

**SVB Wealth Advisory, Inc.  
Form ADV Part 2A**

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This brochure provides information about the qualifications and business practices of SVB Wealth Advisory, Inc. If you have any questions about the contents of this brochure, please contact us at 415.764.3100 or at [jschnitz@svb.com](mailto:jschnitz@svb.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "**SEC**") or by any state securities authority.

Additional information about SVB Wealth Advisory, Inc., also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. The CRD number for SVB Wealth Advisory, Inc., is 168116.

SVB Wealth Advisory, Inc., is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). Registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise. Moreover, registration does not imply that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

## **Item 2**

### **Material Changes**

This Item, discusses only specific material changes that were made to our Form ADV 2A dated June 7, 2013.

We made this change on an interim amendment dated August 20, 2013

- Item 4 has been modified to update the approach the firm takes in establishing client relationships and in selecting and managing its client portfolios.
- Item 13 has been updated to reflect the firm's process for reviewing client accounts.

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## Item 4

## Advisory Business

### Description of the Firm

SVB Wealth Advisory, Inc. ("**SVB Wealth Advisory**") is a newly organized investment adviser registered with the SEC under the Advisers Act. We were incorporated in the state of Delaware in May 2013.

We are a wholly owned subsidiary of Silicon Valley Bank, a California state-chartered bank and a member of the Federal Reserve System ("**SVB**"). SVB is the principal banking subsidiary of SVB Financial Group, a publicly held bank holding company ("**SVBFG**").

We provide discretionary and non-discretionary investment management services and wealth planning for our clients, who are visionaries and influencers in the innovation economy with investable assets of \$1 million to \$10 million in addition to their illiquid assets (e.g., private stock, partnership interests, concentrated public company stock, and other illiquid investments). We consider the broad financial needs of our clients and tailor our advisory services based on each client's investment policy and objectives, as well as the client's liquidity needs. We manage our clients' assets through asset allocation strategies across various investments and investment managers based on our clients' investment policies, strategies and objectives, taking into account clients' investable and illiquid assets. We provide our clients with reports on the assets over which we have discretion, as well as on the private and illiquid assets "held away" with a third-party.

We work with our clients to develop tailored investment solutions based on a client's investment objective, risk tolerance, and time horizon, and implement portfolios that may consist of stocks, bonds, investment funds, ETFs, cash and cash equivalents, and other investments. SVB Wealth Advisory will also advise clients on hedging against existing holdings, concentrated portfolios that are subject to liquidity and transfer restrictions, and on the purchase or sale of positions held in company option or benefit plans. On a case-by-case basis we may provide clients with specific financial planning and private asset reporting services as referenced in Item 5 – Fees.

We tailor our investment solutions to our clients by having each client complete an investor profile questionnaire (the "**Questionnaire**") stating the client's investment objectives, risk tolerance, private and/or illiquid assets over which we do not have discretionary authority, and investment time horizon for the client's assets. We then provide the client with an investment proposal (the "**Investment Proposal**"), which contains a proposed, long-term strategy for allocating the client's assets among a combination of the asset classes described above. The Investment Proposal is based upon and is objectively correlated to the Questionnaire responses and is provided to assist the client in making informed asset allocation decisions.

In response to the Investment Proposal, each client may impose reasonable restrictions or limitations on specific securities in which its assets are invested or on the percentage of assets allocated to certain asset classes. Further, from time to time and on a case-by-case basis, in order to meet certain strategic investment objectives of our clients, we may invest a client's assets as specifically directed by the client. These non-discretionary, or client-directed, arrangements are subject to the acceptance of SVB Wealth Advisory as determined in SVB Wealth Advisory's sole discretion. Any restrictions that a client imposes may result in the development of an asset allocation proposal for that client that deviates from the allocation we would otherwise propose. For more information about our investment strategies, see Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) below.

We create, maintain and implement custom portfolios regarding the assets in each client's account over which we have portfolio management and investment discretion by using a combination of proprietary systems and systems and tools provided by third parties. Our arrangements with such third parties are non-discretionary programs that we use to offer individual clients a portfolio comprised of products chosen directly by us; these portfolios are

constructed and rebalanced directly by us using proprietary and third-party tools and provides us the freedom to choose the best solutions available to suit client needs. No third party that provides us with any systems or tools that we use to manage client assets has any investment discretion over any of our clients' assets.

The asset allocation model we recommend for a client may include allocations to third party investment managers ("**Sub-Managers**") or to funds or investment vehicles sponsored or managed by Sub-Managers. The Sub-Managers and/or their investment vehicles or funds that may be allocated certain client assets are selected by us based on the proprietary and third party tools discussed above, which provide us with the ability to determine whether to allocate client assets to a particular Sub-Manager. **Please refer to the Form ADV Part 2A or relevant disclosure brochure of relevant Sub-Managers as provided to clients for additional information regarding any Sub-Manager that may managed assets of a client.**

As of March 7, 2014, SVB Wealth Advisory managed \$5,323,647 of client assets on a discretionary basis, and \$17,536,132 of client assets on a non-discretionary basis.

