

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1**

## OMB APPROVAL

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Name of Investment Adviser:

**First Citizens Asset Management, Inc**

Address: (Number and Street)

**1230 Main Street**

(City)

**Columbia**

(State)

**SC**

(Zip Code)

**29201**

Area Code: Telephone Number:

**( 803 ) 9318628****This part of Form ADV gives information about the investment adviser and its business for the use of clients.****The information has not been approved or verified by any governmental authority.****Table of Contents**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**FORM ADV****Part II - Page 2**

Applicant:

**First Citizens Asset Management, Inc**

SEC File Number:

**801-71320**

Date:

**08/05/2010**1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.

(See instruction below.)

**Applicant:**

- |                                     |     |   |            |
|-------------------------------------|-----|---|------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services . . . . .  | <b>90%</b> |
| <input type="checkbox"/>            | (2) | Manages investment advisory accounts not involving investment supervisory services . . . . .  | %          |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above . . . . .  | <b>10%</b> |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription . . . . .   | %          |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above . . . . .   | %          |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . . | %          |
| <input type="checkbox"/>            | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .   | %          |
| <input type="checkbox"/>            | (8) | Provides a timing service . . . . .   | %          |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above . . . . .   | %          |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . .

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

C. Applicant offers investment advisory services for: (check all that apply)

- |                                     |     |  |                          |     |                   |
|-------------------------------------|-----|--|--------------------------|-----|-------------------|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management      | <input type="checkbox"/> | (4) | Subscription fees |
| <input type="checkbox"/>            | (2) | Hourly charges                               | <input type="checkbox"/> | (5) | Commissions       |
| <input checked="" type="checkbox"/> | (3) | Fixed fees (not including subscription fees) | <input type="checkbox"/> | (6) | Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |                                     |    |                                  |                                     |    |   |
|-------------------------------------|----|----------------------------------|-------------------------------------|----|---|
| <input checked="" type="checkbox"/> | A. | Individuals                      | <input checked="" type="checkbox"/> | E. | Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/>            | B. | Banks or thrift institutions     | <input checked="" type="checkbox"/> | F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/>            | C. | Investment companies             | <input type="checkbox"/>            | G. | Other (describe on Schedule F)                                  |
| <input type="checkbox"/>            | D. | Pension and profit sharing plans |                                     |    |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

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Applicant:

**First Citizens Asset Management, Inc**

SEC File Number:

801- **71320**

Date:

**08/05/2010****3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Equity securities  | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                                |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                        | I. Options contracts on:   |
| <input type="checkbox"/> (3) foreign issues   |  |
|   | <input checked="" type="checkbox"/> (1) securities                         |
| <input checked="" type="checkbox"/> B. Warrants   | <input type="checkbox"/> (2) commodities                                   |
|   | J. Futures contracts on:   |
| <input checked="" type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
|   | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> D. Commercial paper   | K. Interests in partnerships investing in:                                 |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                    | <input type="checkbox"/> (1) real estate                                   |
| <input checked="" type="checkbox"/> F. Municipal securities                                       | <input type="checkbox"/> (2) oil and gas interests                         |
|   | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| G. Investment company securities:   | <input type="checkbox"/> L. Other (explain on Schedule F)                  |
| <input checked="" type="checkbox"/> (1) variable life insurance                                   |  |
| <input checked="" type="checkbox"/> (2) variable annuities  |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares  |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input type="checkbox"/> Charting               | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical              |  |

## B. The main sources of information applicant uses include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)   |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered<br>options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                            | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales   |   |

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Applicant:

**First Citizens Asset Management, Inc.**

SEC File Number:

**801-71320**

Date:

**08/05/2010****5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input checked="" type="checkbox"/> (9) insurance company or agency                |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input checked="" type="checkbox"/> (6) banking or thrift institution  | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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Applicant:

**First Citizens Asset Management, Inc**

SEC File Number:

801- **71320**

Date:

**08/05/2010****9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? .....

Yes No  
☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**All asset management accounts are reviewed on a continuous basis by the investment advisory representative. An overall assessment is performed on at least a quarterly basis. The reviews focus on consistency of portfolio investments with investment objectives and risk tolerances. In addition, investment constraints are considered and tested with portfolio holdings. These constraints include but are not limited to: time horizon, liquidity needs, tax considerations and legal/regulatory constraints and any other unique circumstances. On a quarterly basis, performance is reviewed to monitor consistency with appropriate benchmarks.**

**There is no limit to the number of accounts a representative can review.**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Clients receive custodial statements which provide current positions, security cost basis, and current market value monthly, or quarterly if there is no account activity. These reports also include quarterly performance analysis.**

Applicant:

First Citizens Asset Management, Inc

SEC File Number:

801-71320

Date:

08/05/2010

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |   |                                     |                                     |
|---|-------------------------------------|-------------------------------------|
|   | Yes                                 | No                                  |
| (1) securities to be bought or sold? .....                | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|   | Yes                                 | No                                  |
| (2) amount of the securities to be bought or sold ? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|   | Yes                                 | No                                  |
| (3) broker or dealer to be used ? .....                   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
|   | Yes                                 | No                                  |
| (4) commission rates paid? .....                          | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

	Yes	No
B. Does applicant or a related person suggest brokers to clients? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                                     |                                     |
|---|-------------------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                                 | No                                  |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|   | Yes                                 | No                                  |
| B. directly or indirectly compensates any person for client referrals? .....  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities unless applicant is registered or registering only with the Securities and Exchange Commission; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

	Yes	No
Has applicant provided a Schedule G balance sheet? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>First Citizens Asset Management, Inc</b>	<b>801- 71320</b>	<b>08/05//2010</b>

