if clients freely choose to implement financial planning recommendations through us on a commissionable trading basis, the broker/dealer is RA. RA performs "due diligence" on mutual funds, variable annuities and insurance products. Only those investments that meet firm requirements will be offered for sale to clients.

For Investment Management and Investment Consulting, SEIA requires clients to open brokerage accounts in their own name at Charles Schwab & Co. ("Schwab"), or Fidelity Brokerage Services LLC ("Fidelity"). SEIA does not permit clients (including retirement or ERISA plan clients) to direct brokerage as such direction may adversely affect our ability to obtain most favorable execution of client transactions.

Schwab and Fidelity provide SEIA with access to their institutional trading and custody services, which are typically not available to Schwab or Fidelity retail investors. The services at Schwab are made available at no charge, as long as a total of at least \$100 million of SEIA's clients' assets are maintained in accounts at Schwab Institutional. Client accounts maintained in Schwab or Fidelity custody generally are not charged separately for custody, as Schwab and Fidelity are compensated by account holders through commissions or other transaction-based or asset-based fees for securities trades that are executed through Schwab or Fidelity.

Clients in Schwab's separate account manager program and Envestnet programs must use Schwab for brokerage and custodial services. Schwab will carry out transactions as directed by the independent separate account manager or the client.

Clients in Fidelity's separate account manager program must use Fidelity for brokerage and custodial services. Fidelity will carry out transactions as directed by the independent separate account manager or the client.

Under a Prime Broker Agreement, SEIA may "trade away" for certain transactions. Fixed income transactions may be traded away for liquidity or best execution purposes. Fixed Income securities that are traded away are subject to Prime Broker fees, which is a different brokerage costs (may be better or worse depending on the complexity of the order) than if the trades were done at the client's custodian. These bonds will be custodied in the client's account at their custodian. Equity transactions may be traded away in certain circumstances for best execution purposes. Equities that are traded away receive a net price (price of the security inclusive of the Prime Broker's commission, which is a different brokerage cost and may be better or worse, depending on the complexity of the order, than if the trades were done at the client's custodian). See Trade Aggregation below for further information. These equities will be custodied

in the client's account at their custodian. Brokerage fees incurred from trading through one of our Prime Brokers is shown on client's trade confirmations and statements.

SEIA does not execute Cross Transactions for equity securities. SEIA does not execute Cross Transaction for fixed income. If in the normal course of business, a buy and sell order for the same fixed income security are received close in time, SEIA may notify the custodian of the potential Cross Transaction. SEIA does not receive compensation for such transactions and the custodian, not SEIA, will price and clear the transaction.

Some client accounts at Fidelity or Schwab may be "pledged". This means the assets in the account are pledged as collateral against a loan. These accounts will look and function like margin accounts. SEIA will not recommend the purchase of securities on margin. SEIA does not take part in the lending process and has no financial interest in the process.

Clients may pay transaction fees to Schwab or Fidelity for the purchase of "no-load" mutual funds. These firms provide clients with consolidated statements.

SEIA is not affiliated with Schwab or Fidelity. The Financial Advisors of our firm are not registered representatives of Schwab or Fidelity and do not receive any commissions or fees from them for recommending these services.

Soft Dollar Practices

It is the Company's policy to retain the ability to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with investment and research information or to pay higher commissions to such firms if SEIA determines such prices or commissions are reasonable in relation to the overall services provided. In some instances, SEIA may also be able to generate a soft dollar benefit when the execution was also the most favorable execution quoted. Orders that are traded away generally rotated across multiple other trading partners. Some brokers may have specific securities in which they deal, in which case these brokers would only be included in the rotation for those order types. Brokers that are included in the rotation are determined based on the firm's best execution review. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants.

The Company has the option to use "soft dollars" generated by client accounts to pay for the research related services described above. The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by SEIA, the investment advisor, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation data).

