

## Item 1 – Cover Page

# Synovus Securities, Inc.

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March 30, 2012

This Brochure provides information about the qualifications and business practices of Synovus Securities, Inc. (“SSI”). If you have any questions about the contents of this Brochure, please contact Gene Gunderson, Chief Compliance Officer at (706) 644-0298 or by email at [genegunderson@synovus.com](mailto:genegunderson@synovus.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Synovus Securities, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

This disclosure Brochure describes the business practices of Synovus Securities, Inc. SSI also offers advisory services under a separate division, known as Creative Financial Group (CFG). CFG’s business practices are described in a separate Brochure, which is available upon request. Additional information about Synovus Securities, Inc. and Creative Financial Group is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This Brochure dated March 30, 2012 is a revised document prepared according to the SEC's requirements and rules. This Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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

As of March 30, 2012 Synovus Securities, Inc. made the following material change:

We have updated Item 4 (Advisory Business) of this brochure to reflect SSI's business related to Educational Offerings to ERISA plans and plan participants. Please refer to this section to learn more about these services. In addition, we have updated Item 5 (Fees and Compensation) to describe the fee arrangements charged in connection with our Educational Offerings.

Copies of this Brochure may be requested by contacting Gene Gunderson, Chief Compliance Officer at (706) 644-0298 or [genegunderson@synovus.com](mailto:genegunderson@synovus.com). It is also available free of charge via our website at [www.synovus.com/ssi](http://www.synovus.com/ssi).

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## Item 4 – Advisory Business

Synovus Securities, Inc., (“SSI”) is a full service brokerage and investment advisory firm headquartered in Columbus, Georgia, with offices across Georgia, Alabama, Florida, South Carolina, and Tennessee. SSI is owned by Synovus Financial Corp., a multi-billion dollar publicly traded bank holding company based in Columbus. SSI is a registered broker-dealer and registered investment adviser with the Securities and Exchange Commission, as well as a member of FINRA and various state regulatory agencies.

As of December 31, 2011, Synovus Securities, Inc.’s assets under management were \$57,000,000 on a discretionary basis, and \$346,500,000 on a non-discretionary basis.

The general investment services offered to clients are outlined in the bullet points below. The specific details of each investment program (“Program” or collectively “Programs”) available to clients follow.

- Collecting detailed information about the client’s current financial situation;
- Identifying client’s goals and objectives;
- Developing an appropriate asset allocation model;
- Providing asset management services, including individually managed accounts;
- Offering mutual fund model portfolios;
- Selecting money managers;
- Evaluating performance and monitoring services;
- Periodic rebalancing;
- Executing securities transactions; and
- Custodying of assets through National Financial Services, LLC;

Where applicable, portfolio managers selected to manage client accounts may buy, sell or otherwise trade securities of SSI’s parent company, Synovus Financial Corp., in client accounts. While this may appear to create a conflict of interest, these decisions are made solely at the discretion of the manager and are not influenced by SSI or any of its affiliates. SSI does not recommend the purchase or sale of any stock issued by Synovus Financial Corp. to advisory clients.

Each program may impose account minimums. Due to these minimums, adequate diversification may not be achieved.

### **Managed Accounts Solution Program**

SSI is a participant in the Managed Accounts Solution Program (“MAS Program”) offered by Envestnet Asset Management, Inc. (“Envestnet”). Envestnet is a registered investment adviser that operates a technology platform to assist SSI in recommending asset allocation, specific investment managers and/or investment products to clients. Envestnet is not affiliated with SSI. A complete description of the MAS Program and the services provided by Envestnet are outlined in Envestnet’s ADV Part 2, which you should read carefully.

#### Separately Managed Account

Through our relationship with Envestnet, SSI offers a Separately Managed Account Program, which allows clients to have access to a large number of institutional portfolio managers. The portfolio managers have been pre-screened by Envestnet. There are over 75

portfolio managers representing over 200 investment strategies. The Separately Managed Account Program provides an opportunity for diversification, tax management, and investment restrictions tailored to the client's needs. Portfolio managers are recommended based on the client's investment objectives as determined from the Client Profiling Questionnaire. Manager changes would be recommended if SSI's or Envestnet's due diligence reviews indicate that the portfolio manager is no longer suitable for a particular investment strategy or if a client's investment objectives change.

The minimum account value for the Separately Managed Account Program is \$500,000.

#### Multi-Manager Account

SSI offers a managed account option available through Envestnet where one or more Sub-advisers are selected to manage the client's assets on a discretionary basis. This investment strategy delivers the benefits of a traditional separately managed account in a single diversified portfolio. Envestnet exercises investment discretion over the account and each account is initially structured based upon the client's risk tolerance and objectives.

The minimum account value for the Multi-Manager Account Program is \$250,000.

#### Mutual Fund Wrap Strategies

SSI offers a portfolio of mutual funds and ETFs. Using the Envestnet platform, mutual fund portfolios are offered by two portfolio managers: Strategic Advisors, Inc. and Portfolio Management Consultants.

Strategic Advisors, Inc. (SAI) will directly manage the assets or use one or more model portfolios created by one or more independent investment advisers. Portfolios are constructed using no-load or load-waived share classes of mutual funds from a variety of fund families. An asset allocation model is selected based on the client's objective as determined by the Client Profiling Questionnaire. The client may modify the Client Profiling Questionnaire at any time. After initial fund selection, SAI will make portfolio changes on a discretionary basis as deemed necessary to maintain the agreed upon investment approach.

Portfolio Management Consultants (PMC) will directly manage the assets or use one or more model portfolios created by one or more independent investment advisers via the PMC SIGMA™ Mutual Fund Solution. A number of no load or load-waived mutual funds from various fund families are available within the portfolio. An asset allocation model is selected based on the client's objectives as determined by the Client Profiling Questionnaire. The client may modify the Client Profiling Questionnaire at any time. After initial fund selection, PMC will make portfolio changes on a discretionary basis as deemed necessary to maintain the agreed upon investment approach.

The minimum account value for the Mutual Fund Wrap Strategies Program is \$50,000.

#### Advisor Directed Model Account

SSI, through its dually licensed Registered Representatives, provides asset management services to clients. Each client account is managed on an individualized, non-discretionary basis. SSI may use professional services of other third parties, including its affiliates, in servicing the managed accounts. Investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income and other various suitability factors. Clients may provide specific guidelines or impose reasonable restrictions on the

management of the portfolio. For this reason, performance of portfolios within the same investment objective may differ and clients should not expect that the performance of their portfolios will be identical with another client of SSI with similar investment objectives.

The minimum account value for the Advisor Directed Model Account Program is \$250,000.