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>First Citizens Asset Management, Inc</b>		IRS Empl. Ident.No.: <b>20-5071127</b>
Item of Form (identify)	Answer	
Item 1.D.	<p>First Citizens Asset Management, Inc ("FCAM" or "Adviser") provides investment advisory services to individuals, corporations and other business entities. FCAM consults with the client to obtain detailed financial information and other pertinent data in order to determine the appropriate investment guidelines, risk tolerance and other factors that will assist in ascertaining the suitability of the account. Asset management services are provided to clients on a limited discretionary or non-discretionary basis. <sup>1</sup></p> <p><b>1. CAPITAL MANAGER PROGRAM</b></p> <p>Through the Capital Manager Program, FCAM directly manages and diversifies clients' portfolios based upon the client's risk profile, investment horizon, financial goals, income (current and potential), tax bracket, portfolio size, net worth and other various suitability factors. Assets are allocated within a mix of securities including, but not limited to, equities, bonds, convertible bonds, government securities, municipal bonds, preferred stock and exchange traded funds. FCAM also offers clients the ability to have access to third party money managers through an unaffiliated investment adviser. Restrictions and guidelines imposed by clients effect the composition and performance of portfolios. For this reason, performance of portfolios within the same investment objective may differ.</p> <p>FCAM offers two programs which are directly managed by advisory representatives of Adviser - the "Asset Manager Program", which is various investment vehicles including equities, fixed income securities and alternative investments and the "Fund Manager Program", which consists of mutual funds and exchange-traded funds. Both of these programs are offered as "wrap account" programs which bundle advisory, administrative, and transaction charges into one asset-based fee. A portion of the wrap fee is allocated to the administrative fee, which covers administrative and supervisory services provided by FCAM as well as transaction, execution, clearing and custodial services as provided by a third party clearing firm. FCAM also receives a portion of the fee for advisory services. Clients should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in their accounts, the value of services that are provided under these programs, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately.</p> <p><b>A. Asset Manager Program</b></p> <p>Through the "Asset Manager Program" ("Asset Manager"), Investment Adviser Representatives ("IARs") of FCAM act as portfolio managers for the program. FCAM portfolio managers work with clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement the client's financial situation and personal circumstances. Asset Manager is offered to clients on both a discretionary and non-discretionary basis. FCAM has developed specific asset allocation models which portfolio managers will evaluate to determine the best fit for a client. Portfolio managers may deviate from the models at their discretion to meet a client's specific needs. The investment strategies utilized depend on the individual client's investment objectives and goals as provided to the IAR. Portfolios are constructed along basic investment objective categories and focus primarily on a long-term buy and hold approach as opposed to short-term trading. However, each client has the opportunity to place</p>	

<sup>1</sup> All programs are offered by First Citizens Asset Management, Inc and are not offered by a bank. These programs (i) are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the United States (ii) are not deposits or obligations of, or guaranteed by, any bank or affiliate of any bank, or First Citizens Asset Management, Inc; and (iii) involve risk, including possible loss of principal and loss

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>First Citizens Asset Management, Inc</b>	<b>801- 71320</b>	<b>08/05//2010</b>

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>First Citizens Asset Management, Inc</b>		IRS Empl. Ident.No.: <b>20-5071127</b>
Item of Form (identify)	Answer	
	<p>reasonable restrictions on the type of investments to be held in the portfolio. The IAR may periodically rebalance the client's account to maintain the initially agreed upon strategic and tactical asset allocation. However, no changes are made to the agreed-upon asset allocation nor are assets rebalanced in nondiscretionary accounts without prior client review and consent.</p> <p>Clients are billed the asset-based fee in advance based upon the assets under management by FCAM on a quarterly basis. Additional information about the Program and the fees charged can be found in the Schedule H.</p> <p><b>B. Fund Manager Program</b></p> <p>Within the Capital Manager program, FCAM also offers asset allocation models which invest in mutual funds and exchange traded funds. Clients are billed the asset-based fee in advance based upon the assets under management by FCAM on a quarterly basis. Additional information about the Program and the fees charged can be found in the Schedule H.</p> <p><b>C. Separate Account Manager Program</b></p> <p>Clients may also elect to utilize the investment skills of professional third party money managers. This program gives the third party manager discretionary authority with respect to investment management of client accounts. IARs of FCAM assist clients in selecting one or more managers based upon the client's risk tolerance and investment objectives. Clients may impose reasonable restrictions upon the management of the account.</p> <p>Through FundQuest, Inc. ("FundQuest"), an unaffiliated registered investment adviser, FCAM is able to offer to clients a variety of money managers which allow the IAR to match the client's investment objectives and goals to the manager. FundQuest monitors managers on an on-going basis for financial soundness and performance, and to insure that the manager is adhering to the goals and investment objectives stated in the program. Additionally, FundQuest monitors the performance of other third party money managers not included in the program to determine whether any other managers should be included to better serve clients.</p> <p>Clients will receive periodic reports from FCAM. The IAR has discretion to terminate any third party manager and assign or reassign investment managers. Termination of a third party manager does not terminate the program.</p> <p>FundQuest is the attorney-in-fact for the account and may vote proxies according to its discretion. FCAM does not act in such a capacity or have such authority.</p> <p>It is client's responsibility to notify FCAM if there have been any changes in client's financial situation, investment objectives, or management restrictions. At least annually, FCAM will consult with clients to determine whether there have been any changes in clients' financial situation or investment objectives, and whether clients wish to impose any reasonable restrictions on the management of the account or reasonably modify any existing restrictions.</p>	
Complete amended pages in full, circle amended items and file with execution page (page 1).		