Section 28(e) of the United States Securities Exchange Act of 1934, as amended (the "1934 Act") provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the

Company in the performance of investment decision-making responsibilities. Under Section 28(e) the firm currently uses soft dollar credits generated with Prime Broker to pay for Bloomberg software—used to research securities as part of the investment decision making process and communicate orders with brokers—and Real Time Security Quotation feed—used by advisors to aid in their trade decision-making responsibilities.

Currently, soft dollar credits are only generated on fixed income transactions done with specific trading partners. As such, only clients that participate in certain fixed income trades are generating soft dollars, however the benefits received serve all clients equally.

SEIA has access to research available through Schwab and Fidelity. This research is readily available to any investment advisor utilizing Schwab and Fidelity, and may be received by SEIA on an unsolicited (un-requested) basis.

Schwab, Fidelity, firms in which we have a prime broker relationship or fund companies make available soft dollar benefits for non-research products and services that benefit SEIA but may not benefit its clients' accounts. Some of these other products and services assist SEIA in managing and administering clients' accounts. These include software and other technology that provide access to client account data, facilitate trade execution, assist with back-office support, compliance software, recordkeeping, and client reporting. Many of these services generally may be used to service all or a substantial number of SEIA's accounts, including accounts not maintained at these firms. They may also provide other services intended to help SEIA manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. They may make these available through independent third-parties. They may discount or waive fees that would otherwise be charged for these services, or pay all or a part of the fees of a third party providing these services to SEIA.

SEIA's recommendation that clients maintain their assets at Schwab or Fidelity and/or trade away may be based in part on the benefit to SEIA of the availability of some of the foregoing products and services and not solely on the quality or costs of services provided by Schwab or Fidelity, which may create a potential conflict of interest. SEIA does not have discretion as to brokerage firms (except in the trade away situations as described herein) and therefore the client is always free to accept or reject any recommendation by SEIA.

Client Referrals from Brokers

See the main section heading on **Client Referrals and Other Compensation** for disclosure.

Trade Aggregation

Client trades may be executed as a block trade. This would apply only to those accounts and transactions that are entered on a discretionary basis (e.g., Signature Allocation Series & Signature Targeted Strategies) and to a very limited extent bond trades that are placed after market close.

All aggregated trades will be done in the name of the Advisor. The executing broker will be informed that the trades are for the account of the Advisor's clients and not for the Advisor itself. No advisory account

within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution. The Custodian will be notified of the amount of each trade for each account. SEIA and/or its Financial Advisors may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.

Review of Accounts and Reports on Accounts

Review of Accounts

Signature Elite accounts are supervised (monitored) on a continuous basis by the client's Financial Advisor.

Signature Allocation Series & Signature Targeted Strategies are supervised (monitored) on a continuous basis by SEIA's Chief Investment Officer and his team. Clients will work directly with their Financial Advisor, who will communicate with the Chief Investment Officer and his team. Signature Allocation Series & Signature Targeted Strategies will not be directly managed by the Financial Advisor. The Investment Committee meets monthly to determine overall asset allocation strategies and perform oversight of the Financial Advisor's client portfolios. The Investment Committee is comprised of the Chief Investment Officer, Senior Partners, Financial Advisors and members of the research team. The client's Financial Advisor (or the Chief Investment Officer and his team in the case of Signature Allocation Series & Signature Targeted Strategies) is responsible to monitor the account on the schedule outlined for the type of service.

Financial Planning clients (**Modular or Comprehensive**) will not receive any scheduled reviews or on-going reports. We recommend that clients review financial and business goals and objectives on an annual basis, and for Financial Planning clients, this would be done under the terms of a new Engagement Agreement.

On-Going financial planning clients will receive the account reviews as applicable under Signature Elite or Signature Allocation Series. Additionally, clients may meet with their Financial Advisor during the year to review / discuss the progress of the Financial Plan.

Investment Consulting accounts are reviewed on a quarterly basis by the client's Financial Advisor.

Retirement Plan Consulting services may be finite (limited) and clients will not receive any scheduled reviews or on-going reports. When the client engages SEIA for on-going services, reviews and reports will be individualized for the Plan or participants.

