



PASSAGEWAY MANAGED ACCOUNT WRAP FEE PROGRAM BROCHURE (Form ADV Part 2A, Appendix 1)

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This wrap fee program brochure provides information about the qualifications and business practices of Fifth Third Securities, Inc. If you have any questions about the contents of this brochure, please contact us at 513-534-7421. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Fifth Third Securities, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

This wrap fee program brochure provides information about Fifth Third Securities, Inc. and the Passageway Managed Account Program. You should review the information and consider all factors, including but not limited to, investment risks, fees, and conflicts of interest prior to becoming a client of the Passageway Managed Account Program.

Fifth Third Securities is the trade name used by Fifth Third Securities, Inc., a member FINRA/SIPC and a registered investment advisor with the U.S. Securities & Exchange Commission. Registration does not imply a certain level of skill or training. Securities and investment advisory services offered through Fifth Third Securities:

Are Not FDIC Insured	Offer No Bank Guarantee	May Lose Value
Are Not Insured By Any Federal Government Agency		Are Not A Deposit

Item 2 – Material Changes

This brochure is dated October 5, 2012. This brochure contains material changes to the Fifth Third Securities, Inc. (“FTS”) Form ADV Part 2A, Appendix 1 dated August 24, 2012. These changes include:

- FTAM, an affiliated advisor, acts as the sub-advisor to the Touchstone Strategic Income Fund. Additional information about this potential conflict of interest can be found under Item 9.B.1(c) on page 21.

Item 3 – Table of Contents

ITEM 1 – COVER PAGE	1
ITEM 2 – MATERIAL CHANGES.....	2
ITEM 3 – TABLE OF CONTENTS	3
ITEM 4 – SERVICES, FEES AND COMPENSATION	5
A. FIRM BACKGROUND AND PRINCIPAL OWNERS.....	5
B. PASSAGEWAY INVESTMENT PROGRAMS	5
1) <i>Separately Managed Account Program (“SMA Program”)</i>	6
2) <i>Fifth Third Asset Management Multi-Manager Account Program (“FTAM MMA Program”)</i>	6
3) <i>Managed Mutual Fund Portfolio Program (“MMFP Program”)</i>	7
4) <i>SIGMA Multi-Manager Account Program – Nationally Recognized Money Managers (“SIGMA MMA Program”)</i>	8
5) <i>Managed Mutual Fund Portfolio Choice Program (“Choice Program”)</i>	8
6) <i>Symmetry Managed Mutual Fund Portfolio Program (“Symmetry Program”)</i>	9
7) <i>Standard and Poor’s Managed Mutual Fund Portfolio Program (“S&P Mutual Fund Program”)</i>	10
8) <i>Standard and Poor’s Exchange Trade Funds Portfolio Program (“S&P ETF Program”)</i>	10
9) <i>Unified Managed Account Program (“UMA Program”)</i>	10
10) <i>Fund Evaluation Group Managed Program (“FEG Program”)</i>	11
11) <i>Advisor Directed Program</i>	11
C. INVESTMENT ADVISORY FEE INFORMATION	11
1) <i>MMFP Program, Choice Program, S&P Mutual Fund Program, S&P ETF Program, FEG Program, Advisor Directed Program, and the Symmetry Program:</i>	13
2) <i>FTAM MMA Program, UMA Program, and SIGMA MMA Program:</i>	13
3) <i>SMA Program:</i>	13
D. MUTUAL FUND AND ETF FEES.....	14
E. MISCELLANEOUS FEES	14
F. TRADE ERRORS	14
G. BEST EXECUTION	14
ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS	15
A. MINIMUM ACCOUNT REQUIREMENT	15
B. CHANGES TO A CLIENT’S FINANCIAL SITUATION	15
C. TYPES OF CLIENTS.....	15
ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION	15
A. RELATED ENTITIES AS PORTFOLIO MANAGER.....	16
1) <i>Fifth Third Asset Management (FTAM)</i>	16
2) <i>Fifth Third Bank (FTB)</i>	17

B.	FTS' IARS AS PORTFOLIO MANAGERS IN CHOICE PROGRAM AND ADVISOR DIRECTED PROGRAM	17
1)	<i>Advisory Business</i>	17
2)	<i>Methods of Analysis, Investment Strategies and Risk of Loss</i>	17
3)	<i>Performance Based Fees</i>	18
4)	<i>Voting Client Securities</i>	18
C.	CLASS ACTIONS	18
	ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS	18
	ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS	18
	ITEM 9 – ADDITIONAL INFORMATION	19
A.	DISCIPLINARY INFORMATION	19
1)	<i>NASD – 11/17/2003 (The Ohio Company)</i>	19
2)	<i>NASD – 5/3/2005</i>	19
3)	<i>NASD – 3/29/2007</i>	19
4)	<i>FINRA – 12/5/2008</i>	19
5)	<i>FINRA – 4/14/2009</i>	19
6)	<i>FINRA – 9/1/2009</i>	20
7)	<i>FINRA – 1/6/2010</i>	20
8)	<i>FINRA – 9/20/2011</i>	20
9)	<i>FINRA – 07/26/2012</i>	20
B.	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	20
1)	<i>Fifth Third Securities - Broker-Dealer</i>	20
2)	<i>Related Entities</i>	21
C.	ADDITIONAL CONFLICTS OF INTEREST	21
D.	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	21
1)	<i>Code of Ethics</i>	21
E.	REVIEW OF ACCOUNTS	22
F.	QUARTERLY PERFORMANCE REPORTS	22
G.	CLIENT REFERRALS AND OTHER COMPENSATION	23
H.	FINANCIAL INFORMATION	23
1)	<i>Balance Sheet</i>	23
2)	<i>Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients</i>	23
3)	<i>Bankruptcy Petitions in Previous Ten Years</i>	23

Item 4 – Services, Fees and Compensation

A. Firm Background and Principal Owners

Fifth Third Securities, Inc. (“FTS”) is a broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”), and a registered investment adviser with the U.S. Securities and Exchange Commission in 2004 (registration does not imply a certain level of skill or training). FTS is a direct wholly-owned subsidiary of Fifth Third Bank (“FTB”). FTB is a Federal Reserve Board member bank (see *Item 9.B. Other Financial Industry Activities and Affiliations* for more information).

B. Passageway Investment Programs

FTS is the sponsor of the Passageway Managed Account Program (“Passageway”), a program providing investment management services for clients. Additional services included in Passageway: brokerage and custodial services for Passageway accounts, performance reporting, and assistance with investment style selection and asset allocation strategies. Passageway is not intended for investors who want to frequently switch investments from one style or strategy to another in reaction to short-term trends.

FTS makes available portfolio managers in Passageway (each a “Portfolio Manager” and collectively, “Portfolio Managers”). An investment advisor representative (“IAR”) of FTS will meet with a prospective client to interview and complete an investor profile. During this interview the IAR gathers information regarding the client’s risk tolerance, investment objectives, and other financial information. With this data, the IAR assists the client in determining whether Passageway is appropriate for them, and may recommend one or more Passageway programs to the client. A client choosing to open a Passageway account will sign an Investment Management Agreement and a Statement of Investment Selection (Passageway accounts opened prior to February 2007 may have signed an Investment Policy Statement in lieu of the Statement of Investment Selection) with FTS, as well as an agreement to open an account with National Financial Services LLC (“NFS”). An advisory relationship exists between the client and FTS once the Investment Management Agreement and Statement of Investment Selection have been reviewed and accepted by FTS’ Principal Review Desk.