**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**First Citizens Asset Management, Inc**

SEC File Number:

**801- 71320**

Date:

**08/05//2010**

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**First Citizens Asset Management, Inc**

IRS Empl. Ident.No.:

**20-5071127**

Item of Form  
(identify)

Answer

The fees for clients utilizing the third party money manager program are as follows:

Market Value	Maximum Annual Fee	
	Equity & Balanced Portfolio	Fixed Income
\$100,000 - \$249,999	2.75%	1.85%
\$250,000 - \$499,999	2.75%	1.80%
\$500,000 - \$749,999	2.00%	1.50%
\$750,000 - \$999,999	2.00%	1.50%
\$1,000,000 - \$1,999,999	2.00%	1.25%
\$2,000,000 - \$4,999,999	1.50%	1.00%
Amounts Over \$5,000,000	1.00%	0.85%

**2. WEALTH MANAGER PROGRAM**

Through the Wealth Manager Program, IARs assist clients in selecting an asset management program offered through FundQuest. Within this program, there are three platforms as described below. The IAR is responsible for obtaining information to determine the client's risk profile, investment horizon, financial goals and other various suitability factors, providing such information to FundQuest and for determining which of the platforms offered best meets the client's needs. Each client has the opportunity to place reasonable restrictions on the type of investments to be held in the portfolio. These programs are offered on a wrap fee basis in which all transaction fees are included within the advisory fees paid by the client. Additional information about these programs and the fees charged can be found in the Schedule H for the Wealth Manager Program.

***A. Diversified Portfolio Manager***

The "Diversified Portfolio Manager" platform ("Diversified"), offers the client the opportunity to invest in various "no load" or "load waived" mutual funds selected by FundQuest, based upon information submitted by the client. FCAM does not have discretionary authority to chose the initial allocation of funds or to change funds once the portfolio is created. The client grants all discretionary authority to FundQuest.

***B. Professional Portfolio Manager***

The "Professional Portfolio Manager" ("Professional"), offers the client the opportunity to utilize the investment skills of professional separate account managers. The separate account managers are selected by FundQuest, based upon information submitted by the client. FCAM does not have discretionary authority to hire or fire account managers. The client grants all discretionary authority to FundQuest, including the authority to move funds between account managers.

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>First Citizens Asset Management, Inc</b>	<b>801- 71320</b>	<b>08/05//2010</b>

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>First Citizens Asset Management, Inc</b>		IRS Empl. Ident.No.: <b>20-5071127</b>
Item of Form (identify)	Answer	
	<p><b>C. Private Portfolio Manager</b></p> <p>The "Private Portfolio Manager" ("Private"), offers the client the opportunity to invest in various "no load" or "load waived" mutual funds, as well as, Exchange Traded Funds, equities and fixed incomes securities. The IAR acts as the portfolio manager of the Private program. In addition, through FundQuest, the IAR may select separate account managers to manage all or a portion of the client's assets. Under the Private program, FCAM has discretionary authority to manage the client's assets.</p> <p><b>3. FINANCIAL PLANNING</b></p> <p>FCAM may prepare and provide clients with a written financial plan designed to help them achieve their financial goals and investment objectives. The preparation of such a plan may necessitate that the client provide FCAM with personal data such as family records, budgeting, personal liability, estate information and additional financial goals. The financial plan may include any or all of the following as requested and/or directed by the client: asset protection, tax planning, business succession, strategies for exercising stock options, cash flow, education planning, estate planning and wealth transfer, charitable gifting, long-term care and disability planning, retirement planning, insurance planning, asset allocation comparisons, and risk management.</p> <p>FCAM does not provide accounting or legal advice. Should a client choose to implement the recommendations contained in the plan, FCAM suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker, some of whom may also be affiliates of Adviser. However, as explained in Items 7C and 8C below, FCAM affiliated companies may also function as clients' insurance agent and/or stockbroker in addition to providing investment advisory services. Implementation of financial plan recommendations is entirely at the client's discretion.</p> <p>Clients are billed a fixed fee for financial planning services. The fixed fee is negotiable but generally ranges between \$750.00 and \$2,500, depending upon the complexity of the client situation and services to be provided. Clients may elect to have FCAM perform a comprehensive financial plan or may be limited to one or more of the following: asset protection, tax planning, business succession, strategies for exercising stock options, cash flow, education planning, estate planning and wealth transfer, charitable gifting, long-term care and disability planning, retirement planning, insurance planning, and risk management.</p> <p>Clients who choose to engage FCAM for asset management services may receive a reduction in their financial planning fee. Similar financial planning services may be available elsewhere for a lower cost to the client. Financial planning fees are generally due upon completion of the project, although FCAM may require that a portion of the fee be paid in advance. The financial plan will be presented to the client within a mutually agreed upon timeframe, provided that the client has promptly provided all information needed to prepare the financial plan. Clients who wish to terminate the planning process prior to completion may do so with written notice. Upon receipt of written notification, FCAM will return a prorated amount of any prepaid fee based upon the amount of work completed prior to notification. In the event that the client agreed to pay upon completion of the plan, any earned fee will immediately become due and payable.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>First Citizens Asset Management, Inc</b>	<b>801- 71320</b>	<b>08/05//2010</b>

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>First Citizens Asset Management, Inc</b>		IRS Empl. Ident.No.: <b>20-5071127</b>
Item of Form (identify)	Answer	
	<p><b>GENERAL FEE INFORMATION</b></p> <p>Management fees are payable in advance on a quarterly basis, commencing when both the client investment management agreement is signed and the assets are deposited in the client's account. Either party may terminate the contract upon written notice. Upon termination, FCAM will return the prorated amount due to the client as of the termination date. A full refund will be provided without penalty if the client terminates the agreement, in writing, within five business days of the contract being executed.</p> <p>FCAM is not compensated on the basis of a share of capital gains or capital appreciation in a client's account or any portion thereof.</p> <p>The client may grant FCAM the authority to receive quarterly payments directly from the client's account held by an independent custodian. Accordingly, the client provides, in writing, limited authorization to withdraw the contractually agreed upon fees from the account. Adviser sends the client and the custodian a bill showing the amount of the fee, the value of client's assets on which the fee was based, and the specific manner in which the fee was calculated. The custodian of the account is advised in writing of the limitation of FCAM's access to the account. The custodian also sends the client a statement, at least quarterly, indicating all the amounts disbursed from the account including the amount of advisory fees paid directly to Adviser. The custodian of the account holds all customer assets. FCAM does not hold customer funds or securities.</p> <p>Clients should consider that depending upon the level of the advisory fee charged, the amount of portfolio activity in their account, the value of services that are provided under these programs, and other factors, the account fee may or may not exceed the aggregate cost of such services if they were to be provided separately. In addition, comparable services for lower fees may be available from other sources.</p> <p>Clients may be able to purchase shares of mutual funds outside of these programs directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of the program or paying the account fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable account fee. However, clients may not then receive the benefit of the representative's investment advice.</p> <p>Advisory fee charges are separate and distinct from the fees and expenses charged by mutual funds which may be recommended to clients. A description of these and other expenses are available in each fund's prospectus. Clients may incur certain charges imposed by third parties other than FCAM.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>First Citizens Asset Management, Inc</b>	<b>801- 71320</b>	<b>08/05//2010</b>