#### Advisor Directed Unified Managed Account

Through our relationship with Envestnet, SSI offers the Advisor-Directed Unified Managed Account ("UMA") Program, which allows clients access to multiple investment strategies through the use of Separate Account Managers ("SAMS"), mutual funds and/or ETFs to facilitate diversification within an individually managed account. The Advisor-Directed UMA includes Envestnet as overlay portfolio manager to manage the asset allocation of the account and coordinate trading across investments. Each Advisor-Directed UMA is initially structured based upon the client's stated goals and objectives.

The minimum account value for the Advisor Directed UMA Program is \$250,000.

#### **SSI Individually Managed Account Program**

SSI provides asset management services to clients and manages each client's account on an individualized basis. Accounts may be managed on a discretionary or non-discretionary basis, depending on the needs of the client. SSI may use professional services of other third parties, including its affiliates, in managing accounts. Investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income and other various suitability factors. Clients may provide specific guidelines or impose reasonable restrictions on the management of the portfolio. For this reason, performance of portfolios within the same investment objective may differ and clients should not expect that the performance of their portfolios will be identical with another client of SSI with similar investment objectives.

SSI only accepts accounts that have a minimum asset value of \$100,000. However, accounts with a lesser value may be accepted at SSI's discretion.

#### **Outside Money Manager Program**

Synovus Securities, Inc. may refer customers to other investment advisers or portfolio managers outside of the various Programs listed above. SSI recommends the money management services of both affiliates (e.g. GLOBALT) and non-affiliates. Managers are recommended based upon the investment objectives of the client, but the ultimate decision to hire an outside manager is made by the client. SSI will regularly monitor and review the services provided by the manager and will recommend changes if the manager is no longer suitable for a particular investment strategy or if a client's investment objectives change.

Each manager imposes account minimums varying from \$100,000 to \$1,000,000. SSI will recommend managers for whom the client meets the minimum investment amount. SSI has no ability to waive the minimum account size imposed by any particular manager.

#### **GLOBALT**

SSI recommends the money management services of GLOBALT, Inc., an affiliate of Synovus Securities, Inc. GLOBALT is recommended to clients solely based upon the investment objectives of the client, but the ultimate decision to hire GLOBALT is made by the client.

GLOBALT provides discretionary investment management services to clients and offers multiple strategies that include:

**innovatETF Strategies®**

The innovatETF Strategies employ an asset allocation strategy primarily using exchange-traded funds (ETF). Portfolios are then constructed to meet the investment objective based on each portfolio's corresponding risk parameters. ETFs are selected to represent various asset classes, sectors and industries, such as:

- U.S. equities – large-cap, mid-cap, small-cap, growth, value
- Foreign equities – developed markets, emerging markets, regions and/or countries
- U.S. fixed income – corporate, government, high yield, agency, municipal
- Real estate – real estate investment trusts
- Alternatives – metals and other commodities, absolute return funds, opportunistic investments
- Foreign debt – sovereign debt, emerging debt
- Cash – cash and short-term cash equivalents

Conservative

This diversified portfolio is designed for the more cautious investor, one with a lower risk tolerance and/or a shorter investment time horizon. The portfolio combines modest potential for capital appreciation with potential for principal protection by investing in a diversified portfolio, generally with a fixed income bias.

Balanced

This diversified portfolio is designed for the investor who wants to achieve steady growth while limiting fluctuation to less than that of the overall stock market. The portfolio combines investments primarily in equity and fixed income exchange-traded funds to provide investors with balanced and varied exposure to the stock and bond markets. This portfolio is appropriate for investors who primarily seek long-term capital appreciation with a more moderate risk profile.

Growth

This diversified portfolio is designed for investors with a relatively high tolerance for risk and a longer investment time horizon. The main objective of this portfolio is capital appreciation, and investors should be able to tolerate fluctuations in their portfolio values. While this portfolio will experience volatility similar to that of the equity markets, exposure to fixed-income markets may lower the volatility relative to an all-equity portfolio.

High Growth

This diversified portfolio is designed for investors who have both a higher tolerance for risk and a long-term investment time horizon. The main objective of this portfolio is to construct a high growth portfolio. Investors should be able to tolerate substantial fluctuations in portfolio value from year to year. The portfolio seeks long-term capital appreciation through investments primarily in domestic and international equity exchange-traded funds.

### Income-Growth

This diversified portfolio is designed for the investor looking for income, with a secondary consideration of capital appreciation. The main objective of this portfolio is to temper volatility by exposure to dividend-paying securities.

### International Equity

This diversified portfolio is designed for the more speculative investor, one with a high risk tolerance and long investment time horizon. The portfolio is a diversified multi-country portfolio with exposure to both developed and emerging markets.

## **Equity Strategies**

### **Large Cap Core Growth Strategy**

The Large Cap Core Growth Strategy is a diversified equity portfolio which consists primarily of large cap U.S. growth equities representing multiple sectors and/or industries and includes securities characteristic of the S&P 500 Index. The strategy focuses on higher growth and lower income investments.

### **Mid Cap Growth Strategy**

The Mid Cap Growth Strategy is a diversified equity portfolio which consists primarily of mid-cap U.S. growth equities representing multiple sectors and/or industries and includes securities characteristic of the Russell Mid Cap Growth Index.

### **Equity Income**

The Equity Income Strategy is a diversified equity portfolio which consists primarily of large cap U.S. equities and exchange-traded funds representing multiple sectors and/or industries and includes securities characteristic of the S&P High Yield Dividend Aristocrats Index, an index "designed to measure the performance of the 60 highest dividend yield S&P Composite constituents which have followed a managed-dividends policy of consistently increasing dividends every year for at least 25 years." The Strategy has a yield target at least 1.5x that of the S&P 500 Index. The portfolio has a minimum target to invest 90% of holdings in dividend paying securities.

## **Fixed Income Strategies**

### **Short Term Fixed Income**

This fixed income portfolio is managed and monitored for maturity and duration comparable to Barclays Capital 1-3 Year Government/Credit Index. These portfolios primarily invest in high quality U.S. fixed income securities with average maturity between 1 and 3 years.

### **Intermediate Term Fixed Income**

This fixed income portfolio is managed and monitored for maturity and duration comparable to the Barclays Capital Intermediate Government/Credit Index. These portfolios primarily invest in high quality U.S. fixed income securities with average maturity between 2 and 5 years.



**Long Term Fixed Income**

This fixed income portfolio is managed and monitored for maturity and duration comparable to the Barclays Capital U.S. Aggregate Index. These portfolios primarily invest in high quality U.S. fixed income securities with average maturity greater than 5 years.

**Intermediate Term Government**

This fixed income portfolio is managed and monitored for maturity and duration compared to Barclays Capital Intermediate Government Index. These portfolios primarily invest in U.S. government securities with average maturity between 2 and 5 years.