NFS is FTS’ clearing brokerage and custodial services provider, to custody client assets invested by the client in Passageway. NFS is a registered broker/dealer and is not an affiliated entity of FTS. Most or all security transactions for Passageway accounts are executed through NFS as the clearing broker/dealer. However, Portfolio Managers may trade with other broker/dealers to achieve best execution, obtain a wider variety of securities, or take advantage of favorable mark-ups or mark-downs available elsewhere. FTS may at any time change the clearing broker and custodian for the client’s account. The discretion delegated to Portfolio Managers includes the discretion to select broker-dealers for the execution of transactions to achieve best execution. FTS and Portfolio Managers have no authority or duty to manage any of the client’s assets that are not within Passageway. Participating in any of the Passageway programs entails risk. For more information about some of these risks please see *Item 6 .B. 2) Methods of Analysis, Investment Strategies and Risk of Loss* and the Portfolio Managers’ Form ADV Part 2A, if applicable.

Clients have the opportunity to place reasonable restrictions on the types of investments that will be managed on the client’s behalf. The client must provide these restriction requests to FTS in writing. If FTS, Envestnet Asset Management, Inc. (“ENAM”) or a Portfolio Manager deem the restriction request(s) unreasonable, FTS will notify the client of this in writing. Clients in the Choice Program, Symmetry Program, S&P Mutual Fund Program, Advisor Directed Program, and the FEG Program can place *sector* restrictions on a Passageway account since the Passageway account is not directly invested in individual securities (i.e. stocks and bonds).

A client may terminate participation in Passageway at anytime by providing thirty (30) days written notice to FTS. The client will be charged a pro-rated advisory fee for the portion of any billing period during which the account is open (see *Item 4.C. Investment Advisory Fee Information* for further details). FTS reserves the right to distribute the assets of a client’s account *in-kind* (a delivery or transfer of

securities held in the Passageway account instead of in cash) upon termination of the account by either party. FTS may terminate a client's participation in Passageway upon thirty (30) days prior written notice to the client.

ENAM operates the technology platform on which Passageway functions. ENAM renders services to FTS, including but not limited to, the recommendation of asset allocation models for clients in the UMA Program, the SMA Program, the SIGMA MMA Program, Advisor Directed Program and the Choice Program (see *Item 4.B. 1-11* for Passageway programs descriptions), initial and ongoing due diligence for, all of the Portfolio Managers in the UMA Program and the SIGMA MMA Program, the majority of Portfolio Managers in the SMA Program and the majority of the mutual funds available through Choice Program and Advisor Directed Program.

Passageway consists of the below referenced separate programs. Clients may, in consultation with an IAR, elect to participate in one or more of the following programs.

1) Separately Managed Account Program ("SMA Program")

In the SMA Program the client grants to FTS and ENAM discretionary authority to manage the assets in client's SMA Program account(s) and to delegate such authority to selected Portfolio Manager(s). Such discretionary authority allows FTS' delegate, the Portfolio Manager(s), to make investment decisions with respect to the account(s) when the Portfolio Manager(s) deems appropriate and without prior consultation with client to invest, reinvest, sell, exchange, and otherwise trade in any stocks, bonds, and other securities, subject to any reasonable investment restrictions made by the client. Client may select one Portfolio Manager or multiple Portfolio Managers, provided the client has sufficient assets for multiple Portfolio Managers. FTS' IARs will assist clients in selecting Portfolio Managers on an account-by-account basis. Portfolio Managers that are available within the SMA Program can provide investment management services for various investment styles and objectives. For a complete list of Portfolio Managers available within the SMA Program please contact an IAR of FTS. In the SMA Program, the client chooses the Portfolio Manager(s). FTS will not fire a Portfolio Manager on behalf of a client without the client's approval with the exception when a Portfolio Manager has been removed from the SMA Program. FTS and ENAM retain the right to terminate a Portfolio Manager's participation in Passageway. When a Portfolio Manager is removed from the SMA Program, clients utilizing this Portfolio Manager are notified by their IAR of this event. The IAR will work with clients to identify another Portfolio Manager or Passageway program that corresponds with their investment objectives and risk tolerance.

FTS will distribute the privacy policy and Form ADV Part 2A, as applicable, for each Portfolio Manager upon acceptance of the account by FTS. Clients should refer to the applicable Portfolio Manager's Form ADV Part 2A for additional information and details about the Portfolio Manager. Fifth Third Asset Management, Inc. ("FTAM"), an investment adviser affiliated with FTS, is a Portfolio Manager available in the SMA Program (see *Item 9.B. Other Financial Industry Activities and Affiliations* for more information).

The minimum account size per Portfolio Manager account in the SMA Program is \$100,000 or more, based on the specific Portfolio Manager chosen by the client. FTS, at its discretion, may choose to terminate an SMA Program account if the account falls below the account opening minimum.

2) Fifth Third Asset Management Multi-Manager Account Program ("FTAM MMA Program")

Program Closed - No New Accounts

In the FTAM MMA Program (previously known as the Multi-Style Portfolio Account Program), client grants FTS the discretionary authority to manage the assets in client's FTAM MMA Program account(s), and to delegate such authority to FTAM on behalf of a client, subject to any reasonable investment restrictions made by the client. Such discretionary authority allows FTS' delegate, FTAM, to make investment decisions with respect to the account(s) when FTAM deems appropriate and without prior consultation with client, to buy, sell, exchange, convert and otherwise trade in any stocks, bonds, and

other securities, subject to any reasonable investment restrictions made by the client. FTAM MMA Program can provide investment management services for various investment styles and objectives. With the FTAM MMA Program, the client has direct ownership of the securities in their account and automatic portfolio rebalancing when predetermined parameters are surpassed. This automatic rebalancing helps the client's portfolio stay in line with the client's selected asset allocation. Clients should refer to the FTAM's Form ADV Part 2A for additional information and details about FTAM. FTAM is an affiliated entity of FTS (see *Item 9.B. Other Financial Industry Activities and Affiliations* for more information).

The minimum account size for participation in the FTAM MMA Program is \$250,000 (**FTAM MMA Program is no longer opening new accounts**). FTS or FTAM, at its discretion, may choose to terminate an FTAM MMA Program account if the account falls below \$250,000.

3) Managed Mutual Fund Portfolio Program ("MMFP Program")

In the MMFP Program, also known as the Nationally Recognized Mutual Fund Portfolio Program, client grants FTS discretionary authority to manage the MMFP Program account(s) assets and to delegate such authority to FTB (see *Item 9.B. Other Financial Industry Activities and Affiliations* for more information about this potential conflict of interest). Such discretionary authority allows FTS' delegate, FTB, to make investment decisions with respect to the account(s) when FTB deems appropriate and without prior consultation with client, to buy, sell, exchange, convert and otherwise trade in open-end mutual funds and exchange-traded funds ("ETFs"), subject to any reasonable investment restrictions made by the client. FTB recommends an asset allocation model for MMFP Program accounts based upon the risk tolerance, investment objectives, and financial information provided by the client. FTB has the following seven different asset allocation models:

MODEL	DESCRIPTION
<i>Aggressive Growth</i>	The Aggressive Growth model seeks long-term capital appreciation. The model has a diversification strategy that has a very heavy emphasis on stocks and a small allocation to fixed-income.
<i>Growth</i>	The Growth model seeks long-term capital appreciation. The model has a diversification strategy that has a heavy emphasis on stocks and a small allocation to fixed-income.
<i>Moderate Growth</i>	The Moderate Growth model seeks long term capital appreciation and growth of income. The model will have a diversification strategy that has an emphasis on stocks.
<i>Moderate</i>	The Moderate model seeks high total return consistent with the preservation of capital. The model has a diversification strategy that normally emphasizes stocks slightly more than bonds.
<i>Conservative Growth</i>	The Conservative Growth model seeks income and capital appreciation. The model has a diversification strategy that has an emphasis on bonds, which have historically had less volatility than stocks.
<i>Conservative</i>	The Conservative model seeks income and capital appreciation. The model has a diversification strategy that has a heavy emphasis on bonds, which have historically had less volatility than stocks.