## Item 5

## Fees and Compensation

### Fees

#### *Account Fees*

We charge our clients account fees based on the value of the discretionary assets under management. The fee schedule for our services is as follows:

<b>Total Discretionary Assets Under Management</b> (Under Each Portfolio Investment Strategy)	<b>Applicable Rate*</b> (Per annum)
Below \$1,000,000.00	1.15%
\$1,000,000.00 to \$4,999,999.99	0.85%
\$5,000,000.00 to \$10,000,000.00	0.55%
Greater than \$10,000,000	Negotiable

\* The Applicable Rate is determined based on the total discretionary assets under management in all SVB Wealth Advisory accounts, *including* balances held in money market funds or cash.

Fees are calculated based on the average of the daily market value of a client's assets as of the last business day of the prior quarter and as of the last business day of the quarter billed *excluding uninvested balances held in money market funds or cash*. Fees are charged in advance and are calculated and assessed at the beginning of the first month of each quarter. Fees for newly opened and terminated accounts are calculated on a prorated basis during the quarter. For purposes of this fee calculation, any balances held in money market funds or cash are excluded.

Fees are deducted directly from clients' accounts on a quarterly basis, or prorated in the case of newly opened and terminated accounts, and are payable in advance. Upon termination of any account, any paid account fees through the date of termination of the account will become due and payable to the client.

The fees described above are subject to change and may vary based on specific, separately negotiated client situations. SVB Wealth Advisory may, in its sole discretion, waive or otherwise change its fee structure for certain clients, as determined on a case-by-case basis.

Fees for any non-discretionary, or client-directed, assets are negotiated with each client on a case-by-case basis.

SVB Wealth Advisory does not charge any other fees such as transaction or transfer-related fees, additional commissions, or trading spreads or premiums.

As described in Item 4, we may provide clients with specific financial planning and private asset reporting services, for which we may charge up to \$10,000 per annum as negotiated with each relevant client.

As described in Item 8, we utilize third party vendors for, data, data processing and support services and software in asset allocation and selection analysis, clients will bear their proportionate share of the costs of the systems and tools made available to us by third parties.

#### *Custodial and Brokerage Fees*

Assets managed by SVB Wealth Advisory are held in custody by third-party custodians, and clients may be subject to fees for custodial services charged by such third-party custodians.

The primary custodian for our client assets is Fidelity Institutional Wealth Services. The annual fee typically charged to clients for assets held in custody by Fidelity Institutional Wealth Services is 7-15bps of the market value of such assets held, plus an additional account fee for accounts that do not meet the minimum balance requirement, provided that Fidelity Institutional Wealth Services may charge higher or lower annual fees based on the total amount of assets held in custody for a client. The fee is charged in arrears and deducted from the client's account by the custodian, on a quarterly basis, based on the average daily balance of assets held for the billing period. From time to time, client assets may be held in custody with third-party custodians other than Fidelity Institutional Wealth Services. Such assets are subject to the custodial fees (including any minimum requirements) as charged by those custodians directly to a client. Clients may incur use fees for services rendered by a custodian. These services are rendered in addition to the normal responsibilities of the custodian, and costs are passed to our clients directly without incremental billing revenue to SVB Wealth Advisory.

Our clients do not incur any brokerage fees or costs; however, if any such fees and costs were to be charged, they would be the responsibility of the client. For more information, see Item 12 (Brokerage Practices) below.

#### *Sub-Manager Fees*

In some instances, a portion of a client's portfolio may be invested with a Sub-Manager through a fund or other product managed by that investment manager. In such cases, a separate management fee may be charged by that Sub-Manager, either directly at the fund level, that is in addition to the management fees that SVB Wealth Advisory charges each client. The exact fee to be charged by a Sub-Manager will be disclosed to the client either in a separate disclosure brochure or in the investment management agreement between the client and the Sub-Manager or, in the case of a Sub-Manager's fund or other investment product, the fees the fund or product will be charged will be disclosed in the offering materials of the fund or product.

SVB Wealth Advisory may also refer clients to SVB or its banking affiliates for banking products such as personal or business loans, credit cards, cash sweep accounts and other products, and clients who use such products or services will be subject to the fees associated with such service. SVB Wealth Advisory, as a wholly owned subsidiary of SVB, may have an incentive to refer clients to SVB's banking products. For more information, see Item 10 (Other Financial Industry Activities and Affiliations) below.

### **Item 6                                      Performance-Based Fees and Side-by-Side Management**

SVB Wealth Advisory does not charge any performance-based fees (or fees based on a share of capital gains on or capital appreciation of the assets of the client).

### **Item 7                                      Types of Clients**

Our clients are primarily individuals who are visionaries and influencers in the innovation economy with investable assets of \$1 million to \$10 million, in addition to illiquid assets (e.g., private stock, partnership interests, concentrated public company stock and other illiquid investments).

We generally require a minimum investment balance of \$1 million to open an individual account. We may from time to time waive or reduce these minimum requirements at our discretion.

