

**Financial Guard, LLC (“Financial Guard”)
Disclosure Pursuant to Rule 408g-1**

Introduction

This document contains important information about Financial Guard, the arrangement under which Financial Guard provides you with investment advice, and how Financial Guard is compensated for the investment advice provided to you. Legg Mason, Inc. (“Legg Mason”), a global asset management company, owns a majority equity interest in Financial Guard. Legg Mason, through various subsidiary investment advisers (“Legg Mason Advisory Affiliates”), provides investment management and related services to a wide range of clients, including mutual funds and other pooled investment vehicles that are managed or advised by one or more Legg Mason Advisory Affiliates (“Legg Mason Advised Funds”). The investment advice provided by Financial Guard may, under certain circumstances, include a recommendation to purchase or hold shares of one or more Legg Mason Advised Funds.

This document applies to the extent that Financial Guard provides you with non-discretionary investment advice with respect to assets in an Individual Retirement Account (IRA) or assets in a participant-directed retirement plan (“Plan”) that is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Authorizing Fiduciary Disclosure

If Financial Guard provides you with non-discretionary investment advice with respect to IRA assets, you will be treated as the fiduciary that is responsible for expressly authorizing the arrangement under which Financial Guard provides you with advice (“Authorizing Fiduciary”). By entering into a User Agreement with Financial Guard, you will be deemed to have provided such express authorization of such arrangement.

Financial Guard will be able to provide you with non-discretionary investment advice with respect to Plan assets only if another fiduciary of the Plan, acting as the Authorizing Fiduciary, has expressly authorized the arrangement on behalf of the Plan as a whole.

Financial Guard hereby informs you, in your capacity as the Authorizing Fiduciary of the arrangement pursuant to which Financial Guard provides you with non-discretionary investment advice with respect to your IRA assets, as follows: Financial Guard (i) intends to comply with the conditions of the statutory exemption for investment advice under Sections 408(b)(14) and (g) of ERISA and the regulations thereunder (§2550.408g-1), (ii) the arrangement under which Financial Guard renders such advice will be audited annually by an independent auditor for compliance with the requirements of such exemption and the regulations thereunder; and (iii) a copy of the auditor’s report will be made available to you by Financial Guard within 30 days following its receipt of such report from the auditor. Financial Guard will maintain records necessary to confirm that Financial Guard has complied with the conditions of such exemption and the regulations thereunder for a period of not less than six years.

Disclosure to Recipients of Financial Guard’s Advice

Financial Guard would like to inform you of the following with respect to the arrangement pursuant to which it provides you with investment advice:

Services Provided by Financial Guard

Financial Guard provides non-discretionary investment advice consisting of asset allocation recommendations among various asset categories and asset classes and recommendations to purchase, hold or sell shares of investment funds to implement such asset allocation recommendations. Financial Guard acts in a fiduciary capacity under ERISA when providing investment advisory services with respect to Plan assets and in a fiduciary capacity under Section 4975 of the Internal Revenue Code of 1986 when providing investment advisory services with respect to IRA assets.

The investment funds that are recommended by Financial Guard to implement its asset allocation recommendation may include investment funds that are managed or advised by entities that are not affiliated with Legg Mason and Financial Guard (“Unaffiliated Funds”) and, under certain circumstances, Legg Mason Advised Funds. Legg Mason Advised Funds are managed or advised by Legg Mason Advisory Affiliates, which are affiliates of Financial Guard. For an overview of Financial Guard’s investment advisory services and the circumstances in which Financial Guard may recommend that a client purchase or hold shares of a Legg Mason Advised Fund, please see Financial Guard’s Form ADV, Part 2A Disclosure Brochure (“Disclosure Brochure”).

As described below in “Consider Impact of Compensation on Advice,” the potential for Financial Guard to recommend that a client purchase or hold shares of a Legg Mason Advised Fund presents Financial Guard with a conflict of interest in providing non-discretionary investment advisory services to clients.

Role of QS Investors, LLC in Development of Asset Allocation Advice

Financial Guard has an arrangement with an affiliate, QS Investors, LLC (“QS”) pursuant to which QS provides non-discretionary advice to Financial Guard in the form of asset allocation guidance that is considered by Financial Guard’s Investment Committee as an input in developing the asset allocation model portfolios. In addition to providing non-discretionary asset allocation guidance to Financial Guard, Financial Guard may ask QS to use its proprietary optimization tool to evaluate one or more investment funds identified by Financial Guard as potential candidates to fulfill an asset class included within an asset allocation recommendation. Such evaluations are performed by QS utilizing inputs and data chosen by Financial Guard and furnished to QS by Financial Guard on a “blind” basis (i.e., Financial Guard does not disclose the identity of the investment funds for which an evaluation is being requested to QS). While such non-discretionary advice and information is considered by Financial Guard as an input in developing asset allocation models and selecting investment funds, Financial Guard’s Investment Committee is exclusively responsible for developing all asset allocation models and making all of Financial Guard’s investment recommendations and investment decisions with respect to or on behalf of clients and client accounts and, as part of its process, it independently assesses and evaluates QS’ asset

allocation guidance and makes changes or adjustments in the asset allocation models as it deems necessary and/or appropriate.