<i>Capital Preservation</i>	The Capital Preservation model seeks income and capital appreciation. The model has a diversification strategy that has a very heavy emphasis on bonds, which have historically had less volatility than stocks.
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The MMFP Program asset allocation models, except for the Aggressive model, have the availability to have a tax-efficient focus (FTS does not provide tax or legal advice).

The MMFP Program can provide investment management services for various investment styles and objectives. For a complete list of mutual funds and ETFs available within the MMFP Program please contact an IAR of FTS.

The minimum account size for participation in MMFP Program is \$50,000. FTS or FTB, at its discretion, may choose to terminate an MMFP Program account if the account falls below \$50,000.

4) SIGMA Multi-Manager Account Program – Nationally Recognized Money Managers (“SIGMA MMA Program”)

In the SIGMA MMA Program, client grants FTS the discretionary authority to manage assets through the retention of Portfolio Managers on behalf of a client. Such discretionary authority allows FTS’ delegate, ENAM, to make investment decisions with respect to the account(s) when ENAM deems appropriate and without prior consultation with client, to invest, reinvest, sell, exchange, convert and otherwise trade in any stocks, bonds, and other securities subject to any reasonable investment restrictions made by the client. SIGMA MMA Program allows for the potential of a multi-disciplinary approach by providing access to multiple Portfolio Managers under a single portfolio with an all-in-one consolidated account statement. For a complete list of Portfolio Managers available within the SIGMA MMA Program please contact an IAR of FTS.

Portfolio Managers that are available within the SIGMA MMA Program can provide investment management services for various investment styles and objectives. With the SIGMA MMA Program, the client has direct ownership of the securities in their account, and automatic portfolio rebalancing when predetermined parameters are surpassed. This automatic rebalancing helps the client’s portfolio stays in line with the client’s investment objectives. FTS has contracted with ENAM to perform initial and ongoing due diligence on the Portfolio Managers in the Sigma MMA Program. ENAM has ability to add or remove any Portfolio Manager at any time from the SIGMA MMA Program. FTS will distribute the privacy policy and Form ADV Part 2A, as applicable, for each Portfolio Manager upon acceptance of the account by the FTS. Clients should refer to the applicable Portfolio Manager’s Form ADV Part 2A and ENAM’s Form ADV Part 2A for additional information and details about the Portfolio Manager and ENAM.

The minimum account size for participation in the SIGMA MMA Program is \$250,000 or more based on the portfolio chosen by the client. FTS, at its discretion, may choose to terminate a SIGMA MMA Program account if the account falls below the account opening minimum.

5) Managed Mutual Fund Portfolio Choice Program (“Choice Program”)

In the Choice Program, FTS’ IARs provide investment management services to clients utilizing mutual funds. Investment management services provided under the Choice Program is limited to open-end mutual funds. The Choice Program can provide investment management services for various investment styles and objectives. Initial and ongoing due diligence for the mutual funds available within the Choice Program may be conducted by ENAM or FTS. Due diligence performed by ENAM and FTS may differ from each other. Clients may grant FTS limited discretionary authority to manage Choice Program account assets. If a client has granted FTS limited discretionary authority, such limited discretionary authority allows FTS to make all investment decisions with respect to the Client’s Account(s) when FTS deems appropriate and without prior consultation with the client, to buy, sell, exchange, convert and otherwise trade in any mutual fund. Clients should refer to the FTS Investment

Management Agreement to determine if FTS has discretionary authority. If FTS does not have discretionary authority, FTS will receive authorization from the client prior to purchasing or selling a mutual fund, with the exception the client grants FTS the authority to rebalance the Choice Program account to the chosen asset allocation listed on the most recently executed Statement of Investment Selection and based on the below rebalance rules. This automatic rebalancing helps the client's portfolio stay in line with the client's selected asset allocation.

The rebalance rules are based on the percentage difference from the chosen asset allocation model to the asset allocation at the time the Choice Program account is reviewed, and are determined as follows:

- (1) For an account's asset allocation percentages of 10% or less:
 - (a) If a specific asset allocation (e.g. Large Cap Growth) at the time of a review varies by 5% or more from the chosen asset allocation, the specific asset allocation will be rebalanced to the chosen asset allocation.
 - (b) Funds made available from the rebalance trades will be allocated to the portfolio asset allocations that are the greatest percentage variance from the chosen asset allocation.
- (2) For an account's asset allocation percentages greater than 10%:
 - (a) If a specific asset allocation (e.g. Large Cap Growth) at the time of a review varies by 10% or more from the chosen asset allocation, the specific asset allocation will be rebalanced to the chosen asset allocation.
 - (b) Funds made available from the rebalance trades will be allocated to the portfolio asset allocations that are the greatest percentage variance from the chosen asset allocation.
- (3) Program portfolios are eligible for rebalancing after six months from funding of the Choice Program account based on the next available calendar quarter. For example, an account opened in August will be eligible for the first rebalance in April of the next year.
- (4) Based upon the rebalance rules listed above, Choice Program accounts will be rebalanced on a calendar quarterly basis as close to the chosen asset allocation as possible based on the available funds.

The minimum account size for establishing an account in the Choice Program is \$50,000. FTS, at its discretion, may choose to terminate a Choice Program account if the account falls below \$50,000.

6) Symmetry Managed Mutual Fund Portfolio Program ("Symmetry Program")

In the Symmetry Program, client grants FTS the discretionary authority to manage the assets in client's Symmetry Program account, and to delegate such authority to Symmetry Partners, LLC ("Symmetry"). Such discretionary authority allows FTS' delegate, Symmetry, to make investment decisions with respect to the account(s) when Symmetry deems appropriate and without prior consultation with client, to invest, reinvest, sell, exchange, and otherwise trade in any mutual fund or exchange-traded fund subject to any reasonable investment restrictions made by the client. Symmetry provides the selection of Dimensional Fund Advisors ("DFA") mutual funds and the allocation of assets among those mutual funds. The Symmetry Program can provide investment management services for various investment styles and objectives. Clients should refer to the applicable Symmetry's Form ADV Part 2A for additional information and details about Symmetry.

Investment management services provided by Symmetry within the Symmetry Program primarily utilize mutual funds created and managed by DFA. As a result, Symmetry's investment management services will be generally limited to DFA mutual funds, which may adversely affect performance of the Passageway account.

The minimum account size for establishing an account in the Symmetry Program is \$50,000. FTS or Symmetry, at its discretion, may choose to terminate a Symmetry Program account if the account falls below \$50,000.

7) Standard and Poor's Managed Mutual Fund Portfolio Program ("S&P Mutual Fund Program")

In the S&P Mutual Fund Program, client grants FTS the discretionary authority to manage assets through the retention of ENAM on behalf of client. FTS delegates its authority in the S&P Mutual Fund Program to ENAM. Such discretionary authority allows FTS' delegate, ENAM, to make investment decisions with respect to the account(s) when ENAM deems appropriate and without prior consultation with client, to invest, reinvest, sell, exchange, convert and otherwise trade in any mutual fund subject to any reasonable investment restrictions made by the client. ENAM has retained Standard & Poor's Investment Advisory Services, LLC to assist with the recommendation of models made up of mutual funds and the asset allocation of those mutual funds. The S&P Mutual Funds Program can provide investment management services for various investment styles and objectives. Clients should refer to S&P's Form ADV Part 2A and ENAM's Form ADV Part 2A for additional information and details about ENAM and S&P.