Reports on Accounts

Clients receive standard account statements from the qualified custodian or investment sponsor, in addition to reports prepared by SEIA. Clients have the option to receive hard-copy or electronic account statements from their custodian. Investment Management and Investment Consulting clients receive quarterly reports from SEIA. SEIA quarterly reports include current and historic performance, performance by security, asset class and investment style summaries and a portfolio appraisal. Additional

reports, by request, can be customized to meet the needs of the client. Clients have the option to receive hard-copy or electronic account statements from SEIA.

On-Going financial planning clients receive an annual Financial Plan update (verbal or written) in addition to quarterly reports.

Client Referrals & Other Compensation

Client Referrals from Brokers

SEIA receives client referrals from Charles Schwab & Co., Inc. (“Schwab”) through SEIA’s participation in Schwab Advisor Network® (“the Service”). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with SEIA. Schwab does not supervise Advisor and has no responsibility for SEIA’s management of clients’ portfolios or Advisor’s other advice or services. SEIA pays Schwab fees to receive client referrals through the Service. SEIA’s participation in the Service may raise potential conflicts of interest described below.

SEIA pays Schwab a Participation Fee on all referred clients’ accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by SEIA is a percentage of the fees the client owes to SEIA or a percentage of the value of the assets in the client’s account, subject to a minimum Participation Fee. SEIA pays Schwab the Participation Fee for so long as the referred client’s account remains in custody at Schwab. The Participation Fee is billed to SEIA quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by SEIA and not by the client. SEIA has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs SEIA charges clients with similar portfolios who were not referred through the Service.

SEIA generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client’s account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, SEIA will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of SEIA’s clients who were referred by Schwab and those referred clients’ family members living in the same household. Thus, SEIA will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit SEIA’s fees directly from the accounts.

For accounts of SEIA’s clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from SEIA’s clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab’s fees for trades executed at other broker-dealers are in addition to the other broker-dealer’s fees. Thus, SEIA may have

an incentive to cause trades to be executed through Schwab rather than another broker- dealer. SEIA nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for SEIA's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

SEIA also participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which SEIA receives referrals from Strategic Advisers, Inc. ("SAI"), replaced by Fidelity Personal and Workplace Advisors LLC ("FPWA") as of July 16, 2018, a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. SEIA is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control SEIA, and FPWA has no responsibility or oversight for SEIA's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for SEIA, and SEIA pays referral fees to FPWA for each referral received based on SEIA's assets under management attributable to each client referred by FPWA or members of each client's household. Thus, SEIA will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Fidelity. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to SEIA does not constitute a recommendation or endorsement by FPWA of SEIA's particular investment management services or strategies. More specifically, SEIA pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, SEIA has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by SEIA and not the client. SEIA will not charge clients referred through the WAS Program fees or costs greater than the fees or costs SEIA charges clients with similar portfolios who were not referred through the WAS Program.

To receive referrals from the WAS Program, SEIA must meet certain minimum participation criteria, but Advisor may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, SEIA may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Advisor may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to SEIA as part of the WAS Program. Under an agreement with FPWA, SEIA has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, SEIA has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when SEIA's fiduciary duties would so require, and Advisor has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, SEIA may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit SEIA's duty to select brokers on the basis of best execution.

Referral Fees Paid

SEIA may compensate for client referrals. All solicitors' agreements are in compliance with the Investment Advisers Act of 1940. In addition, all applicable federal and state laws will be observed. All clients procured by outside solicitors will be given full written disclosures by the solicitor, describing the terms and fee arrangements between SEIA and the solicitor, prior to or at the time of entering into the advisory agreement.

SEIA may compensate employees for client referrals, which may be a one time flat fee, or a percentage of the assets paid on a quarterly basis. An employee solicitor must disclose their employee status with SEIA to the client at the time of the solicitation or referral.