Compensation of Financial Guard and its Affiliates

Financial Guard receives a flat fee that is charged on a monthly or annual basis for the non-discretionary investment advice that it provides. Financial Guard is not compensated on the basis of the value of your account or the investment(s) selected by you. Neither Financial Guard nor any of its employees, agents or representatives receive from any party (including any Legg Mason Advisory Affiliate), directly or indirectly, any fee or other compensation (including commissions, salary, bonuses, awards, promotions, or other things of value) that varies depending on the investment(s) selected by you.

When Financial Guard recommends that you invest your assets in a Legg Mason Advised Fund and you follow that advice, one or more Legg Mason Advisory Affiliates will receive compensation from the Legg Mason Advised Fund based on the amount you invest. The amounts that will be paid to Legg Mason Advisory Affiliates will vary depending on the percentage of your assets that are allocated to Legg Mason Advised Funds and the particular Legg Mason Advised Fund in which you invest your assets. Specific information concerning the fees and other charges of each Legg Mason Advised Fund is located in the applicable fund prospectus, which can be found at www.leggmason.com.

Financial Guard and other Legg Mason affiliates, including without limitation Legg Mason Advisory Affiliates, do not receive any compensation from Unaffiliated Funds in connection with Financial Guard's provision of non-discretionary advisory services.

Consider Impact of Compensation on Advice

The fees and other compensation that Legg Mason Advisory Affiliates receive on assets invested in shares of Legg Mason Advised Funds are a significant source of revenue for Legg Mason Advisory Affiliates and, due to the affiliation between Financial Guard and Legg Mason Advisory Affiliates, present Financial Guard with a conflict of interest when recommending that a client purchase or hold shares of a Legg Mason Advised Fund. Financial Guard believes that such conflict of interest is mitigated by the following:

- (i) Financial Guard operates independently of, and makes investment decisions without regard to the impact of its decisions on, other Legg Mason Advisory Affiliates;
- (ii) Financial Guard is not compensated on the basis of the value of client accounts or the investment(s) selected by clients, and neither Financial Guard nor any of its employees, agents or representatives receive from any party (including any Legg Mason Advisory Affiliate), directly or indirectly, any fee or other compensation (including commissions, salary, bonuses, awards, promotions, or other things of value) that varies depending based on the investment(s) selected by clients; and

- (iii) The circumstances in which Financial Guard will recommend that a client invest in or hold a Legg Mason Advised Fund are limited and rules-based (as described in more detail in Financial Guard’s Disclosure Brochure).

QS is compensated by Financial Guard for the services that it provides to Financial Guard out of Financial Guard’s own resources. While Financial Guard may, under certain circumstances, recommend that you invest your assets in Legg Mason Advised Funds, including funds that are managed or advised by QS, any potential conflict of interest associated with paying QS for its services is mitigated because QS only provides non-discretionary advice and information to Financial Guard as inputs to be used and considered by Financial Guard’s Investment Committee in developing asset allocation models and selecting investment funds and the Investment Committee has the exclusive responsibility for making all of Financial Guard’s investment recommendations and investment decisions with respect to or on behalf of clients and client accounts. Furthermore, QS’ evaluation of any investment funds designated by Financial Guard using its proprietary optimization tool is conducted on a “blind” basis (i.e., Financial Guard does not disclose the identity of the investment funds for which an evaluation is being requested to QS).

You should carefully consider the impact of any fees and compensation and related conflicts of interest faced by Financial Guard in your evaluation of the investment advice that Financial Guard provides to you. In this regard, you may arrange for the provision of advice by another adviser that may have no affiliation with the investment products that are recommended by such adviser.

Investment Returns

While understanding investment-related fees and expenses is important in making informed investment decisions, it is also important to consider additional information about your investment options, such as performance, investment strategies and risks. Specific information related to the past performance and historical rates of return of the investment options available to you under your Plan or the platform on which you maintain your assets can be obtained through your Plan’s sponsor, your platform provider, or the sponsor or distributor of such investment options. If you do not have access to such information, please contact Financial Guard at support@financialguard.com.

For options with returns that vary over time, past performance does not guarantee how your investment in the option will perform in the future; these options could lose money.

Use of Personal Information

Financial Guard maintains a Privacy and Security Policy, a notice of which is available on Financial Guard’s website at www.financialguard.com (the “Privacy and Security Notice”), that describes the personally identifiable information about you that is collected by Financial Guard and how Financial Guard uses such information.

As described in the Privacy and Security Notice, your personal information is maintained and used by Financial Guard to provide you with the services you have requested and to fulfill our

legal and regulatory requirements. Also, Financial Guard will not sell, reveal or share any of your personal information to or with others except in the following limited circumstances:

- Financial Guard has your permission to share your personal information;
- Financial Guard needs to share your information with other companies in order to maintain or service your account;
- Financial Guard may provide your e-mail address to companies that perform mailing services for it; or
- Financial Guard is required or authorized by law to disclose your information.

Should you have any questions about Financial Guard or the information contained in this document, you may contact Financial Guard at support@financialguard.com.