The minimum account size for establishing an account in the S&P Mutual Fund Program is \$50,000. FTS or ENAM, at its discretion, may choose to terminate an S&P Mutual Fund account if the account falls below \$50,000.

8) Standard and Poor's Exchange Trade Funds Portfolio Program ("S&P ETF Program")

In the S&P ETF Program, client grants FTS the discretionary authority to manage assets through the retention of ENAM on behalf of client. FTS delegates its authority in the S&P ETF Program to ENAM. Such discretionary authority allows FTS' delegate, ENAM, to make investment decisions with respect to the account(s) when ENAM deems appropriate and without prior consultation with client, to invest, reinvest, sell, exchange, and otherwise trade in any exchange-traded fund subject to any reasonable investment restrictions made by the client. ENAM has retained Standard & Poor's Investment Advisory Services, LLC ("S&P") to assist with the recommendation of models consisting of exchange-traded funds and the asset allocation of those exchange-traded funds. The S&P ETF Program can provide investment management services for various investment styles and objectives. Clients should refer to S&P's Form ADV Part 2A and ENAM's Form ADV Part 2A for additional information and details about ENAM and S&P.

The minimum account size for establishing an account in the S&P ETF Program is \$50,000. FTS or ENAM, at its discretion, may choose to terminate an S&P ETF account if the account falls below \$50,000.

9) Unified Managed Account Program ("UMA Program")

In the UMA Program the client appoints FTS and ENAM and grants to FTS discretionary authority to manage the assets in client's UMA Program account(s), and to delegate such authority to ENAM. Such discretionary authority allows FTS' delegate, ENAM, to make investment decisions with respect to the account(s) when ENAM deems appropriate and without prior consultation with client, to invest, reinvest, sell, exchange, convert and otherwise trade in any stocks, bonds, and other securities subject to any reasonable investment restrictions made by the client. The UMA Program provides access to Portfolio Managers and mutual funds. ENAM has and will enter into licensing agreements with the Portfolio Managers for the purpose of creating asset allocation model portfolios. The Portfolio Managers are responsible for all investment selections made for the portfolios the Portfolio Managers create. For clients in the UMA Program, the client is offered a single portfolio that has the potential of accessibility to multiple Portfolio Managers representing various asset classes. ENAM shall determine the target asset allocation and will provide certain overlay management services, such as administrative and trading duties pursuant to the direction of the Portfolio Manager. FTS will recommend on an account-by-account basis to clients the underlying mutual funds within the asset allocation models defined by ENAM which comprise the UMA Program account. FTS does not have discretionary authority to manage mutual funds in the UMA Program accounts. FTS will receive authorization from the client prior to a purchase or sale of mutual fund securities with the exception that the client grants FTS the authority to periodically rebalance the UMA Program account(s) to the chosen asset allocation as determined in the

client's most recently signed Statement of Investment Selection; and shall not necessarily be deemed a discretionary event.

Periodically the client's portfolio will be rebalanced on an automatic basis back to or a close approximate of the asset allocation selected by the client, as determined in the client's most recently signed Statement of Investment Selection or Investment Policy Statement. This automatic rebalancing helps the client's portfolio stay in line with the client's investment objectives. FTS has contracted with ENAM to perform initial and ongoing due diligence on Portfolio Managers in the UMA Program and to perform the portfolio rebalancing. FTS will distribute the privacy policy and Form ADV Part 2A, as applicable, for each Portfolio Manager upon acceptance of the account by FTS. Clients should refer to the applicable Portfolio Manager's Form ADV Part 2A and ENAM's Form ADV Part 2A for additional information and details about the Portfolio Manager.

The minimum account size for participation in the UMA Program is \$150,000 or more based on the portfolio chosen by the client. FTS, at its discretion, may choose to terminate a UMA Program account if the account drops below the account opening minimum.

10) Fund Evaluation Group Managed Program ("FEG Program")

In the FEG Program, client grants FTS the discretionary authority to manage assets through the retention of ENAM on behalf of the client. FTS delegates its authority in the FEG Program to ENAM. ENAM has retained Fund Evaluation Group, LLC ("FEG") to assist with the recommendation of models made up of mutual funds and exchange-traded funds and the asset allocation of those assets. This discretionary authority allows ENAM to invest, reinvest, sell, exchange, and otherwise manage the client's assets in the Passageway account at ENAM's discretion, including but not limited to, when ENAM deems appropriate and without prior consultation with client, to select, allocate, reallocate and sell the assets in the client's account to different mutual funds and/or exchange-traded funds. The FEG Program can provide investment management services for various investment styles and objectives. Clients should refer to FEG's Form ADV Part 2A and ENAM's Form ADV Part 2A for additional information and details about ENAM and FEG.

The minimum account size for establishing an account in the FEG Program is \$50,000. FTS or ENAM, at its discretion, may choose to terminate an FEG account if the account falls below \$50,000.

11) Advisor Directed Program

In the Advisor Directed Program, FTS' IARs provide investment management services to clients utilizing mutual funds. Investment management services provided under the Advisor Directed Program is limited to open-end mutual funds. The Advisor Directed Program can provide investment management services for various investment styles and objectives. Initial and ongoing due diligence for the mutual funds available within the Advisor Directed Program may be conducted by ENAM or FTS. Due diligence performed by ENAM and FTS may differ from each other. Clients grant FTS limited discretionary authority to manage Advisor Directed Program account assets. Such limited discretionary authority allows FTS to make all investment decisions with respect to the Client's Account(s) when FTS deems appropriate and without prior consultation with the client, to buy, sell, exchange, convert and otherwise trade in any mutual fund. In addition, this limited discretionary authority allows FTS to invest a client in a lower risk tolerance than the client has selected.

The minimum account size for establishing an account in the Advisor Directed Program is \$50,000. FTS, at its discretion, may choose to terminate an Advisor Directed Program account if the account falls below \$50,000.

C. Investment Advisory Fee Information

Investment advisory fees are calculated at the beginning of each calendar quarter based upon the daily weighted average market value of the assets under management for the previous quarter. Investment advisory fees are automatically deducted from the client's Passageway account, and are charged

quarterly in arrears, generally based on the below fee schedules. Investment advisory fees are negotiable between FTS and the Passageway client. Clients should refer to their Investment Policy Statement or their Statement of Investment Selection to see the negotiated advisory fee schedule for their specific Passageway account(s).

For the initial calendar quarter in which a Passageway account is opened, the initial advisory fee will be based upon the number of days the account is open and the daily weighted average market value of the assets under management. Likewise, upon the termination of a Passageway account, an advisory fee will be based upon the beginning date of the calendar quarter through the date of termination of the Passageway account and the daily weighted average market value of the assets under management.

Client should be aware that the investment management services provided under Passageway may be more or less expensive than if the services were purchased separately or purchased at another financial firm. A client could purchase services similar to those offered in Passageway from other financial services providers. When determining the cost of purchasing services separately, clients should evaluate the costs of brokerage commissions charged, the volume of trading activity in the account, transaction fees, wire fees, trade-away fees, foreign security transfer fees, retirement account termination fees, custody charges, fees charged for investment management services, fees for performance reporting, and the internal costs of the assets purchased (e.g., mutual fund and ETF internal expenses).