Referral Fees Received

SEIA may exercise agreements with other Registered Investment Advisors and recommend other Advisors to clients. In such instances, SEIA may receive a portion of the account fee. In these instances, we will make available to the client a separate written compensation disclosure statement and Investment Advisor Brochure for the other Registered Investment Advisor. The client is under no obligation to use the services of the other Advisor(s) recommended. See additional disclosure under sub-heading Third Party Money Manager Fees, Solicitor Fees and Other Disclosures in the Fees and Compensation heading.

Other Referral Arrangements

At the request of the client, SEIA may work with various law firms, accounting firms, pension consultants, and other professional advisors, to coordinate the steps necessary to implement the financial plan. While preparing a financial plan, SEIA engages in the analysis of information regarding legal matters, taxes/accounting, and retirement plans. This analysis is not intended to replace the need for independent advice from these other professional advisors. SEIA may supply information necessary to law firms for the preparation of client's trust documents. SEIA may supply information to accounting firms for the preparation of client's taxes. SEIA does not receive compensation from these outside professional advisors. The client is responsible to pay for services rendered from the outside professional advisors selected by client.

Sales Awards

Financial Advisors of SEIA in their respective capacities as Registered Representatives and/or insurance brokers, may receive 12b-1 fees and other incentive awards from mutual funds, variable annuity companies, and insurance companies. These companies may help contribute to expenses of SEIA seminars and other events (e.g. client appreciation dinners). Any such incentive awards and expense reimbursements would be done through RA. All allowable compensation is disclosed in the mutual fund and variable annuity prospectus. Commission rates are set by each fund; clients do not pay for the additional compensation. We also receive directly from RA or its affiliates, incentive awards, and attendance fee covered for some conventions/workshops.

Investment Committee

Investment Committee members (other than Deron McCoy) receive nominal compensation from SEIA, for serving on the committee's monthly meetings.

Charitable Contributions

SEIA or its personnel may at times make contributions to charities that clients may be involved in. Clients or Custodians we use may make nominal charitable contributions to charities that our firm chooses. SEIA personnel may serve on the board of these charities. SEIA may make nominal contributions to charities chosen by clients.

Custody

SEIA has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. SEIA is also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

A qualified custodian holds clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.

Clients should carefully review the account statements they receive from the qualified custodian. When clients receive statements from SEIA as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Investment Discretion

A limited power of attorney will be obtained from clients. SEIA will not have authority to withdraw funds or to take custody of client funds or securities, other than as described under **Custody** above.

Signature Elite and **Investment Consulting** services are non-discretionary. SEIA has the authority to execute trades pre-approved by clients.

Under **Signature Allocation Series & Signature Targeted Strategies**, SEIA will have the discretionary authority to determine the securities and the amount of securities to be bought or sold and to automatically rebalance/reallocate within an asset allocation range subject to the restrictions in the

Investment Policy Statement. Signature Allocation Series & Signature Targeted Strategies is managed by SEIA's Chief Investment Officer, Deron McCoy, CFA, CFP®, CAIA and his team. Mr. McCoy and the IC committee determine overall investment strategy. Mr. McCoy and his team are the only people authorized to direct trades on a discretionary basis. Mr. McCoy's brochure supplement immediately follows this SEIA Brochure. The client will designate the firm to be used for custodial services and trading. SEIA may "trade away" for bond transactions in order to seek best execution under a prime brokerage arrangement. The bonds will be custodied at the firm designated by the client.

Voting Client Securities

SEIA does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. SEIA may respond to questions from clients regarding proxies and corporate actions in an educational fashion. It is ultimately the clients' decision and responsibilities to vote proxies.

Financial Information

An investment advisor must provide financial information if a threshold of fee prepayments is met or, if there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years.

SEIA does not have any disclosure items in this section.