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>First Citizens Asset Management, Inc</b>		IRS Empl. Ident.No.: <b>20-5071127</b>
Item of Form (identify)	Answer	
	<p><b>PROXY VOTING AND CLASS ACTION LAWSUITS</b></p> <p>In general, FCAM does not vote, nor advise clients how to vote, proxies for securities held in client accounts. Clients retain the right to vote the proxies of shares held in their accounts.</p> <p>In addition, FCAM will not take any action or render any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. Adviser will, however, forward to Client any information received by FCAM regarding class action legal matters involving any security held in the account.</p>	
Item 5	<p><b>EDUCATION AND BUSINESS STANDARDS</b></p> <p>FCAM requires individuals providing investment advice to have investment experience demonstrated in past positions or developed under FCAM's instructions. FCAM also requires individuals to be properly licensed and registered, unless exempted, in states in which such individuals are conducting investment advisory business.</p>	
Item 6	<p><b>EDUCATION AND BUSINESS BACKGROUND</b></p> <p><b>Sharon Bryant:</b> Born 1961. University of the South at Sewanee, BA – 1983  First Citizens Bank of South Carolina – Regional Executive Vice President 01/99 – Present  First Citizens Securities Corp – President and Registered Representative 03/07 - Present  First Citizens Investor Services, Inc – Registered Representative 12/00 – 03/07  First Union Brokerage Services, Inc – Registered Representative 06/92 – 06/99  First Union National Bank – City Executive 11/86 – 05/99</p> <p><b>PAUL LEHMAN:</b> Born 1971. University of South Carolina, BA –2002.  First Citizens Securities Corp. – Director of Sales 10/05 – 02/10  First Citizens Bank &amp; Trust Co. –Director of Wealth Management Svcs 10/05 – Present  First Citizens Investor Services, Inc. - Registered Representative 04/05 – 09/06  Raymond James Financial Services, Inc. - Registered Representative 08/04 – 04/05  Wachovia Securities, LLC - Registered Representative 10/00 – 08/04</p> <p><b>ROBERT SPIRES: BORN 1966. MIDLANDS TECHNICAL COLLEGE, AAB-1989.</b>  First Citizens Securities Corp. – Chief Compliance Officer 01/07 – Present  First Citizens Bank &amp; Trust Co. – Wealth Management Services 01/07 – Present  Wachovia Securities, LLC - Registered Representative 06/02 – 01/07  Wachovia Securities, Inc. - Registered Representative 02/00 – 06/02  Wachovia Brokerage Services - Registered Representative 05/94 – 02/00</p> <p>The above individuals all have significant experience in the financial services industry. The information provided covers the last five years. A complete description of the individuals business experience is available upon request.</p>	
Item 7C	<p><b>OTHER BUSINESS ACTIVITIES</b></p> <p>IARs of FCAM are also registered representatives of First Citizens Securities Corp. ("FCSC"), an affiliated broker/dealer, member FINRA, SIPC. In such capacity, they may offer securities and receive normal and customary commissions as a result of securities transactions. They spend 75% of their time on these activities.</p>	

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**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>First Citizens Asset Management, Inc</b>	<b>801- 71320</b>	<b>08/05//2010</b>

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>First Citizens Asset Management, Inc</b>		IRS Empl. Ident.No.: <b>20-5071127</b>
Item of Form (identify)	Answer	
	<p>IARs may also be licensed insurance agents through numerous insurance companies. In such capacity, they may offer insurance products and receive normal and customary commissions as a result of such a purchase. They spend 5% of their time on these activities.</p> <p>Sharon Bryant is the Director of the Wealth Advisory Group of First Citizens Bank &amp; Trust Co., FCAM's parent company. In this capacity, she is responsible for various departments, including the Bank's trust department, private banking department and the broker/dealer FCSC. Bryant spends approximately 85% of her time on these activities.</p>	
Item 8.C.	<p><b>FINANCIAL INDUSTRY AFFILIATIONS</b></p> <p>FCAM is owned by First Citizens Bank &amp; Trust, Co., (the "Bank") a South Carolina-based bank. The Bank also owns FCSC, a general securities broker/dealer registered with the SEC and FINRA. FCSC executes trades (as agent) for a commission in mutual funds, equities, bonds, options, variable annuities and other investment products on behalf of clients, who may or may not have an advisory fee agreement with FCAM. The Bank is also licensed as an insurance agent with the State of South Carolina. Advisory Representatives of FCAM may be registered as representatives with FCSC and may receive compensation as a result of brokerage or insurance transactions through those companies which may create a conflict of interest.</p>	
Item 9B & E	<p><b>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</b></p> <p>Principals and related persons of FCAM are also registered representatives of FCSC and licensed insurance agents through unaffiliated insurance companies. In these capacities, they may facilitate the purchase and/or sale of insurance products, mutual funds, securities, and other investment products for their clients, who may or may not have an advisory fee agreement with FCAM. The client is under no obligation to purchase products either through them or through FCSC.</p> <p>In addition, Adviser permits employees to engage in personal securities transactions. The personal securities transactions by employees, directors, and owners may raise potential conflicts of interest when such persons trade in a security that is 1) owned by a client or 2) considered for purchase or sale for a client. FCAM has adopted policies and procedures that are intended to ensure that employees affect transactions for clients in a manner that is consistent with the fiduciary duty owed to clients and in accordance with applicable law. Employees who wish to purchase or sell securities of the types purchased or sold for clients may do so only in a manner consistent with Adviser policies.</p>	
Item 10	<p><b>CONDITIONS FOR MANAGING ACCOUNTS</b></p> <p>For the Asset Manager Program and the Fund Manager Program, there is a \$50,000 minimum investment requirement. For the Third-Party Money Manager Program, there is a \$100,000 minimum investment requirement. Exceptions can be made at the discretion of senior management.</p>	
Item 12	<p><b>INVESTMENT OR BROKERAGE DISCRETION</b></p> <p>Pursuant to the advisory agreement, FCAM will maintain limited discretionary authority whereby the client has authorized Adviser in writing to effect trades to achieve desired account performance based upon FCAM's analysis. Adviser will not have the authority to withdraw funds or take custody of client funds or securities other than where the client has authorized the deduction of investment advisory fees via a qualified custodian. Any fees withdrawn from a client's account will be approved by the client prior to such withdrawal.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**First Citizens Asset Management, Inc**