The maximum advisory fee for the FTAM MMA Program, SMA Program, SIGMA MMA Program, and UMA Program is 3.00%. The maximum advisory fee for the Advisor Directed Program, MMFP Program, Choice Program, Symmetry Program, FEG Program, S&P MF Program, and S&P ETF Program is 2.25%. However, FTS has reduced these maximum advisory fees to comply with applicable ERISA and Internal Revenue Service rules and to address the potential conflicts of interest with respect to fees charged by affiliated entities (i.e. Fifth Third Bank, previously Fifth Third Funds, and Fifth Third Asset Management). For Passageway programs that have a maximum fee of 3.00%, FTS has reduced the maximum fee to 2.50%. Passageway programs that have a maximum fee of 2.25%, FTS has reduced the maximum fee to 1.50%. This reduction is intended to approximate the amount of mutual fund management fees and Portfolio Manager fees for affiliated entities borne by clients.

For IRAs, Keoghs, ERISA plans and other qualified retirement client accounts, FTS will review the internal expense of mutual funds sub-advised by an affiliated entity. If the internal expense of the mutual funds sub-advised by an affiliated entity which are paid indirectly by a client exceeds the 0.75% reduced maximum fee for the total Passageway account, a credit for the difference will be made in the client's qualified account.

FTS pays a management fee to the Portfolio Managers, excluding IARs, for the advisory services they render under Passageway. These Portfolio Managers' management fees can range from of the market value of the assets of a client's Passageway account.

Each Passageway Program has an internal fee that reduces the amount an IAR can earn on a Passageway account. An IAR may have a financial incentive to choose a Passageway program with a lower internal fee than a Passageway program with a higher internal fee, which can create a potential conflict of interest. Below is a schedule of the internal fees charged to the IAR for each Passageway program:

Advisor Directed Program	Choice Program	FEG Program	FTAM MMA Program*	MMFP Program	S&P ETF Program
0.00%	0.00%	0.25%	0.25%	0.025%	0.15%
S&P Mutual Fund Program	SIGMA MMA Program	SMA Program	Symmetry Program	UMA Program	
0.15%	0.35%	0.50%	0.25%	0.50%	

*The FTAM MMA Program is closed to new accounts.

1) MMFP Program, Choice Program, S&P Mutual Fund Program, S&P ETF Program, FEG Program, Advisor Directed Program, and the Symmetry Program:

Investment advisory fees for the MMFP Program, Choice Program, S&P Mutual Fund Program, S&P ETF Program, FEG Program, Advisor Directed Program and the Symmetry Program generally follow the below fee schedule, but investment advisory fees may be lower. Clients should refer to their Investment Policy Statement or their Statement of Investment Selection to see the negotiated advisory fee schedule for their specific Passageway account(s).

<u>Value of Account</u>	<u>Advisory Fee</u>
First \$250,000	1.50%
Next \$250,000	1.35%
Next \$250,000	1.25%
Next \$250,000	1.10%
Next \$1,000,000	1.00%
Balance Above \$2,000,000	0.80%

2) FTAM MMA Program, UMA Program, and SIGMA MMA Program:

Investment advisory fees for the FTAM MMA Program, UMA Program and SIGMA MMA Program generally follow the below fee schedule, but investment advisory fees may be lower. Clients should refer to their Investment Policy Statement or their Statement of Investment Selection to see the negotiated investment advisory fee schedule for their specific Passageway account(s). **The FTAM MMA Program is no longer accepting new accounts.**

<u>Value of Account</u>	<u>Advisory Fee</u>
First \$250,000	2.50%
Next \$250,000	2.00%
Next \$250,000	1.75%
Next \$250,000	1.50%
Next \$1,000,000	1.35%
Balance Above \$2,000,000	1.00%

3) SMA Program:

Investment advisory fees for the SMA Program generally follow the below fee schedule, but investment advisory fees may be lower. Clients should refer to their Investment Policy Statement or their Statement of Investment Selection to see the negotiated investment advisory fee schedule for their specific Passageway account(s).

<u>Value of Account</u>	<u>Advisory Fee</u>
First \$250,000	2.50%
Next \$250,000	2.00%
Next \$250,000	1.75%
Next \$250,000	1.50%
Next \$1,000,000	1.35%
Balance Above \$2,000,000	1.00%

Investment advisory fees for mutual funds utilized in connection with an SMA Program accounts generally follow the below fee schedule, but investment advisory fees may be lower. Clients should

refer to their Investment Policy Statement or their Statement of Investment Selection to see the negotiated investment advisory fee schedule for their specific Passageway account(s).

<u>Value of Account</u>	<u>Advisory Fee</u>
First \$250,000	1.50%
Next \$250,000	1.35%
Next \$250,000	1.25%
Next \$250,000	1.10%
Next \$1,000,000	1.00%
Balance Above \$2,000,000	0.80%

D. Mutual Fund and ETF Fees

FTS charges no sales commissions or loads for investments in mutual funds or ETFs. However, a client may already own certain securities that have contingent deferred sales charge (e.g. class B share and C share mutual funds). Liquidation of these investments to fund a Passageway account will reduce the value the client will have to invest in Passageway. Clients should carefully review the securities they will utilize to fund a Passageway account prior to choosing to establish a Passageway account.

In addition, each mutual fund and ETF has their own internal expenses, which are described in each mutual fund and ETF's prospectus. These fees and expenses generally include a management fee and other expenses, and may include Rule 12b-1 fees for mutual funds. The fees and expenses of a mutual fund and ETF indirectly reduce the performance of the account and are imbedded in the net return of the mutual fund or ETF. Therefore, the client should review both the total direct and indirect fees and expenses of the mutual funds and ETFs.

Mutual funds that pay Rule 12b-1 fees that are held in a Passageway account for any ERISA Qualified Plan, Individual Retirement Account ("IRA"), or Keogh Plan have the 12b-1 fees reimbursed directly to the client's Passageway account the following month the 12b-1 is credited to FTS.

E. Miscellaneous Fees

Although commissions and transaction fees are not charged to the client's account for securities transactions, securities transactions may include mark-ups, mark-downs, or dealer spreads paid to market makers or other principals from whom securities were obtained. The effects of mark-ups, mark-downs, and dealer spreads on securities transactions are indirectly borne by the client.

Also, other custodial fees may apply, including but not limited to the following: wire fees, trade away fees, foreign security transfer fees, and retirement account close-out fees. FTS will notify clients of additional charges.

F. Trade Errors

If FTS, ENAM, or a Portfolio Manager makes an error when submitting a trade order on a client's behalf, it is the policy of FTS that the trade error be corrected as soon as possible and in such a manner the client is not disadvantaged and bears no loss. Upon the identification of a trade error, FTS will work with NFS to take the appropriate steps necessary to rectify the error. If correcting a trade error results in a loss or a gain within the client's account, FTS, ENAM and/or the Portfolio Manager will retain any gain or absorb any loss.

G. Best Execution

FTS seeks to obtain, through NFS, the best combination of net price and execution when effecting transactions for Passageway client accounts. FTS believes that best execution is more than obtaining the best price. FTS periodically and systematically reviews NFS' execution and quality and FTS' processes to ensure FTS continues to meet its best execution obligations to its clients. A number of

factors may be utilized in analyzing overall trade execution quality, including but not limited to, execution capability, timeliness of effecting trades, ability to execute orders of significant size, service, cost, system capabilities, system security and financial stability of clearing firm.

Item 5 – Account Requirements and Types of Clients

A. Minimum Account Requirement

Each Passageway account requires a certain minimum dollar value of either cash or marketable securities that are acceptable to FTS before FTS will approve an account. The Passageway account minimums are as follows:

- SMA Program - \$100,000+ based on the specific Portfolio Manager(s) selected
- FTAM MMA Program - \$250,000 **(Program closed to new accounts)**
- MMFP Program - \$50,000
- SIGMA MMA Program - \$250,000+ based on the portfolio
- Choice Program - \$50,000
- S&P Mutual Fund Program - \$50,000
- Symmetry Program - \$50,000
- S&P ETF Program - \$50,000
- UMA Program - \$150,000
- FEG Program - \$50,000
- Advisor Directed Program - \$50,000

In addition, FTS, ENAM, or the Portfolio Manager, at their discretion, may terminate a Passageway account if it falls below the account-opening minimum.