Form ADV Part 2B
Brochure Supplement

SIGNATURE
ESTATE & INVESTMENT ADVISORS, LLC[®]

Part 2B Supplement Deron McCoy

Name of Supervised Person/IA Rep	Deron McCoy
Address	2121 Ave. of the Stars, Suite 1600, Los Angeles, CA 90067
Phone Number	310-712-2323
Date of Brochure as Last Revised:	November 5, 2018

Name of Registered Investment Advisor	Signature Estate & Investment Advisors, LLC ("SEIA")
Address	2121 Ave. of the Stars, Suite 1600, Los Angeles, CA 90067
Phone Number	310-712-2323
Website Address	www.seia.com

This Brochure Supplement provides information about Deron McCoy that supplements the SEIA brochure. You should have received a copy of that brochure. Please contact the SEIA Compliance Department if you did not receive SEIA's brochure or if you have any questions about the contents of this supplement. Additional information about Deron McCoy is available on the SEC's website at: www.adviserinfo.sec.gov

Deron McCoy is the Chief Investment Officer and head of SEIA's Department of Investment Management and Economic Strategy ("DIMES"). DIMES is responsible for the research and development of SEIA's asset allocation targets. Mr. McCoy manages discretionary trading for accounts in Signature Allocation Series and Signature Targeted Strategies.

Educational Background and Business Experience

Education and Business Background

Name: Deron McCoy, CFA, CFP[®], CAIA, AIF[®]
Year of Birth: 1972
Education: University of California Los Angeles (UCLA), Los Angeles, CA
BS Mathematics-Applied Science, Specialization in Economics, 1995
Business: SEIA/SIA/SIP, Los Angeles, CA – Chief Investment Officer, DIMES
SEIA - 9/2001 – present; SIA - 11/2011 – present; SIP - 10/2015 – present
Royal Alliance Associates, Inc., Los Angeles, CA – Registered Representative
11/18 – present
Signator Investors, Inc., Los Angeles, CA – Registered Representative
6/95 – 11/18

Professional Designations Qualifications

CFP[®] - Certified Financial Planner is issued by the Certified Financial Planner Board of Standards, Inc. Candidates must meet the following requirements:

- Complete CFP[®] education program or fulfillment by other specified credential
- Bachelor's degree (or higher) from an accredited college or university
- Pass CFP[®] certification exam
- 3 years of full-time personal financial planning experience
- Continuing education requirement of 30 hours every 2 years

CFA – Chartered Financial Analyst is issued by the CFA Institute

CFA certificants must meet the following requirements for regular membership:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience
- Complete and pass the CFA Program – a graduate-level self-study program culminating in three sequential six-hour exams
- Have at least 4 years of qualified work experience in the investment decision-making process
- Fulfill society requirements; which require two sponsor statements as part of each application
- Commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct
- Must be a regular member

CAIA - Chartered Alternative Investment Analyst

Candidates must meet the following requirements:

- Successfully pass both the Level I and Level II exams
- Become a member of the CAIA Association
 - Pass the Level II exam within three years of passing the Level I exam

- Hold a U.S. bachelor's degree or the equivalent, and have more than one year of professional experience
- Agree on an annual basis to abide by the Member Agreement

AIF® - Accredited Investment Fiduciary

Candidates must meet the following requirements:

- Complete the AIF training program
- Pass the final certification exam
- Continuing education requirement of 6 hours per year

Disciplinary Information

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. Deron McCoy does not have any disclosure items.

Other Business Activities

Deron McCoy is the Chief Investment Officer for Signature Estate & Investment Advisors, LLC ("SEIA"), Signature Investment Advisors, LLC ("SIA") and Signature Intelligent Portfolios, LLC ("SIP"). SIA and SIP are subsidiary companies of SEIA. Each entity is a Registered Investment Advisor ("RIA"). This activity does not pose a conflict of interest.

Deron McCoy is a Registered Representative with Royal Alliance Associates, Inc. ("RAA"), a Broker-Dealer, member FINRA/SIPC. This activity does not pose a conflict of interest as Mr. McCoy does not sell securities or insurance products.

Additional Compensation

Deron McCoy receives a portion of revenues derived from management of *discretionary* services offered through the Department of Investment Management. Mr. McCoy does not receive any securities commissions.