SEC File Number:

**801- 71320**

Date:

**08/05//2010**

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>First Citizens Asset Management, Inc</b>		IRS Empl. Ident.No.: <b>20-5071127</b>
Item of Form (identify)	Answer	
	<p>It is Adviser's policy that clients must not be disadvantaged if a trade entered into a client's account contains an error (either wrong number of shares, wrong product or wrong account). Trades are corrected to reflect the original intent of the trade order.</p> <p>IARs may recommend FCSC to execute advisory account transactions. This may create a conflict of interest, as Adviser has business arrangements with FCSC for the provision of administrative support, investment tools, and other investment-related services. FCAM employees may also be registered representatives of FCSC and, therefore, receive compensation from FCSC. However, FCAM's clients are free to implement advisory recommendations through any firm. Clients are under no obligation to purchase or sell securities through FCSC.</p> <p>Because costs associated with trades executed through broker-dealers other than FCSC would be passed on to the client in addition to the management fee, best execution will most likely be obtained through FCSC. Adviser does not warrant or represent that commissions for transactions implemented through FCSC will be lower than commissions available if clients use another brokerage firm.</p> <p>Under the rules and regulations of the FINRA, FCSC has the obligation to perform certain supervisory functions regarding certain aspects of the advisory activities of IARs who are also registered representatives of FCSC. For such supervisory functions, Adviser may pay FCSC a portion of the advisory fees they receive.</p> <p>Notwithstanding such compensation, FCAM strives to serve the best interest of the clients. Adviser does not warrant or represent that commissions for transactions implemented through FCSC will be lower than commission available if clients use another brokerage firm. Adviser believes, however, that the overall level of services and support provided to clients by FCAM outweighs the potentially lower transaction cost available under other brokerage arrangements.</p> <p>FCAM does not aggregate brokerage orders for clients. FCAM manages each portfolio on an individual basis using a buy and hold strategy. FCAM believes that this individual attention to client portfolios offsets the benefits from saving on execution costs that might be lost through not aggregating orders.</p>	
Item 13a	<p><b>ADDITIONAL COMPENSATION</b></p> <p>FCAM's primary business is as an investment adviser. FCAM representatives spend the majority of their time in this capacity. Advisory affiliates of FCAM are also registered representatives of FCSC and licensed insurance agents. In this capacity, they may facilitate the purchase and/or sale of insurance products, mutual funds, securities, and other investment products for their clients, who may or may not have an advisory fee agreement with Adviser.</p> <p>FCAM's representatives may receive compensation for these non-advisory services that they may provide. Such compensation would be in addition to the advisory and other fees that FCAM may receive. Associated persons of Adviser when acting as registered representative of FCSC may receive commissions through the sale of securities to clients of FCAM. They may also sell life insurance, long-term care insurance, variable life insurance, whole life insurance, and term life insurance to Adviser clients for compensation.</p>	

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**Schedule F of  
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**Continuation Sheet for Form ADV Part II**

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>First Citizens Asset Management, Inc</b>		IRS Empl. Ident.No.: <b>20-5071127</b>
Item of Form (identify)	Answer	
	<p>In addition, these representatives may receive usual and customary compensation (such as 12B-1 fees) from the sale of mutual fund products to clients of FCAM. This compensation is consideration for various services that FCAM provides such as presenting information to clients regarding the funds and recommending shares of the funds for investment. FCAM may also provide other services not listed here which are beneficial to mutual fund companies. Payment of these fees is included in the expense ratios of the mutual funds and is described in detail in each funds prospectus.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

# **First Citizens Capital Manager Program**

## **Schedule H Wrap Fee Disclosure Brochure**

### **First Citizens Asset Management, Inc.**

**1230 Main Street  
Columbia, South Carolina 29201  
(803) 931-8628**

**August 2010**

This brochure provides clients with information about First Citizens Asset Management, Inc., and the First Citizens Asset Manager Program and the Fund Manager Program that should be considered before becoming a client of any of these programs. This information has not been approved or verified by any governmental authority.

This program is offered by First Citizens Asset Management, Inc. and is not offered by a bank. This program (i) is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the United States (ii) is not deposits or obligations of, or guaranteed by, any bank or affiliate of any bank, or First Citizens Asset Management, Inc.; and (iii) involve risk, including possible loss of principal and loss of value.



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## **I. BACKGROUND OF FIRST CITIZENS ASSET MANAGEMENT, INC.**

First Citizens Asset Management, Inc. ("FCAM" or the "Adviser") is a state-registered investment advisory firm, located in Columbia, South Carolina. Adviser is a wholly-owned subsidiary of First Citizens Bank & Trust Co. (the "Bank"). The Bank also owns First Citizens Securities Corp. ("FCSC"), a registered broker/dealer, member FINRA, SIPC and licensed insurance broker. FCSC executes trades (as agent) for a commission in mutual funds, equities, bonds, options, preferred stock, exchange traded funds, variable annuities and other investment products on behalf of clients, who may or may not have an advisory fee agreement with FCAM.