B. Changes to a Client's Financial Situation

Passageway clients are required to promptly notify FTS in writing of any material changes to their information previously provided to FTS. Some examples include:

- Investment objective
- Risk tolerance
- Net worth
- Annual income
- Investment time horizon
- Address

Failure by the client to provide FTS with current, accurate information could adversely affect FTS and Program Manager's ability to effectively manage client's assets within Passageway.

C. Types of Clients

Passageway may be offered to individuals, high net worth individuals, trusts, estates, foundations, charitable institutions, corporations, private pension plans, and other business entities or organizations with sufficient liquid assets to participate in Passageway. Passageway is not intended for government entities (federal, state, or municipal) or for public pension plans.

Item 6 – Portfolio Manager Selection and Evaluation

FTS utilizes ENAM to conduct initial and ongoing due diligence on the Portfolio Managers within the UMA Program and SMA Program, with the exception of the Portfolio Managers reviewed by FTS. ENAM's review of Portfolio Managers is based on, among other things, Portfolio Manager's responses to compliance questionnaire, Form ADV review, proxy voting procedures, and performance relative to the Portfolio Manager's peer group and benchmark. ENAM's review will result in the recommendation of new Portfolio Managers and the removal of previously approved Portfolio Managers. ENAM reviews both qualitative and quantitative data prior to adding or removing of a Portfolio Manager from Passageway. For more information regarding ENAM's Portfolio Manager Selection and Evaluation

please refer to ENAM's ADV Part 2A. One of the Portfolio Managers ENAM has approved and conducts ongoing due diligence for the SMA Program is FTAM. ENAM's review of Portfolio Managers is independent from FTS and FTAM. FTAM is subject to the same selection and review criteria by ENAM as the other Portfolio Managers who participate in the SMA Program.

FTS conducts ongoing due diligence on some of the Portfolio Managers available in the SMA Program in which ENAM does not perform ongoing due diligence. For these Portfolio Managers, FTS reviews various quantitative data, such as, performance against benchmark, alpha (measurement of risk), and performance over various time periods. One of these Portfolio Managers FTS conducts ongoing due diligence on is FTAM. FTAM is a wholly-owned subsidiary of FTB, and is an affiliated entity of FTS. For more information about this potential conflict of interest see *Item 9.B. Other Financial Industry Activities and Affiliations*. FTAM is subject to the same selection and review criteria as the other Portfolio Managers who participate in the SMA Program. At this time, for the SMA Program, FTS is no longer adding additional Portfolio Managers. However, ENAM will continue to add, retain, and remove Portfolio Managers from the SMA Program pursuant to their reviews.

In addition, FTS has selected additional Portfolio Managers and programs (i.e. ENAM, S&P, Symmetry, FTB, and FEG) to participate in Passageway. Selection and ongoing retention of Portfolio Managers is based upon various factors, including but not limited to:

- Investment strategy
- Management fee
- Historical performance
- Portfolio Manager's ADV Part 1 and 2
- Marketing materials
- Additional quantitative and qualitative information

FTS is a wholly-owned subsidiary of FTB, and the selection of FTB as the Portfolio Manager in the Passageway MMFP Program creates a potential conflict of interest. For more information about this potential conflict of interest see *Item 9.B. Other Financial Industry Activities and Affiliations*. FTB is subject to the same selection and review criteria as the other Portfolio Managers who participate in Passageway where FTS conducts the ongoing due diligence.

FTS' ongoing review of Portfolio Managers' performance does not include a calculation or determination as to the accuracy of any performance information that may be provided by the Portfolio Manager. A Portfolio Manager may utilize a third-party to review and verify their performance calculation. Please refer to Portfolio Manager's ADV Part 2A for more information. Performance information prepared by Portfolio Managers that is separate from the quarterly performance reports prepared by ENAM may not be calculated on a uniform and consistent basis.

When a Portfolio Manager is removed by ENAM or FTS, clients utilizing this Portfolio Manager are notified by their IAR of this event. The IAR will work with clients to identify another Portfolio Manager or Passageway program that corresponds with their investment objectives and risk tolerance.

A. Related Entities as Portfolio Manager

1) Fifth Third Asset Management (FTAM)

FTAM is one of the Portfolio Managers available in the SMA Program and is the Portfolio Manager for the FTAM MMA Program. FTS' IARs receive no additional compensation beyond the investment advisory fees for recommending FTAM to a client.

FTAM is subject to the same selection and review as other Portfolio Managers that are part of Passageway. See *Item 9.B. Other Financial Industry Activities and Affiliations* for more information about the potential conflicts of interest this may create.

2) Fifth Third Bank (FTB)

FTB is the Portfolio Manager for the MMFP Program. See *Item 9.B. Other Financial Industry Activities and Affiliations* for more information about the potential conflicts of interest this may create and *Item 4.B.3) Managed Mutual Fund Portfolio Program* for a description of this program. FTS' IARs receive no additional compensation beyond the investment advisory fees for recommending the MMFP Program to a client.

FTB is subject to the same selection and review criteria as the other Portfolio Managers who participate in Passageway where FTS conducts the ongoing due diligence.

B. FTS' IARs as Portfolio Managers in Choice Program and Advisor Directed Program

In the Choice Program and Advisor Directed Program, FTS' IARs act as the Portfolio Manager. See below for additional information related to the investment management services provided by FTS in the Choice Program and Advisor Directed Program.

1) Advisory Business

Please see *Item 4.B. Passageway Investment Programs* for descriptions of the Choice Program and Advisor Directed Program and details on the ability to place reasonable restrictions on a Passageway account.

2) Methods of Analysis, Investment Strategies and Risk of Loss

Portfolio Managers may utilize various sources of information, which may include, financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, materials provided by ENAM, filings with the U.S. Securities and Exchange Commission, and other publically available tools and information sources.

An IAR of FTS will meet with a prospective client to interview and complete an investor profile. During this interview the IAR gathers information regarding the client's risk tolerance, investment objectives, and financial information. With this data, the IAR assists the client in determining whether Passageway is appropriate for them, and recommend one or more Passageway programs to the client. If a Passageway program is recommended, an asset allocation model is recommended in conjunction with the Passageway program. Each Passageway account is invested in securities that correspond to the risk tolerance selected, with the exception that in the Advisor Directed Program FTS may invest a client in a lower risk tolerance than the client has selected. The client's Statement of Investment Selection or Investment Policy Statement reflects the selected asset allocation model.

Diversification and asset allocation can help reduce the risk of a portfolio, but they do not remove all risk or chance of loss of the principal amount invested. Periodically the Passageway account is rebalanced to help ensure consistency with the client's ongoing investment objectives and selected asset allocation.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable. This includes the investments and investment strategies recommended or undertaken by FTS or other Portfolio Managers of Passageway. Investments are not obligations of, and are not guaranteed by, FTS, FTB or any of its other affiliates, and are not FDIC or government insured. Investments are subject to risks, including possible loss of the principal amount invested. Losses can occur with any investment or strategy, including conservative investments. The more risk the client is willing to bear, the greater the potential for loss of the principal amount invested by client. Additional information about the risks concerning a particular mutual fund or ETF can be found in the respective mutual fund or ETF's prospectus. Clients of Passageway should be prepared to bear the risk of loss associated with having a Passageway account.