**Short Term Government**

This fixed income portfolio is managed and monitored for maturity and duration compared to Barclays Capital 1-3 Year Government Index. These portfolios primarily invest in U.S. government securities with average maturity between 1 and 3 years.

The minimum account sizes for the innovatETF Strategies®, the Equity Strategies and the Fixed Income Strategies are \$75,000, \$100,000, and \$1,000,000 respectively. SSI may accept accounts below these stated minimums upon approval from GLOBALT. A complete description of GLOBALT and the services provided by GLOBALT are outlined in GLOBALT's ADV Part 2, which you should read carefully.

**Financial Planning**

In addition to the above Programs, Synovus Securities, Inc., provides comprehensive, integrated Financial Planning services intended to address a variety of needs customized for each client situation. The offerings include:

- Asset Allocation Analysis,
- Investment Planning,
- Retirement and Cash Flow Planning,
- Estate and Gift Tax Planning,
- Wealth Transfer Planning,
- Charitable Gift Planning,
- Education Funding,
- Income Tax Planning,
- Risk Management Analysis,
- Personal Insurance Planning, and
- Closely Held Business Succession Planning

The fee Synovus Securities, Inc., charges for preparing a written financial plan and other financial planning services is based on the complexity involved and skill required to complete the plan.

The Financial Planning Process includes:

1. Establishing and defining the client-planner relationship and the scope of the services to be provided;
2. Gathering extensive personal and financial client data, including the exploration of client's goals and objectives;

3. Analyzing and evaluating the client's current financial status and identifying deficiencies and opportunities to move the client closer to achieving goals;
4. Developing and presenting recommendations and alternatives to the client in a consultative and interactive manner, revising as appropriate, to arrive at actionable recommendations;
5. Assisting the client, to the extent necessary and agreed upon, with the implementation of the recommendations, including coordinating as needed with the client's other advisers;
6. Monitoring the financial planning recommendations, per agreement. Unless otherwise provided in the engagement agreement, it is the client's responsibility to contact their Synovus Securities, Inc. advisor to obtain a determination as to whether it is appropriate or necessary to review the plan or to enter into a new engagement.

Typically, a comprehensive written financial plan would include recommendations on cash flow and debt management, income tax planning, personal (life, disability and long term care) insurance planning, estate planning, charitable gift planning, retirement planning, children's education funding, cash flow and investment planning. Not all these areas will necessarily involve securities.

Financial planning information is obtained through personal interview with each client concerning the client's current financial status, future goals, and attitudes toward risk. Documents and information supplied by the client are carefully reviewed. Once the review is complete, a written financial plan is provided to the client.

The client is under no obligation to act upon SSI's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to affect the transactions through SSI or any registered person of SSI.

### **Educational Offerings**

SSI provides general financial and investment educational services to certain ERISA plans. Examples of the offerings provided include conducting one-on-one or small group educational sessions where the advisory representative discusses the benefits of participating in company sponsored plans, explaining general investment concepts such as historical differences in rates of return between various asset classes, and providing information on assessing one's own risk tolerance. Services rendered are generic in nature and do not include specific investment recommendations or advice, nor do they involve SSI taking investment discretion of plan assets or individual participants' accounts. Rather, investment decisions and plan investment options remain the responsibility of the plan participants and/or the plan fiduciary.

Clients receiving educational offerings and services of SSI are under no obligation to open accounts through SSI nor are they required to implement any action as a result of the information provided or service rendered.

## Item 5 – Fees and Compensation

Clients in each Program pay a program fee (“Program Fee”) that includes all fees associated with management, custodial and brokerage-related expenses for the client’s account, subject to certain exceptions. Additional costs not part of the Program Fee include, but are not limited to, transactions executed away from SSI, dealer mark-ups, electronic fund and wire transfers, market maker spreads, exchange fees, redemption fees and account maintenance fees.

Clients grant SSI the authority to debit Program Fees directly from their account. Clients will receive a statement, usually monthly but no less than quarterly, showing all account holdings and transactions in their account. SSI urges clients to review the information on the statement for accuracy and compare the information to any reports received directly from their SSI representative. Please refer to Item 15 of this document for additional disclosures relating to Custody.

If the client does not have a sufficient cash/cash equivalent balance to cover the fee, SSI may liquidate assets to generate sufficient funds for the fee to be paid.

Advisory agreements may be terminated by either party, without penalty, immediately upon receipt of written notice by the other party. Any such termination will not affect either party’s status, obligations or liabilities. If an account is terminated and all assets are withdrawn from the Program prior to the end of a quarter, the client will receive a refund of the Program Fee prorated based on the number of calendar days left in the quarter. At the time of termination, any unpaid fees will be due.

Clients may receive comparable services from other broker-dealers or investment advisers and pay fees that are higher or lower than those charged under these Programs. The fees for the various Programs may be more or less than the client would have paid if the services (account management, custody and brokerage transactions) were purchased separately outside of the Programs. Therefore, SSI representatives recommending the Programs may have a financial incentive to recommend these Programs over other services offered by SSI.

When recommending certain investments, such as mutual funds, to clients, SSI and its representatives may receive additional compensation (i.e. 12b-1 fees) from the fund company to offset certain marketing expenses incurred by SSI. This compensation is in addition to the Program Fee. These financial incentives could cause SSI to recommend funds based on this compensation rather than solely on the basis of the client’s investment goals and objectives. To address this conflict, representatives of SSI do not receive commissions generated from transactions in advisory accounts.

Investnet may reduce its fees to SSI upon SSI reaching certain levels of assets under management in its various programs. Therefore, SSI may have a financial incentive to recommend this program over other Programs or services.

A portion of accounts may be maintained in (and assessed fees on) cash or other cash equivalents.

To the extent that a client of the MAS Advisor Direct Model or the SSI Individually Manage Account Program invests in new issues of an equity or fixed-income security purchased in their account, SSI will receive a selling concession, or other similar type of compensation, as described in the

prospectus or offering document of the security. SSI receives this compensation in addition to the Program Fee received for investment advisory services.

Advisory clients may also maintain non-advisory brokerage accounts. Representatives of SSI are compensated through commissions assessed on the transactions executed in these account or through some other manner, such as 12b-1 fees. This creates an incentive for the representative to recommend investment products based on the compensation received rather than on the client's needs. However, all brokerage services are performed on a non-discretionary basis and, therefore, transactions are approved by the client in advance. In addition, advisory fees are not charged on brokerage accounts. SSI does pay to its advisory representatives a slightly higher percentage of the fees collected for advisory business than the percentage of commissions paid for brokerage activities.

While it is the policy of SSI to charge investment management fees to its clients in accordance with the fee schedules in effect at the time of executing the investment management agreement, fees are subject to negotiation and do vary from the schedule above to reflect circumstances that may apply to a specific client relationship or account.