Supervision

Deron McCoy serves on the Investment Committee, which provides research and formulates investment strategies. Mr. McCoy will apply the asset allocation strategy as he sees fit to *discretionary* client accounts. The Investment Committee performs oversight. Further, Deron McCoy is supervised by the CEO, Brian D. Holmes. The CEO has created a Compliance Department to assist in monitoring for compliance with the Advisors Act. The CEO may be contacted at 310-712-2323.



SIGNATURE ESTATE & INVESTMENT ADVISORS, LLC[®]
www.SEIA.com

Privacy Notice

NOTICE OF PRIVACY OF CONSUMER FINANCIAL INFORMATION

Respect for clients' privacy is highly valued at Signature Estate & Investment Advisors, LLC ("we") and your privacy is important to us. We understand that the trust you have placed in us is conditional upon our proper handling of your personal information.

Federal law gives you the right to know what information is being collected about you and how the information will be used.

We collect non-public personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information that you specifically have had your other professional advisors forward to us.

We do not disclose any non-public personal information about our customers or former customers to anyone, except as required by federal or state law, or as directed by you – our customer.

- Under the law, we may disclose all of the information we collect to companies that perform support services on our behalf as necessary to affect, administer, or process a transaction, or for maintaining and servicing your account.
- As directed by you, we will be working with your other professional advisors and we will provide information in our possession that is reasonably requested by other advisors.

We do not give or sell information about you or your accounts to any other company individual or group.

We restrict access to non-public personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, administrative, and technical procedural safeguards that comply with federal standards to guard your non-public personal information.

You do not need to call or do anything as a result of this notice. It is meant to inform you of how we safeguard your non-public personal information.

Should you have any questions regarding our privacy procedures, please feel free to contact us at (310) 712-2323.



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www.SEIA.com

Business Continuity Program

SEIA seeks to provide uninterrupted client service. We believe the stability of our business practices, as well as our technology systems, is vital to earning your trust, therefore we make every effort to provide uninterrupted service through a Business Continuity Plan aligned with rigorous SEC and FINRA requirements.

In the event of a natural or unnatural disaster that interrupts our normal business operations at our corporate headquarters at 2121 Avenue of the Stars, in Los Angeles, California; our comprehensive Business Continuity Plans include but are not limited to the following:

Pre-defined alternate worksites and communications systems for all business-critical functions.

- 610 Newport Center Dr. Suite 300, Newport Beach, CA 92660 Ph 949-705-5188 or 800-472-1066 Fax 949-705-5199
- 155 N. Lake Ave., Suite 780, Pasadena, CA 91101 Ph 626-795-2944 Fax 626-795-2994
- 1650 Tysons Blvd, Suite 1575, Tysons Corner, VA 22102 Ph 703-940-3000 Fax 703-738-2259
- 1848 S. Elena Ave., Suite 100, Redondo Beach, CA 90277 Ph 310-712-2322 Fax 310-712-2377
- 3 East Third Ave., #217, San Mateo, CA 94401 Ph 800-723-5115 Fax 310-712-2345
- 1700 Post Oak Boulevard, 2Blvd Place, Suite 600, Houston, Texas 77056 Ph 713-963-4699 Fax 310-712-2345

- Multiple layer data backup and recovery systems.

- Preparing multiple methods of communicating with and providing service to clients via the Internet, local offices and automated telephone forwarding services.

- Annual employee awareness and Business Continuity training.

While no contingency plan can eliminate all risk of service interruption or temporarily impeded account access, we continually assess, test, and update our Plan to mitigate all reasonable risk.

If we find it necessary to temporarily move our operations, we will attempt to notify you. Please understand that this may take from 24 to 48 hours or longer.

Please refer to the Business Continuity Programs of your custodian for additional key information. A complete copy of our Business Continuity Plan may be viewed in our office during regular business hours.

Sincerely,

Brian D. Holmes, MS, CFP®, CMFC, AIF®
President, CEO