FCAM provides investment advisory services to individuals, trusts, estates, corporations and other business entities. FCAM consults with the client to obtain detailed financial information and other pertinent data in order to determine the appropriate investment guidelines, risk tolerance and other factors that will assist in ascertaining the suitability of the account. Asset management services are provided to clients on a limited discretionary or non-discretionary basis.

Clients have ready access to their respective portfolio manager/adviser representative. Portfolio managers are not required to be available for unscheduled or unannounced visits by clients. However, portfolio managers are expected to periodically meet with clients and should generally be available to take client telephone calls on advisory-related matters.

### **FCAM Adviser Representatives**

FCAM advisory products and services are offered through FCSC registered representatives who have also registered as adviser representatives of FCAM.

FCAM offers another wrap program, the Wealth Manager Program, which is described in a separate Schedule H brochure.

## **II. ASSET MANAGER PROGRAM**

FCAM directly manages and diversifies clients' portfolios based upon the client's risk profile, investment horizon, financial goals, income (current and potential), tax bracket, portfolio size, net worth and other various suitability factors. Assets are allocated within a mix of securities including, but not limited to, equities, bonds, convertible bonds, government securities, municipal bonds, preferred stock and exchange traded funds. Individual securities are selected with the aid of fundamental analysis and the review of independent research, news sources and rating services. The investment strategies utilized depend on the individual client's investment objectives and goals as provided to the Advisory Representative. FCAM has developed specific asset allocation models which advisers will evaluate to determine the best fit for a client. Advisers may deviate from the models at their discretion to meet a client's specific needs. Portfolios are constructed along basic investment objective categories and focus primarily on a long-term buy and hold approach as opposed to short-term trading. However, each client has the opportunity to place reasonable restrictions on the type of investments to be held in the portfolio.

Portfolio management services are offered to clients on a discretionary or nondiscretionary basis. The purchase and sale of securities in nondiscretionary accounts require advance client approval. Restrictions and guidelines imposed by clients effect the composition and performance of portfolios. For this reason, performance of portfolios within the same investment objective may differ.

There is a \$50,000 minimum investment requirement, exceptions can be made with pre-approval. The annual fees are negotiable and based on assets under management as follows:

**FCAM Asset Manager Program Fee Schedule**

Account Size	Maximum Fee
\$50,000 - \$100,000	2.00%
\$100,001 - \$200,000	1.75%
\$200,001 - \$500,000	1.25%
\$500,001 and above	1.00%

The fee paid to FCAM is a portion of the total fee paid by the client. This portion of the total client fee is intended to compensate FCAM for portfolio management services as well as for brokerage fees, trading fees, clearing fees, processing and administrative fees. The remainder of the total client fee is paid to the investment adviser representative as compensation for services provided in connection with the client account.

### **III. FUND MANAGER PROGRAM**

FCAM directly manages and diversifies clients' portfolios based upon the client's risk profile, investment horizon, financial goals, income (current and potential), tax bracket, portfolio size, net worth and other various suitability factors. This program invests primarily in mutual funds but may also include exchange traded funds. The funds are selected with the aid of fundamental analysis and the review of independent research, news sources and rating services. The investment strategies utilized depend on the individual client's investment objectives and goals as provided to the Advisory Representative. FCAM has developed specific asset allocation models which advisers will evaluate to determine the best fit for a client. Advisers may deviate from the models at their discretion to meet a client's specific needs. Portfolios are constructed along basic investment objective categories and focus primarily on a long-term buy and hold approach as opposed to short-term trading. However, each client has the opportunity to place reasonable restrictions on the type of investments to be held in the portfolio.

Portfolio management services are offered to clients on a discretionary or nondiscretionary basis. The purchase and sale of securities in nondiscretionary accounts require advance client approval. Restrictions and guidelines imposed by clients effect the composition and performance of portfolios. For this reason, performance of portfolios within the same investment objective may differ.

There is a \$50,000 minimum investment requirement, exceptions can be made with pre-approval. The annual fees are negotiable and based on assets under management as follows:

**FCAM Fund Manager Program Fee Schedule**

Account Size	Maximum Fee
\$50,000 - \$100,000	2.00%
\$100,001 - \$200,000	1.75%
\$200,001 - \$500,000	1.25%
\$500,001 and above	1.00%

The fee paid to FCAM is a portion of the total fee paid by the client. This portion of the total client fee is intended to compensate FCAM for portfolio management services as well as for brokerage fees, trading fees, clearing fees, processing and administrative fees. The remainder of the total client fee is paid to the investment adviser representative as compensation for services provided in connection with the client account.

## **IV. GENERAL FEE INFORMATION AND OTHER CLIENT CHARGES**

FCAM investment programs are offered as “wrap accounts” which bundle advisory, administrative, and transaction charges into one asset-based fee. A portion of the wrap fee is allocated to the administrative fee, which covers administrative and supervisory services provided by FCAM as well as transaction, execution, clearing and custodial services as provided by FCSC’s contracted third party clearing firm. FCAM also receives a portion of the fee for advisory services. Clients should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in their accounts, the value of services that are provided under these programs, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately.

The difference between the total client fee and the FCAM fee is paid to the FCAM adviser representative for the provision of their personal advisory services rendered in qualifying clients for investment in the program, as well as for ongoing supervision and/or portfolio monitoring of client program assets.

Management fees are payable in advance on a quarterly basis, commencing when the both the contract is signed and the assets are deposited in the client’s account. Fees are based upon the market value of the assets held in their accounts as determined by the custodian as of the last business day of the preceding calendar quarter.

Either party may terminate the contract upon written notice to the other party. If an account is terminated prior to the last day of the quarter, a portion of the pre-paid fee, which is pro-rated based on the days remaining in such quarter, is returned to the client. A full refund will be provided without penalty if the client terminates the agreement, in writing, within five business days of the contract being executed.

Fees are based primarily on asset size and level of service. FCAM is not compensated on the basis of a share of capital gains or capital appreciation in a client’s account or any portion thereof. FCAM has the right to change any or all of its fee schedules with 30 days written notice. In individual cases, Advisory Representatives have the option to negotiate fees that are lower than the standard fee shown or to waive fees.