The standard fee schedule for each of the Programs follows.

### **Managed Accounts Solution Program**

#### Separately Managed Account

Fees are billed quarterly in advance based on the prior quarter ending market value. The annual rates are shown in the table below.

Minimum Account Size: \$500,000

<b>Asset Range</b>	<b>Equity &amp; Balanced</b>	<b>Manager Blends</b>	<b>Fixed Income</b>	<b>Mutual Funds</b>
\$0 - \$250,000	2.00%	2.00%	1.65%	1.65%
\$250,001 - \$500,000	2.00%	2.00%	1.65%	1.65%
\$500,001 - \$1,000,000	1.80%	1.80%	1.50%	1.50%
\$1,000,001 - \$2,000,000	1.50%	1.50%	1.25%	1.25%
\$2,000,001 - \$5,000,000	1.30%	1.30%	1.00%	1.00%
Over \$5,000,000	1.10%	1.10%	0.85%	0.85%

#### Multi-Manager Account

Fees are billed quarterly in advance based on the prior quarter ending market value. The annual rates are shown in the table below.

Minimum Account Size: \$250,000

<b>Asset Range</b>	<b>Annual Rate</b>
\$0 - \$250,000	2.00%
\$250,001 - \$500,000	2.00%
\$500,001 - \$1,000,000	1.75%
\$1,000,001 - \$2,000,001	1.50%
\$2,000,001 - \$5,000,000	1.25%
Over \$5,000,000	1.00%

#### Mutual Fund Wrap Strategies

Fees are billed quarterly in advance based on the prior quarter ending market value. The annual rates are shown in the table below.

Minimum Account Size: \$50,000

<b>Asset Range</b>	<b>Annual Rate</b>
\$0 - \$250,000	1.50%
\$250,001 - \$500,000	1.25%
\$500,001 - \$1,000,000	1.15%
\$1,000,001 - \$2,000,001	1.00%
\$2,000,001 - \$5,000,000	0.90%
Over \$5,000,000	0.75%

#### Advisor Directed Model Account

Fees are billed quarterly in advance based on the prior quarter ending market value. The annual rates are shown in the table below.

Minimum Account Size: \$250,000

<b>Asset Range</b>	<b>Annual Rate</b>
\$0 - \$250,000	1.50% of Assets
\$250,001 - \$500,000	1.25% of Assets
\$500,001 - \$1,000,000	1.00% of Assets
\$1,000,001 - \$2,000,001	0.90% of Assets
\$2,000,001 - \$5,000,000	0.75% of Assets
Over \$5,000,000	0.50% of Assets

#### Advisor Directed Unified Managed Account

Fees are billed quarterly in advance based on the prior quarter ending market value. The annual rates are shown in the table below.

Minimum Account Size: \$250,000

<b>Asset Range</b>	<b>Annual Rate</b>
\$0 - \$250,000	2.00%
\$250,001 - \$500,000	2.00%
\$500,001 - \$1,000,000	1.75%
\$1,000,001 - \$2,000,001	1.50%
\$2,000,001 - \$5,000,000	1.25%
Over \$5,000,000	1.00%

### SSI Individually Managed Account Program

Fees are billed quarterly in advance based on the prior quarter ending market value. The annual rates are shown in the table below.

Minimum Account Size: \$100,000

Assets Range	Annual Rate
\$0 - \$999,999	2.00%
\$1,000,000 and above	1.50%

### Outside Money Manager Program

Fees are billed quarterly in advance based on the prior quarter ending market value. The annual rates are shown in the table below.

Minimum Account Size: \$100,000 to \$1,000,000 depending on the money manager selected

Assets Range	Annual Rate
\$250,000 - \$1,000,000	2.50% of Assets
\$1,000,001 - \$2,000,000	2.30% of Assets
Greater than \$2,000,000	2.10% of Assets

### GLOBALT

Fees are billed quarterly in advance based on the Average Daily Balance of the account. The annual rates are shown in the table below.

Minimum Account Size:	innovatETF Strategies®	\$75,000
	Equity Strategies	\$100,000
	Fixed Income Strategies	1,000,000

#### innovatETF Strategies®

Average Daily Balance	Annual Rate (except for Income Growth strategy)	Annual Rate for Income Growth strategy
\$0 - \$250,000	1.75%	1.35%
\$250,001 - \$500,000	1.65%	1.30%
\$500,001 - \$1,000,000	1.50%	1.25%
\$1,000,001 - \$2,500,000	1.45%	1.20%
\$2,500,001 - \$5,000,000	1.40%	1.15%
Over \$5,000,000	Negotiable	Negotiable

### Equity Strategies

<b>Average Daily Balance</b>	<b>Annual Rate</b>
Below \$500,000	1.65%
From \$500,001 - \$1,000,000	1.50%
From \$1,000,001 - \$2,500,000	1.40%
From \$2,500,001 - \$5,000,000	1.35%
Assets above \$5,000,000	Negotiable

### Fixed Income Strategies

<b>Average Daily Balance</b>	<b>Annual Rate</b>
From \$1,000,001 - \$2,000,000	0.70%
From \$2,000,001 - \$5,000,000	0.60%
From \$5,000,001 - \$10,000,000	0.50%
Assets above \$10,000,000	Negotiable

### **Financial Planning Services**

Fees associated with financial planning services vary in conjunction with the complexity of each individual engagement. Fees for a comprehensive financial plan begin at \$1,500 per plan. In addition, some engagements are based upon an hourly rate, ranging from \$150 per hour to \$300 per hour depending upon the level of complexity and/or experience level of the advisor(s) providing the services. Terms and schedule of payment are agreed upon at time of engagement, and can be modified upon agreement between the client and Synovus Securities, Inc.

For producing a written financial plan and providing other financial planning advice, Synovus Securities, Inc., charges fees according to the degree of complexity involved and the skill required in the formulation of the advice. After initial data gathering, a fee is estimated by Synovus Securities, Inc., and quoted to the client for the client's agreement. One-half the agreed upon fee (or, in the case of an hourly rate engagement, one-half of the estimated project fee) is due upon acceptance by the client. The remaining fee is due at completion and delivery of the written financial plan. The financial planning agreement can be terminated in writing at any time by the client prior to completion of the plan. There will be a refund to the client of fees paid for which services have not been rendered.

If a client elects an update of a written financial plan, the fee is negotiated and agreed upon in advance of preparation and delivery of the plan. One-half of the agreed upon engagement fees are due at inception and one-half upon delivery of the updated written financial plan. Termination and refund of unearned fees for written financial plan updates are handled in the same manner as for the original written financial plan.