Portfolio goals and objectives are not guaranteed and may not be achieved. Past performance does not guarantee future results.

3) Performance Based Fees

FTS does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

4) Voting Client Securities

FTS does not accept authority to vote proxies for Passageway client securities. As the program sponsor of Passageway, FTS does not select individual securities (i.e. stocks, bonds) on behalf of clients. Within the Passageway programs that manage individual securities, the Portfolio Managers, excluding FTS' IARs, are designated with discretionary authority to vote proxies on behalf of the client as a part of the account management. For additional details on a specific Portfolio Manager's proxy voting policy please refer to the Portfolio Manager's ADV Part 2A.

C. Class Actions

On occasion, securities held or previously held in a client's account are the subject of class action lawsuit. FTS has no obligation to determine if securities held or previously held by the client are subject to a pending or resolved class action lawsuit. In addition, FTS has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, FTS has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by clients.

Item 7 – Client Information Provided to Portfolio Managers

FTS utilizes ENAM's technology platform to provide the advisory services under Passageway. Therefore, ENAM has access to all client information that FTS enters into the ENAM system. This information would include, but is not limited to, client name, address, account holdings, transactional activity, net worth, risk tolerance, investment objective, tax bracket, annual income, and the Passageway program selected by the client.

Portfolio Managers available in the SMA, SIGMA MMA, and FTAM MMA are provided with information available on NFS statements, which includes, but is not limited to, 1) client's name, 2) account number, 3) account holdings, 4) client's address, and 5) transactional activity, but these Portfolio Managers are not provided with a client's social security number, net worth, phone number, or date of birth.

FTB, FEG, Symmetry, S&P, and the Portfolio Managers available through the UMA Program are provided with information about the applicable Passageway account to manage or advise on the account, such as, account holdings, transactions, and the selected asset allocation model. However, these Portfolio Managers are not provided with personal identifiable information about the client (e.g. client name, social security number, date of birth, phone number, or address).

In the Choice Program and the Advisor Directed Program, FTS, through its IARs, is acting as the Portfolio Manager. IARs servicing the client's Choice Program or Advisor Directed Program account have access to all applicable information related to the client.

Item 8 – Client Contact with Portfolio Managers

FTS does not place any restrictions on a client's ability to contact Portfolio Managers. Clients do have the availability to discuss the management of their Passageway account with their IAR, including the activities of the Portfolio Managers. In the Choice Program and the Advisor Directed Program, the IAR is the Portfolio Manager, and the clients have the ability to directly contact them at any time.

Item 9 – Additional Information

A. Disciplinary Information

1) NASD – 11/17/2003 (The Ohio Company)

The Ohio Company was purchased by Fifth Third Bank including their broker-dealer. NASD, now known as FINRA, found that The Ohio Company failed to report the correct time of execution to the MSRB in 219 transactions for which The Ohio Company had recording and reporting obligations. The Ohio Company had no written supervisory procedures to ensure compliance with this particular MSRB Rule. Rather, The Ohio Company relied on the procedures and representations regarding trade reporting provided by The Ohio Company's clearing firm. The Ohio Company was censured and fined \$20,000.

2) NASD – 5/3/2005

NASD, now known as FINRA, censured and fined FTS \$79,750 for late filings related to Representative terminations, late filings for the primary offering of municipal underwritings within 10 business days after the final agreement to purchase, offer, or sell the securities, and for municipal underwritings within one business day after receipt of the official statement from the issuer, and failure to enforce FTS' written supervisory procedures related to these filings.

3) NASD – 3/29/2007

NASD, now known as FINRA, found that FTS executed customer transactions in municipal securities that were not reported to the MSRB within 15 minutes of the execution, some transactions were reported with incorrect times of execution, and others transactions were reported to the MSRB in error. The findings stated FTS failed to timely amend Representative records to disclose customer complaints and failed to timely file forms with the MSRB. Without admitting or denying the findings, FTS consented to the described sanctions and to the entry of findings, therefore, FTS was censured and fined \$25,000.

4) FINRA – 12/5/2008

FINRA alleged that from at least June 2001 to at least April 2005, FTS failed to establish and maintain adequate written procedures to supervise the use of FINRA's Web CRD, and failed to adequately train and supervise all of the employees who were permitted access to Web CRD to ensure that the required consents were obtained prior to conducting all searches on Web CRD. FINRA fined the individual who was conducting the searches \$5,000 and censured and fined FTS \$15,000.

5) FINRA – 4/14/2009

Without admitting or denying any violation or wrongdoing, FTS settled a FINRA proceeding related to past variable annuity transactions. FINRA found that between January 2004 and December 2006, FTS effected 250 unsuitable variable annuity exchanges or sales. The exchanges and certain sales involved a single broker. FINRA found he recommended the same variable annuity product and riders to numerous customers without considering differences in their ages, incomes, investment objectives and sophistication. The other sales involved additional brokers whom FINRA found recommended unsuitable variable annuity purchases to customers. FINRA found: 1) FTS failed to respond adequately to red flags indicating these past transactions were unsuitable, 2) FTS' relevant supervisory procedures were inadequate, 3) FTS allowed improperly-registered representative to buy and sell equities and bonds, 4) FTS allowed at least one person to maintain their securities license with FTS even though he did not work for FTS, and 5) FTS failed to maintain certain books and records. FTS was censured, fined \$1,750,000 and agreed to pay more than \$260,000 in restitution to compensate customers for surrender charges incurred with the alleged unsuitable transactions, and agreed to offer customers, who were affected by the previously mentioned issue, the opportunity to rescind their variable annuity transactions.

6) FINRA – 9/1/2009

Without admitting or denying any violation or wrongdoing, FTS settled a FINRA proceeding related to auction rate security purchases by its customers. FINRA found that between May 31, 2006 and February 28, 2008, FTS violated NASD and MSRB Rules relating to communications with the public in its marketing and sale of auction rate securities and failed to maintain adequate supervisory procedures concerning its sales and marketing activities regarding auction rate securities. FINRA found: (1) FTS used advertising and marketing materials for auction rate securities that were not fair and balanced and did not provide a sound basis for evaluating the facts in regard to purchases of auction rate securities. (2) FTS failed to establish and maintain a supervisory system, including written supervisory procedures, that was reasonably designed to achieve compliance with NASD and MSRB Rules in the marketing and sale of auction rate securities. (3) FTS failed to provide adequate training to registered representatives regarding the features and characteristics of auction rate securities, especially those affecting liquidity. FTS was censured, fined \$150,000, and was required to submit a buyback offer to purchase all auction rate securities that were subject to auctions that have not been successful as of June 30, 2009 and were not subject to current calls or redemptions from all investors in the relevant class who purchased auction rate securities between May 31, 2006 and February 28, 2008.

7) FINRA – 1/6/2010

FINRA found that FTS failed to timely amend Representatives' forms to disclose Representatives' liens and bankruptcies, failed to timely submit amended investment-related complaints against Representatives, and failed to timely file disclosure reports with FINRA. FINRA censured and fined FTS \$25,000.

8) FINRA – 9/20/2011

FINRA found that FTS purchased municipal securities for its own account from a customer and/or sold municipal securities for its own account to a customer at an aggregate price (including any markdown or markup) that was not fair and reasonable. In addition, FINRA found that for some municipal securities transactions FTS failed to report information regarding the purchase and sale transactions effected in municipal securities within 15 minutes of trade time, failed to report the correct trade time in reports of transactions in municipal securities, and failed to show the correct execution time on the memorandum of transactions in municipal securities executed with another broker dealer. FTS was censured and fined \$77,500 and ordered to pay \$18,822.07, plus interest, in restitution to the affected investors.