Clients should consider that depending upon the level of the advisory fee charged, the amount of portfolio activity in their account, the value of services that are provided under these programs, and other factors, the account fee may or may not exceed the aggregate cost of such services if they were to be provided separately. In addition, comparable services for lower fees may be available from other sources.

Clients may be able to purchase shares of mutual funds outside of these programs directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of the program or paying the account fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable account fee. However, clients may not then receive the benefit of the representative’s investment advice.

Clients should be aware that they may incur other fees to unaffiliated third parties, such as retirement plan administration fees, deferred sales charges on mutual funds initially deposited in the account, 12b-1 fees, as well as mutual fund management fees and other mutual fund expenses as described in the mutual fund prospectus.

The client may grant FCAM the authority to receive quarterly payments directly from the client’s account held by an independent custodian. Accordingly, the client provides, in writing, limited authorization to withdraw the contractually agreed upon fees from the account. FCAM sends the client and the custodian a bill showing the amount of the fee, the value of client’s assets on which the fee was based, and the specific manner in which the fee was calculated. The custodian of the account is advised in writing of the limitation of FCAM’s access to the account. The custodian also sends the client a statement, at least quarterly, indicating all the amounts disbursed from the account including the amount of advisory fees paid directly to FCAM. The custodian of the account holds all customer assets. FCAM does not hold customer funds or securities.

## **V. CLIENT SECURITIES TRANSACTIONS**

FCAM utilizes money market funds as temporary investment vehicles for clients as permitted by law and subject to applicable restrictions. The use of money market funds in "sweep" arrangements, for temporary investment purposes or otherwise, may result in FCAM earning advisory, distribution or other fees described herein. The fees earned by FCAM may vary depending on the money market funds utilized.

Further, certain mutual funds pay a periodic fee (i.e. "Rule 12b-1 fee") to the broker-dealer of record on the account. FCAM, its investment adviser representatives, and/or its affiliates may receive a portion of any Rule 12b-1 fees paid to the broker-dealer from mutual funds recommended to advisory clients.

Clients will pay the public offering price on securities purchased from an underwriter or dealer involved in a distribution, a portion of which may be paid to FCAM. Mark-ups, mark-downs and spreads charged by dealers unaffiliated with FCAM may be included in the price of certain transactions executed on behalf of a client, including over-the-counter ("OTC") and fixed income securities. With respect to these transactions, FCAM will not assess additional mark-ups, markdowns, spreads or commissions.

FCAM does not aggregate brokerage orders for clients. FCAM manages each portfolio on an individual basis using a buy and hold strategy. FCAM believes that this individual attention to client portfolios offsets the benefits from saving on execution costs that might be lost through not aggregating orders.

Because costs associated with trades executed through broker-dealers other than FCSC would be passed on to the client in addition to the management fee, best execution will most likely be obtained through FCSC. For this reason, all transactions will generally be executed through FCSC, subject to FCAM's duty to obtain "best execution", i.e., a price that is as favorable to clients as possible under the prevailing market conditions.

## **VI. REPORTS AND REVIEW OF ACCOUNTS**

Confirmations on all transactions are provided to clients, as well as monthly (or quarterly if there is no account activity) statements which outline the clients' current positions, security cost basis, and current market value.

FCAM may provide certain discretionary Clients the ability to receive, in lieu of trade-by-trade confirmations, a periodic statement, not less often than monthly, containing the information that would have been required to be disclosed in trade-by-trade confirmations generated pursuant to SEC Rule 10b-10. FCAM does not require or request that discretionary Clients elect to receive periodic statements in lieu of trade-by-trade confirmations, nor does FCAM suggest which choice is best. Discretionary Clients may contact their IAR to obtain a copy of a written or electronic form to request a periodic statement in lieu of trade-by-trade confirmations. Clients electing to receive periodic statements in lieu of trade-by-trade confirmations may later change their minds and request, for no additional cost, trade-by-trade confirmations for any transaction since the date of the last periodic statement, as well as for all subsequent transactions. Clients may also request, for no additional fee, trade-by-trade confirmations for previous transactions effected for up to a one-year period preceding the last period statement. FCAM continues to generate and send trade-by-trade confirmations to those discretionary Clients who do not elect to receive periodic statements in lieu of trade-by-trade confirmations.

Clients should understand that all investment strategies and the investments made as a result of implementing those strategies involve risk, that investment performance and the success of an investment strategy can never be predicted or guaranteed, and that the value of the Program account investments will fluctuate due to market conditions and other factors.

Clients may set an appointment to review their portfolio and its performance by phone or in person. Performance is calculated on an annualized basis and from the inception of the account. Performance calculations are monitored by internal staff but are not reviewed by an outside third party.

Accounts are reviewed monthly by the advisory representative. A less comprehensive review is completed weekly and monitored daily. There is no minimum number of accounts assigned for the reviewer. Account reviews may also be triggered by potential change (beyond client's needs) including analyst reports, company news, fund management change and interest rate movement. It is clients' responsibility to notify FCAM of any material changes to their financial situation.

Advisory representatives are required to contact their clients at least quarterly, and meet with them at least annually to review the performance of client's advisory accounts and any changes in the client's financial condition, goals, profile, or restrictions. It is important that clients provide FCAM with complete and accurate information, and report any changes promptly. Clients agree to provide FCAM with updated information regarding material changes in their financial circumstances or investment objectives. Clients should communicate information relevant to their investments directly to the portfolio manager.