If a client elects a periodic review, the fee is negotiated, agreed upon and paid in advance, and is refundable on a pro-rata basis if the client wishes to terminate the agreement. Incidental investment analysis is priced at a fee agreed upon with the client in advance, but due and payable in arrears. There is no refund policy for fees paid in arrears.

Financial planning fees are subject to negotiation and vary from the pricing above to reflect circumstances that apply to a specific client relationship. Examples of exceptions to the standard Synovus Securities, Inc., fee schedule include:

- a) Accounts of employees, family members, or associates of Synovus Securities, Inc., or its affiliated companies;
- b) Long-standing client relationships;
- c) Size and scope of investment advisory or brokerage relationships;
- d) Anticipated additions to client's investment advisory accounts;
- e) Aggregation of family or household accounts.

Insurance or investment products implemented as part of a financial planning process may incur additional costs, such as commissions.

Synovus Securities, Inc., does not provide accounting or legal advice. Fees paid by the client to accountants, attorneys or other advisors for advice or work done in connection with the financial planning or investment advisory process are in addition to financial planning or investment advisory fees.

### **Educational Offerings**

For rendering general investment and financial educational services to ERISA plans and/or participants, SSI charges a fee that is negotiated on a plan-by-plan basis. Fee options vary but include charging a fee based upon the total assets in a plan, a set fee based upon the number of participants, or a combination of both. Fees charged for such services are agreed upon in writing with the plan sponsor/plan fiduciary in advance of the services commencing.

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## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Synovus Securities, Inc. does not charge any clients a performance-based fee.

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## **Item 7 – Types of Clients**

SSI generally provides services to individuals, high net worth individuals, banks or thrift institutions, pension and profit sharing plans, corporations, and trusts, estates and charitable organizations.

Each investment Program offered by SSI imposes an account minimum in order to be eligible for the Program. SSI, in its sole discretion, may waive the minimum asset size for any of its investment Programs. However, to the extent that the client doesn't meet the minimums imposed by a portfolio manager or program sponsor, SSI may not have the ability to waive those requirements.

Information about minimum account size requirements for each Program can be found in Item 4.

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## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

SSI offers advisory services through the Programs described in Item 4 of this Brochure. The Programs involve the selection of investment models or separate account managers based on the assessment of each client's investment goals and objectives.

SSI has implemented a due diligence process to review various facets of the manager's business, such as investment style, performance, portfolio management, trading & operations and compliance. With respect to the Managed Account Solutions Program, SSI relies on the due diligence process of Envestnet as part of the services they perform for SSI. Manager changes would be recommended if the due diligence review indicates that a manager is no longer suitable for a particular investment strategy or if a client's investment objectives change.

To the extent that SSI representatives are selecting securities for investments in client portfolios, SSI uses an asset allocation strategy to guide investment decisions.

Investing in securities involves risk of loss that clients should be prepared to bear. SSI uses its best judgment and good faith efforts in providing advisory services to clients. SSI cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by SSI will be profitable. Investments in securities are subject to various market, currency, inflation, economic, political and business risks. We attempt to minimize these risks by recommending diversified portfolios constructed to meet the specific goals and objectives of clients.

We have included in Appendix A of this brochure a list of common risks and their definitions. The list is not meant to be inclusive of all possible risks but rather to help our clients better understand that each investment management program involves certain risks. Additional information specific to the risks associated with each program can be found by reading the investment manager's ADV Part 2. For example, risks specific to clients in the MAS program should refer to the Envestnet ADV Part 2. For clients of a GLOBALT program, please refer to GLOBALT's ADV Part 2.

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## **Item 9 – Disciplinary Information**

Synovus Securities, Inc. is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SSI or the integrity of SSI's management.

- Over a period of several years, Synovus Securities, Inc. designated 15 branch offices in Florida on its Schedule E with the NASD (now FINRA) and conducted business from these locations. SSI was unaware that further action would be required to file these locations with the State of Florida and had previously informed the State of Florida that it maintained branch offices in the state. The State of Florida alleged the failure to register the branch offices with the State of Florida violated chapter 517 of the Florida statutes. On June 14, 2006, SSI, without admitting or denying the allegations, agreed to a stipulation and consent agreement.
- On January 26, 2004, Synovus Securities, Inc. signed a letter of Acceptance, Waiver, and Consent (AWC) with the NASD (now FINRA), the self-regulatory agency of the brokerage

industry. The AWC relates to allegations that SSI failed to establish, maintain, and enforce, adequate written supervisory procedures reasonably designed with a view towards preventing conversion or misuse of client funds. Without admitting or denying the allegations, SSI agreed to censure and a \$10,000 fine.

- In 1994, the SEC alleged that Synovus Securities, Inc., through its now retired President, Clark Reed, Jr., interposed a third party between itself and the market in over 120 municipal trades from 1988 to 1991. SSI was censured by the SEC, paid a \$200,000 civil penalty to the SEC and agreed to maintain safeguards to ensure compliance with applicable laws and regulations. SSI hired a consultant to review its compliance procedures.
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## **Item 10 – Other Financial Industry Activities and Affiliations**

SSI is also a broker-dealer registered with the Securities and Exchange Commission, FINRA and various state regulatory agencies. In this capacity, SSI is involved in the sale of various types of securities, such as stock, bonds, and mutual funds. Employees providing investment advisory services to clients are also registered representatives and are able to affect securities transactions on behalf of clients. Clients may maintain brokerage accounts that are not advisory accounts. In these accounts, SSI representatives are compensated based on commissions or other fees paid by the client as a result of the purchase or sale of an investment product. This may represent a conflict of interest when determining recommendations for the client, as there is an incentive to recommend investment products based on the compensation received rather than on the client's needs.

Brokerage services are offered to clients on a non-discretionary basis. Brokerage transactions and sales of any investment products are approved by clients in advance. Representatives of SSI do not receive separate commissions on advisory accounts. Likewise, advisory fees are not charged on non-advisory brokerage accounts. SSI recognizes that a potential conflict exists when SSI offers both brokerage services and investment advisory services to its clients. SSI requires its representatives, when offering both types of services, to explain the different services and identify the capacity in which they are acting when making recommendations.

SSI is a licensed insurance company in Georgia, Florida, Alabama and South Carolina and has affiliations with other insurance companies in those states. Individuals of SSI may also be licensed insurance agents. To the extent that a representative of SSI recommends insurance products and services, SSI and/or the representative will receive commissions on the sale of those products. In some instances, SSI representatives receive a higher percentage of insurance commissions generated than the percentage they receive from brokerage or advisory business. These commissions are paid directly from the insurance company underwriting the insurance policy, and are not paid separately by the client.