9) FINRA – 07/26/2012

FINRA found that FTS in transactions for or with a customer, failed to use reasonable diligence to ascertain the best inter-dealer market and failed to buy or sell in such market so that the resultant price to its customers was as favorable as possible under prevailing market conditions. FTS reported information to the Real-Time Transaction Reporting System (RTRS) that it should not have; FTS reported purchase and sale transactions effected in municipal securities to the RTRS when the inter-dealer deliveries were step outs and thus, were not inter-dealer transactions reportable to the RTRS. FINRA determined that FTS' supervisory system did not provide supervision reasonably designed to achieve compliance with applicable laws, regulations, and Municipal Securities Rulemaking Board (MSRB) Rules concerning step-out transactions.

B. Other Financial Industry Activities and Affiliations

1) Fifth Third Securities - Broker-Dealer

FTS is a registered both as a broker-dealer with FINRA and as a registered investment advisor with the SEC (registration does not imply a certain level of skill or training). Principal executive officers of the broker-dealer are also officers of the registered investment advisor. IARs of FTS also act as representatives of FTS, and may solicit other services and products separate from the investment advisory services provided through Passageway. Representatives receive compensation for these

separate activities. Clients are under no obligation to engage FTS and our IARs for these separate products and services.

2) Related Entities

a) Fifth Third Bank (FTB)

FTS is a wholly-owned subsidiary of FTB. FTB is a Federal Reserve board member bank. It is anticipated that FTB will benefit from the compensation for services provided through Passageway. FTS has retained FTB to act as Portfolio Manager and develop asset allocation models in the MMFP Program. In addition, FTS has retained FTB to provide initial and ongoing review of the mutual funds in the MMFP Program. As a result of potential conflicts of interest, FTS has implemented the advisory fee reductions described in *Item 4.C. Investment Advisory Fee Information* section of this brochure for Passageway.

b) Fifth Third Insurance Agency

Fifth Third Insurance Agency is a licensed insurance agency, which is a wholly-owned subsidiary of FTB. FTS' IARs act as insurance agents for Fifth Third Insurance Agency. FTS and its IARs may offer insurance products and services to advisory clients outside of Passageway accounts. Clients are under no obligation to engage Fifth Third Insurance Agency or its insurance agents for these separate services and products for which a customary commission may be received. These insurance products are separate from Passageway and are not considered managed assets within Passageway.

c) Fifth Third Asset Management (FTAM)

FTAM is a registered investment advisor that is a wholly-owned subsidiary of FTB, and is an affiliated entity of FTS. FTAM is one of the Portfolio Managers available in the SMA Program and is the Portfolio Manager for the FTAM MMA Program. FTS' IARs receive no additional compensation for recommending FTAM to a client. Clients maintain the ability to select a Passageway program in which FTAM is a Portfolio Manager, or to select a different Portfolio Manager in the SMA Program. As a result of this potential conflict of interest, FTS has implemented the advisory fee reductions described in *Item 4.C. Investment Advisory Fee Information* section of this brochure for Passageway.

In addition, FTAM acts as the sub-advisor for the Touchstone Strategic Income Fund, which may be utilized in existing Passageway accounts, but is currently unavailable for new Passageway accounts.

C. Additional Conflicts of Interest

Potential conflicts of interest related to FTS and its affiliated entities are listed under *Item 9.B. Other Financial Industry Activities and Affiliations*.

In addition, FTS' IARs are compensated based on the account relationships handled by them. The amount of compensation received by FTS and its IARs, as a result of the client's participation in the Passageway Program, may be more than what FTS and its IAR would receive if the client paid separately for investment advice, brokerage and other services. Therefore, FTS and its IARs may have a financial incentive to recommend the Passageway Program over other investments or services.

A conflict of interest may exist for an IAR when they recommend a Passageway program to a client. Passageway programs have either a maximum advisory fee of 2.50% or 1.50% (see *Item 4.C. Investment Advisory Fee Information* for details on the maximum fee for each Passageway program). An IAR may be inclined to recommend a Passageway program where the maximum advisory fee is 2.50% and/or where the internal fee is lower (see *Item 4.C. Investment Advisory Fee Information* for more information of this potential conflict of interest).

D. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

1) Code of Ethics

FTS has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. FTS' Code of

Ethics is based upon the principle that FTS and its employees owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. The Code of Ethics is designed to ensure that the high ethical standards long maintained by FTS continue to be applied. The purpose of the Code of Ethics is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. FTS' fiduciary duty means that FTS has an affirmative duty of utmost good faith to act solely in the best interest of its clients. FTS and its employees are subject to the following specific fiduciary obligations when dealing with investment advisory clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

To implement the Code of Ethics, all FTS access persons are required to acknowledge their receipt of the FTS' Code of Ethics. FTS' IARs are further subject to specific personal securities transactions and holdings reporting requirements, and FTS compliance personnel review such transactions and holdings reports. Nevertheless, FTS' IARs may buy or sell securities for their personal accounts identical to or different than those held in client accounts. The purchases of initial public offerings by IARs are prohibited under the Code of Ethics, and IARs must receive pre-clearance before investing in private securities offerings.

FTS' Code of Ethics further includes the FTS policy prohibiting the use of material non-public information. FTS requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to termination. Advisory clients or prospective advisory clients may receive the full version of FTS' Code of Ethics by making a written request to:

Fifth Third Securities, Inc.
Attn: Compliance Department
38 Fountain Square Plaza
MD: 10AT42
Cincinnati, OH 45263

E. Review of Accounts

FTS' IARs periodically review client Passageway accounts. Reviews by IARs may include the client's current asset allocation, the managed securities in the Passageway account, and the Portfolio Manager, if the client is in a Passageway program other than the Choice Program or Advisor Directed Program.

In addition, IARs periodically meet with Passageway clients and review their financial and investment goals, risk parameters and other information relevant to maintaining an appropriate investment strategy for the client, as well as review the investment management of the Passageway account.

Portfolio Managers periodically review Passageway accounts. These reviews by Portfolio Managers may result in rebalancing a Passageway account back to or a close approximate of the asset allocation selected by the client. For more information regarding a specific Portfolio Manager's review of accounts please refer to their Form ADV Part 2A.

F. Quarterly Performance Reports

On a quarterly basis, ENAM sends to Passageway clients a statement containing a description of the activity that occurred in the client's account(s) during the previous quarter including, but not limited to, the following:

- Securities holdings
- Account value
- Transactions occurred in the account, including contributions and withdrawals
- Advisory fees charged for the period

FTS does not independently verify the accuracy of the performance information provided by ENAM on client quarterly performance reports.

In addition, clients receive either monthly statements from NFS if securities transactions (i.e. purchases, sales, or transfers) occur in the Passageway account or quarterly statements from NFS if no transactions occur in the Passageway account. **Clients are encouraged to compare the holdings and transactions listed on NFS statements against the quarterly performance reports provided by ENAM.** The client should promptly alert their IAR or FTS if the client identifies any discrepancies between these statements. ENAM performance statements reflect a trade-date basis, and NFS statements reflect a settlement-date basis. This means transactions that occur at the end of a quarter that have not settled will appear on the ENAM statement but will not appear on the NFS statement.

G. Client Referrals and Other Compensation

FTS currently does not compensate individuals for client referrals to Passageway.

H. Financial Information

1) Balance Sheet

FTS is not required to provide a balance sheet with this wrap fee brochure because we do not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

2) Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

FTS is not aware of any financial impairment that will preclude us from meeting our contractual commitments to our advisory clients.

3) Bankruptcy Petitions in Previous Ten Years

FTS has not been the subject of a bankruptcy petition in the last ten years.

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