## **VII. BUSINESS AFFILIATIONS AND CONFLICTS OF INTEREST**

FCAM is owned by First Citizens Bank & Trust Co., (the "Bank") a South Carolina-based bank. The Bank also owns FCSC, a general securities broker/dealer registered with the Securities and Exchange Commission and the National Association of Securities Dealers. FCSC executes trades (as agent) for a commission in mutual funds, equities, bonds, options, variable annuities and other investment products on behalf of clients, who may or may not have an advisory fee agreement with FCAM. FCAM is also licensed as an insurance agent with the State of South Carolina. Advisory Representatives of FCAM may be registered as representatives with FCSC and may receive compensation as a result of brokerage or insurance transactions through those companies which may create a conflict of interest. The client will be advised that FCAM may be receiving a fee for investment advice and FCSC a commission for any transactions effected. FCAM will use industry standard fees and will keep evidence of such.

Advisory representatives of FCAM are also registered representatives of FCSC. In such capacity, they may offer securities and receive normal and customary commissions as a result of securities transactions. They spend 75% of their time on these activities. Advisory representatives may also be licensed insurance agents through numerous insurance companies. In such capacity, they may offer insurance products and receive normal and customary commissions as a result of such a purchase. They spend 5% of their time on these activities.

Sharon Bryant is the Director of the Wealth Advisory Group of First Citizens Bank & Trust Co., FCAM's parent company. In this capacity she is responsible for various departments, including the Bank's trust department, private banking department and the broker/dealer, FCSC. Through these departments or entities, individuals offer wealth management services to customers of the Bank. Bryant spends approximately 85% of her time on these activities.

General securities accounts for brokerage customers of FCAM are maintained and custodied on a fully disclosed basis by FCSC's contracted third party clearing firm, which is a registered broker-dealer. The clearing firm's role is strictly limited to the provision of brokerage and custodial services in connection with FCSC's brokerage activities. FCAM compensates the clearing firm for the services it provides.

FCAM investment adviser representatives may recommend FCAM investment programs to current and/or prospective clients. As a result of such person's participation in the program, investment adviser representatives may receive a portion of the program fee charged by FCAM. Such payments may be made for the duration of client's participation in the program and may be greater than other forms of compensation had such person paid separately for investment advice, brokerage and other services provided to client as part of a wrap fee program. As a result, FCAM investment adviser representatives may have a financial incentive to recommend these programs over other programs or services available to them. Clients may also have other accounts with FCAM in which management fees are not charged. The payment of commissions in these accounts is negotiated on an entirely separate basis from the payment of fees in FCAM wrap programs.

FCAM and its investment personnel may give advice and take action in the performance of their duties to the wrap program clients which differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts.

FCAM has authority to determine the type and amount of securities to be bought and sold and the broker/dealer to be used. Amount will be limited to the amount in account subject to asset allocation agreements with client. However, FCAM will not have the ability to withdraw funds from client's account. Discretion will include purchasing authority for mutual funds, equities, bonds, convertibles, government bonds and municipal bonds. Discretion will not include purchases on margin, options or futures. FCAM will consider, when making decisions for customer's accounts, such factors as price, the ability of the brokers to effect the transactions, the broker's facilities, reliability and financial responsibility and any products or services provided by such brokers.

Associated persons of FCAM when acting as registered representative of FCSC may receive 12B-1 fees from the sale of investment company products, and commissions through the sale of securities to clients of FCAM. This may create a conflict of interest. Commission rates may be found at other broker/dealers which may be higher or lower than those charged at FCAM. All accounts of FCAM have been researched to the extent needed to produce financial advice or make investment suggestions for the client based on client goals, objectives, risk tolerance and needs. All clients are given the same considerations whether paying for it or not.

FCAM permits employees to engage in personal securities transactions. The personal securities transactions of employees may raise potential conflicts of interest when such persons trade in a security that is 1) owned by a client or 2) considered for purchase or sale for a client. FCAM has adopted policies and procedures that are intended to ensure that employees affect transactions for clients in a manner that is consistent with the fiduciary duty owed to clients and in accordance with applicable law. Employees who wish to purchase or sell securities of the types purchased or sold for clients may do so only in a manner consistent with FCAM policies.

#### **Proxy Voting and Class Action Lawsuits**

In general, FCAM does not vote, nor advise clients how to vote, proxies for securities held in client accounts. FCAM's clients retain the right to vote the proxies of shares held in their accounts.

In addition, FCAM will not take any action or render any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. FCAM will, however, forward to clients any information received by FCAM regarding class action legal matters involving any security held in the account.

## **VIII. EDUCATION AND BUSINESS STANDARDS AND BACKGROUND**

FCAM requires individuals providing investment advice to have investment experience demonstrated in past positions or developed under FCAM's instructions. FCAM also requires individuals to be properly licensed and registered, unless exempted, in states in which such individuals are conducting investment advisory business.

**Sharon Bryant:** Born 1961. University of the South at Sewanee, BA – 1983

First Citizens Bank of South Carolina – Regional Executive Vice President 01/99 – Present

First Citizens Securities Corp – President and Registered Representative 03/07 - Present

First Citizens Investor Services, Inc – Registered Representative 12/00 – 03/07

First Union Brokerage Services, Inc – Registered Representative 06/92 – 06/99

First Union National Bank – City Executive 11/86 – 05/99

**PAUL LEHMAN:** Born 1971. University of South Carolina, BA –2002.

First Citizens Capital Management. – Director 10/05 – Present

First Citizens Bank & Trust Co. –Wealth Management Services 10/05 – Present

First Citizens Investor Services, Inc. - Registered Representative 04/05 – 09/06

Raymond James Financial Services, Inc. - Registered Representative 08/04 – 04/05

Wachovia Securities, LLC - Registered Representative 10/00 – 08/04

**ROBERT SPIRES: BORN 1966. MIDLANDS TECHNICAL COLLEGE, AAB-1989.**

First Citizens Securities Corp. – Chief Compliance Officer 01/07 – Present

First Citizens Bank & Trust Co. – Wealth Management Services	01/07 – Present
Wachovia Securities, LLC - Registered Representative	06/02 – 01/07
Wachovia Securities, Inc. - Registered Representative	02/00 – 06/02
Wachovia Brokerage Services - Registered Representative	05/94 – 02/00

The above individuals all have significant experience in the financial services industry. The information provided covers the last five years. A complete description of the individual's business experience is available upon request.