SSI also offers investment advisory services under a separate division, known as Creative Financial Group (CFG). Advisory services offered through CFG are substantially different than the services offered through SSI. CFG's business practices are described in a separate Brochure, which is available upon request.

SSI is a wholly owned subsidiary of Synovus Financial Corp. a financial services company and a registered bank holding company headquartered in Columbus, Georgia. Synovus provides integrated financial services including commercial and retail banking, financial management, insurance and mortgage services to its customers through 30 locally-branded banking divisions of

our wholly-owned subsidiary bank, Synovus Bank, and other offices in Georgia, Alabama, South Carolina, Florida and Tennessee.

SSI is under common control with the following entities that have material business arrangements with SSI. Certain employees, directors and members of SSI's executive management may also serve as employees, directors and/or executive management of these entities:

GLOBALT, Inc. (a Registered Investment Adviser)  
3280 Peachtree Road, NE  
Suite 500  
Atlanta, Georgia 30305

Synovus Trust Company, N.A. (a National Trust Company)  
1148 Broadway  
Columbus, Georgia 31901

Synovus Bank (a Georgia state chartered bank)  
1111 Bay Avenue #500  
Columbus, Georgia 31901

As described previously in this Brochure, GLOBALT, an affiliate of SSI, may manage accounts through the various Programs offered by SSI and, therefore, will receive a portion of the fee as outlined in the client fee schedule. To the extent that the client chooses to use an affiliated manager, SSI and/or its affiliates will earn higher overall fees. The fees associated with this program may cost the client more or less than purchasing such services elsewhere.

In limited circumstances advisory clients may utilize the custody services of Synovus Trust Company. These arrangements are usually initiated by the trust company. As a general practice, SSI does not refer advisory clients to Synovus Trust Company for custody services. In the normal course of its business, SSI representatives may refer clients that are in need of Trust services to Synovus Trust Company. SSI is compensated for such referrals and such compensation is shared with the representative. SSI or its representative provides no additional advisory services to the client.

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## **Item 11 – Code of Ethics**

### **Code of Ethics**

SSI's Code of Ethics (the "Code") sets forth a professional business standard to guide SSI and its employees to place the clients' interests before its own. No person shall prefer his or her own interest to that of the advisory client. SSI requires all individuals to act in accordance with all applicable federal, state and regulatory agency regulations governing investment advisory practices. The standards of conduct outline our fiduciary responsibilities and the Code includes our policies related to insider trading, personal securities transactions, privacy of client information and reporting requirements.

SSI's employees may purchase and sell securities for their own accounts that have also been recommended to clients. The Code is designed to assure that the personal securities transactions and interests of the employees will not interfere with making decisions in the best interest of

clients. Nonetheless, because the Code permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Certain security types, such as Initial Public Offerings and Private Placements, may be prohibited or subject to a pre-clearance requirement. Access Persons are required to provide a quarterly report to the Chief Compliance Officer, or other designated person showing investment transactions in their personal accounts, as well as disclosing annually all securities held on their behalf. Certain securities are exempt from reporting based upon the determination that these would not pose any material conflicts. These reports are monitored regularly to seek to reasonably prevent conflicts of interest between SSI and its clients.

Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting SSI's Chief Compliance Officer, Gene Gunderson, at 706-644-0298.

### **Participation or Interest in Client Transactions**

SSI or its associated persons may engage in principal transactions and/or agency cross transactions, subject to Section 206(3) of the Investment Advisers Act of 1940. In accordance with the regulation, SSI will disclose the capacity in which it acted and will obtain client consent from both parties involved in the transaction prior to the trade settlement date. These disclosures and consents are required to make all necessary facts known and to alert clients to SSI's potential conflicts of interest in a principal, riskless principal, or agency transaction.

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## **Item 12 – Brokerage Practices**

SSI does not receive any proprietary or third party research in connection with any soft dollar arrangements. All research is paid for with hard dollars. However, to the extent a client selects a third party manager to manage their account, the third party manager may use client commission to purchase research or brokerage products and services in accordance with their own policies and procedures.

Employees providing investment advisory services to clients are registered representatives and are able to affect securities transactions as instructed by clients. National Financial Services, LLC ("NFS"), member FINRA and SIPC, was selected by SSI to provide custody, clearing and trade execution for SSI clients. Services provided by NFS in this capacity are provided pursuant to a separate agreement between SSI and NFS. In its capacity as SSI's clearing firm, NFS provides discounted execution costs upon SSI reaching certain transaction volumes. Execution discounts received, if any, are retained by SSI. In addition, SSI receives benefits, not related to execution of transactions, to offset the costs of certain workstation expenses. SSI is otherwise unaffiliated with NFS.

SSI requires that all client accounts, with limited exceptions, are custodied at NFS and all transactions executed by NFS through SSI. This creates a conflict of interest, as SSI is in effect acting as both broker and adviser on behalf of the client. Not all investment advisers require clients to use a specific broker-dealer. This direction to itself may represent a conflict of interest, as SSI is limited in its ability to seek out brokers with different pricing structures or broader services, or to receive more favorable pricing on securities transactions. Therefore, by directing brokerage, clients may not receive best execution on transactions.

SSI may also receive additional compensation directly from NFS on behalf of the advisory accounts for which they serve as custodian. NFS may pay SSI a percentage of the uninvested cash and/or the balance maintained in a money market sweep vehicle.

Third party managers are instructed to execute SSI client trades with NFS, subject to their fiduciary duty to seek best execution for client trades. Managers have the authority to execute transactions with another broker or dealer if the manager believes it is in the best interests of the client to do so.

SSI does not typically aggregate trades for multiple clients. However, third party managers are permitted to aggregate trades according to their trading policies and procedures. SSI believes aggregating trades will allow the manager to achieve more favorable pricing and/or better execution at the time of the trade.

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### **Item 13 – Review of Accounts**

New accounts are reviewed by a Designated Principal to ensure all information is in order and documentation is complete.

Financial Consultants provides a regular review of client accounts, the frequency of which is determined based on the client's preferences and expectations. Nonetheless, Financial Consultants are expected to initiate contact with clients at least annually in order to confirm the accuracy of information regarding the client's financial situation.

Clients receive account statements and transaction confirmations directly from the account custodian usually monthly, but not less than quarterly. Clients may request quarterly reports from SSI providing such information as asset allocation and account performance data. Depending on the investment Program selected, performance information is prepared by the individual managers and may not be calculated on a uniform and consistent basis.

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### **Item 14 – Client Referrals and Other Compensation**

SSI and its representatives do not receive any economic benefits from any third parties with respect to the advisory services offered to clients. Product sponsors, mutual fund companies or other third parties may offer SSI representatives invitations to training sessions, due diligence visits or other meeting or events at the expense of the third party. These invitations are not offered directly as a result of any amount of business placed with the third party, but the volume of business placed with a particular sponsor may be indirectly related.

Envestnet may reduce its fees to SSI upon SSI reaching certain levels of assets under management in its various programs. Therefore, SSI may have a financial incentive to recommend this program over other Programs or services.

SSI entered into a solicitor's agreement with GLOBALT, an affiliated investment adviser, on a limited basis. Representatives of SSI can refer clients to GLOBALT and receive a referral fee. The fee paid by GLOBALT is a portion of the fee paid by the client. The client does not pay a higher fee

as a result of the referral. The client enters into an investment advisory agreement directly with GLOBALT. SSI or its representative provides no additional advisory services to the client.

Synovus Bank makes investment products available to its customers, including the advisory services offered by SSI. Synovus Bank receives a portion of the revenues generated by SSI. The client does not pay a higher fee as a result of this arrangement.

In the normal course of its business, SSI representatives may refer clients that are in need of Trust services to Synovus Trust Company. SSI is compensated for such referrals and such compensation is shared with the representative. SSI or its representative provides no additional advisory services to the client.

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## **Item 15 – Custody**

SSI is dually registered as an investment adviser and broker-dealer. As broker-dealer SSI has a minimum net capital requirement of \$250,000 and can accept checks made payable to SSI for deposit into client accounts. However, all checks and securities are promptly forwarded to our clearing firm, National Financial Services. Because SSI accepts checks in this manner, under SEC rule 206(4)-2, SSI is deemed to have custody of its investment advisory accounts.

SSI also has custody because investment advisory fees are directly debited from client accounts. Debiting of fees is done pursuant to authorization provided by each client. NFS, as the account custodian, furnishes account statements, usually monthly but no less than quarterly, directly to the clients. SSI urges clients to carefully review their statements for accuracy and compare those records to any report received directly from SSI. Reports prepared by SSI and/or its sub-advisors may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

In limited situations, clients may hold advisory accounts with Synovus Trust Company, an affiliate of SSI.

In order to comply with the custody rules, SSI engages an independent public accountant to perform an internal controls audit on the operations of SSI, its divisions, and certain affiliates and also to conduct a surprise examination of any accounts over which it is deemed to have custody. Audits are done annually.

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## **Item 16 – Investment Discretion**

Depending on the investment Program selected, SSI manages client portfolios on both a discretionary and non-discretionary basis. When appropriate, clients grant SSI discretion over their account by providing authorization in the investment advisory agreement. Only certain representatives are permitted to act on a discretionary basis, and a Designated Principal is required to review each discretionary account. Discretionary authority authorizes SSI to determine the securities to be bought or sold and the amount of securities to be bought or sold. SSI is not authorized to transfer cash or securities to any third party.

Selection of investments follow the parameters determined for the client as well as any specific instructions, investment objectives and risk profile associated with each client.

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### **Item 17 – Voting Client Securities**

Synovus Securities, Inc. does not take any action or render any advice on voting proxies. Furthermore, SSI will not advise or act on a client's behalf in any legal proceedings, including bankruptcies or class action law suites. Clients will receive proxies, and any other issuer communication, directly from their account custodian. Clients may contact SSI with questions relating to the proxy voting process, but SSI does not provide any recommendations on how to vote any particular issue. If a client uses a third party manager as described in Item 4, the third party manager, at its discretion, may accept responsibility for voting proxies on the client's behalf. Any delegation of voting authority to a third party manager will be outlined in the investment advisory agreement.

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### **Item 18 – Financial Information**

Synovus Securities, Inc. is required to provide you with certain financial information or disclosures about its financial condition. SSI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.



## Appendix A – Risk Definitions

All investments offer a balance between risk and potential return. Generally speaking, a typical investor will take on more investment risk in exchange for the opportunity for greater return. The risk definitions below are intended to assist our clients in understanding the common risks associated in investing. The terms listed below are not comprehensive to all potential investment risks and may not be applicable for all investment strategies.

<b>Business Cycle Risk</b>	The risk that cyclical business cycles, with periods of peak performance followed by a downturn, then a trough of low activity, affect the returns of an investment, an asset class or an individual company's profits.
<b>Call Risk</b>	See reinvestment risk. Some corporate, municipal and agency bonds have a "call provision" entitling their issuers to redeem them at a specified price on a date prior to maturity. Declining interest rates may accelerate the redemption of a callable bond, causing an investor's principal to be returned sooner than expected. In that scenario, investors have to reinvest the principal at the lower interest rates than they may have had prior.
<b>Commodity Price Risk</b>	The possibility that fluctuations in the price, shortage or overabundance of material inputs, such as fuel, energy, raw materials, metals, manpower, etc. will materially impact operating a company, production of goods/services or reduce the attractiveness or price of an investment.
<b>Composition Risk</b>	The possibility that changes in an index, resulting from security membership, market capitalization and weighting, and investment guide changes may increase the relative dispersion for a strategy and result in unexpected performance variance. Security membership, being added, reduced or weight changed, in an index may result in security prices changes.
<b>Consumers Risk</b>	The risk when clients are exposed to unsuitable investments that they do not fully understand.
<b>Correlation Risk</b>	See Diversification Risk - When portfolio holdings are too highly correlated with each other, meaning that the move up and down in value together, there may be insufficient diversification to counter market or security risks.
<b>Counterparty Risk</b>	Also called default risk. Counterparty risk occurs when one or more parties to an agreement, such as a bond, defaults and does not fulfill their contractual obligation, such as payments or principal. For example, a bond issuer with a lower quality rating may have a higher default risk and its bonds will need to pay a higher yield than an issuer with a higher rating.
<b>Credit Rating / Issuer Quality Risk</b>	Credit rating agencies provide analysis and comparative opinions on the bond issuer's ability and willingness to meet its financial obligations. For bond holders, risk occurs when the opinion changes, resulting in a lower rating, which may decrease the current holding value and may make it more expensive, in the form of higher interest rates, for the issuer to raise new debt to meet future obligations. Credit ratings are not indications of investment merit, but are a significant factor in the investment decision. Generally, the higher the credit rating, the higher the bond price relative to the yield rate.
<b>Currency / Foreign Exchange Risk</b>	Also called foreign exchange risk and implies international investing: the possibility that the relative change in currency value from one country to another will reduce the investment value when converted back from one currency to the other.



**Dispersion Risk**

The uncertainty risk associated when an investment strategy is not in accordance with its model, resulting in performance or risk that is less or greater than expected.

**Diversification Risk**

Diversification means to reduce risk by investing in a variety of assets, and generally in assets that do not move up or down in value together (correlate). There are two forms of diversification risk: A portfolio that is relatively undiversified, such as having a single security or positively correlated holdings may be more volatile and value sensitive to the security's market actions. A portfolio that is too diversified may result in a proxy for an index, and not provide acceptable returns relative to the fees or expenses incurred with a managed account.

**Economic Risk**

The risk that economic conditions, such as government regulations, tax policies, political or social instability, workforce, or exchange rates will negatively affect investments, usually one in a foreign country. Economic risk is one of the reasons why international investing, especially in emerging countries, carries more risk than domestic investing.

**Expenses and Fees Risk**

Exchange traded funds, like mutual funds, generally incur operating expenses for management, record-keeping, custodial services, taxes, legal, accounting and audit fees, which are taken from the fund's assets and lower investor return. Different funds may have different expenses and fees ratios, relative to the fund assets. Therefore, selection of a fund with higher expenses and fees may have lower performance than a comparable fund with a lower expense ratio.

**Industry Risk**

The possibility of investment losses related to a specific industry or market sector stemming from economic or regulatory change, instability, volatility or market shift from a particular industry. These losses may increase in relation to overall portfolio weighting towards that industry.

**Inflation Risk**

Inflation causes tomorrow's dollar to be worth less than today's. Inflation reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.

**Interest Rate Risk**

The possibility that the value of a security, especially a bond, will reduce as a resulting from a rise in interest rates.

**Legal Risk**

The risk that a legal contract or financial transaction won't be fulfilled because it breaks a law or there is a regulatory conflict. In addition, companies involved in legal actions may have to increase cash reserves for settlement, which may restrict their growth ability, lower their relative profit or income potential, and be more volatile.

**Liquidity Risk**

The risk that investors may have difficulty finding a buyer when they want to sell a security and may be forced to sell at a significant discount to its expected market value. Liquidity risk is greater for thinly traded securities.

<b>Market Capitalization Risk</b>	<p>A company's market capitalization, one measure of potential growth, is the value calculated from the company's shares outstanding multiplied by the price per share. The basic market cap categories are large-cap, mid-cap and small-cap. Large-cap stocks, representing companies over \$10 billion in size, are generally researched and followed more by analysts or investors. Many large-cap companies are called "Blue Chips". Large-caps historically experience comparatively slower growth, with less risk, than smaller-sized companies. Smaller-sized companies typically are not as financially strong but are expected to grow at a faster rate with greater investment return potential. Smaller-sized companies and funds may experience greater up/down price and value volatility.</p>
<b>Market Risk</b>	<p>Within investment guidelines, many strategies, ETFs or mutual funds focus their funds in investing in specific market cap sized companies. Market capitalization risk exists when comparative-sized companies, such as large, mid- or small-caps as a whole and the ETFs and funds targeted to the cap, would decline, bringing the associated values down regardless of the fundamental characteristics or investment potential. Strategy allocations that over- or under-weight asset classes, including market caps, may have greater volatility, missed return potential, or relative loss.</p> <p>Also called systematic or undiversifiable risk: The risk that the stock or bond market as a whole would decline, bringing the value of individual securities down with it regardless of their fundamental characteristics or investment potential.</p>
<b>Model Risk</b>	<p>The possibility that the analysis, investment or allocation decisions for a strategy model may be unreliable or provide incorrect signals in volatile market conditions.</p>
<b>Regulatory Risk</b>	<p>The risk that changes in laws and regulations will impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment, and/or change the competitive landscape.</p>
<b>Reinvestment Risk</b>	<p>Also see inflation risk. Risk occurs, especially in a declining interest rate environment, when an income producing bond or security is sold or called and the reinvested funds may yield a lower rate than the original security. The reinvested assets may provide a lower cash flow than expected or required to meet the investor's investment objectives.</p>
<b>Security Selection Risk</b>	<p>The risk that an investor chooses a security that underperforms the market for reasons that cannot be anticipated. The possibility of investment losses related to a specific company or security stemming from economic or regulatory change, business climate, earnings surprise or legal action relative to a specific company. These losses may increase in relation to the security's overall portfolio weighting.</p>
<b>SocioPolitical Risk</b>	<p>The danger that political or cultural changes or instability in a location or a country could turn against an investment.</p>
<b>Tax Risk</b>	<p>For taxable accounts, the possibility that the security holdings, interest, dividends and timing of the buys/sell transactions will increase one's tax liability. Tax risk may also occur when investing just prior to dividend or capital gain activities for ETFs or mutual funds.</p>
<b>Time Horizon Risk</b>	<p>Investment time horizon generally reflects the total length of time the investor expects to invest before the assets are utilized for their financial goal, such as retirement income. Because different security types, such as equities, bonds and cash have different reward and risk characteristics, a client's time horizon is important in influencing the investment and strategy decisions. Generally, the shorter the client's time horizon, the less time available to the client to recover from any incurred losses.</p>

**Timing Risk**

The risk that an investment performs poorly after its purchase or better after its sale. This risk may reflect security selection made either too soon or too late, relative to historical review, and thereby missing profit opportunities or increasing loss potential.

**Tracking Error Risk**

Also called active risk. The possibility that a security, such as ETF or mutual fund, deviates from and does not accurately track its defined index or benchmark. The fund does not work as effectively as intended, resulting in unexpected asset allocation and price behavior for the holding.

**Trading Volume Risk**

Trading volume occurs as a direct result of supply and demand. Generally, the greater the trading volume, the more liquid it is and the spread between buy/sell transactions is smaller. A lightly-traded security may have more volatile pricing, be less liquid and have higher transaction costs due the buy/sell spreads,

**Turnover rate Risk**

Turnover rate or ratio reflects the frequency that managers buy or sells securities within a portfolio. There is no turnover rate that is correct for all accounts – the rate will vary upon the strategy type, securities held, or investment conditions. In effect, a high turnover rate may reflect excessive trading, resulting in potentially higher costs or transaction expenses, increased capital gains tax liability of the portfolio, and reduced relative performance. A low turnover rate, again not conclusive, may reflect low account management activity or decreased available investment opportunities.

**Valuation Risk**

It may be difficult to price or fairly value securities that are thinly or infrequently traded, not readily accessible, illiquid, or of varying quality. In the absence of accurate security valuation, buy or sell transactions may be higher or lower than anticipated. Securities that increase or decrease in price may result in overweight or underweight conditions relative to the model or benchmark, increasing diversification risk.

**Yield Curve Risk**

The yield curve represents the relationship between rate of return or interest rates and time to maturity. For bond holders, risk occurs when bond values decrease, impacting portfolio value, when interest rates go up or when needed fixed income or cash flow decrease when bond prices go up. The yield curve will slope, up/down and widen or narrow, in relationship between short term bond yields and long term bond yields and varying maturities. To compensate for the liquidity risk of tying up one's money for long periods of time, a typical investor expects a higher rate of return for a longer time to maturity.