### Method of Analysis

SVB Wealth Advisory's investment process includes quantitative and qualitative analysis using SVB Wealth Advisory and other third-party proprietary systems and methods to develop asset allocation strategies tailored to the specific needs of our clients. SVB Wealth Advisory may also use widely available public information and economic data to conclude asset allocation and duration targets. Our team's research approach includes, among other things, conducting an extensive review of economic and corporate results in the applicable industry or sector, investment managers to whom we may allocate client assets, and macroeconomic trends and company-specific results, as well as reviewing financial publications, prospectuses, certain issuer SEC filings or press releases, independent third-party research, and other material items that might be relevant. Additionally, investments are subject to ongoing surveillance.

SVB Wealth Advisory also utilizes a third-party vendor that provides consulting, database, data processing and support services and software (including asset allocation modeling software) on a wholesale fee basis. SVB Wealth Advisory uses these resources to provide advice to clients on asset allocation and selection of investment managers and investment funds for investment of the client's account (which may include investment managers that are unaffiliated with SVB Wealth Advisory and investment funds managed by companies that are unaffiliated with SVB Wealth Advisory), and periodic review, reporting and reallocation of client assets.

### Investment Strategy

We manage our clients' portfolios based on their investment objectives and, unless specified in the Investment Proposal, we will also consult with our clients to determine their desired benchmark for returns. The benchmark serves as a starting point for us to design an investment portfolio and guides us towards how the portfolio should be managed on a going-forward basis. In developing asset allocation strategies for our clients, we may employ long-term purchases, short-term purchases, margin trading, short sales, derivative transactions, investment in investment funds and ETFs (including SEC-registered mutual funds and money-market funds), foreign securities, equities and debt securities, and global currencies. SVB Wealth Advisory will also advise clients on hedging against existing holdings, on concentrated portfolios that are subject to liquidity and transfer restrictions, and the purchase or sale of positions held in company option or benefit plans.

### Risks

All investments are subject to various risks that are borne by investors. Such risks depend on the type of investment securities, as well as the investment strategy employed. These risks include the following:

- *No Assurance of Investment Returns or Principal Preservation.* SVB Wealth Advisory cannot assure clients that investments will generate any returns or that principal balances will be preserved. Investments in securities (including money market funds) are generally subject to a variety of risks, including interest rate risks, credit risks and general market risks; therefore, any actual returns that are generated are inherently unpredictable. SVB Wealth Advisory cannot provide any assurance or guarantee that principal balances will be preserved or that client investments will generate returns that will be commensurate with our clients' expectations, their investment objectives or SVB Wealth Advisory's investment strategies.
- *Market Risk.* Market events or other external factors, including political, economic and social conditions, may impact the price of securities or other investments.
- *Interest Rate Risk.* The underlying value of securities may decline as interest rates rise.
- *Credit Risk.* The underlying value of securities may decline as a result of certain events, such as if the issuer defaults on its obligations in any material manner, or if the issuer's credit rating is materially downgraded.



- *Liquidity Risk.* Clients may not be able to sell securities in a timely manner or at a desired price, or because of a lack of demand or a lack of market.
- *Financial Services Industry Risk.* We invest a significant portion of client assets in the obligations of banks and other financial services companies. As such, these investments are subject to various risks generally associated with the financial services industry, such as credit risk, interest rate risk and industry-related regulatory developments.
- *Money Market Fund Risk.* Although money market funds seek to preserve the value of clients' investment at \$1.00 per share, the share price may fall below \$1.00 as a result of changes in credit quality, issuer default, redemption restrictions or pressures, and other similar events.
- *Equity Securities Risk.* Common and preferred stocks represent equity ownership in a company. Stock markets are volatile. The price of equity securities will fluctuate and can decline and reduce the value of a portfolio investing in equities. The value of equity securities purchased could decline if the financial condition of the companies in which SVB Wealth Advisory invests declines or if overall market and economic conditions deteriorate. They may also decline due to factors that affect a particular industry or industries, such as labor shortages or an increase in production costs and competitive conditions within an industry. In addition, they may decline due to general market conditions that are not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or generally adverse investor sentiment.
- *Asset-backed Securities Investment Risk.* The impairment of the value of the collateral underlying certain asset-backed securities may adversely affect the value of the securities.
- *Prepayment Risk and Extension Risk.* The principal on mortgage-backed securities, other asset-backed securities or any debt security with an embedded call option may be prepaid at any time, which could reduce yield and market value. The rate of prepayments tends to increase as interest rates decline, which could cause the average maturity of the portfolio to shorten. Extension risk may result from a rise in interest rates, which may make mortgage-backed securities, asset-backed securities and other callable debt securities more volatile.
- *Use of Sub-Managers.* SVB Wealth Advisory may recommend the use of independent Sub-Managers for certain clients. SVB Wealth Advisory will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the independent managers' ability to successfully implement their investment strategies. In addition, SVB Wealth Advisory does not have the ability to supervise the independent managers on a day-to-day basis.
- *Use of Private Collective Investment Vehicles Not Registered with the SEC.* SVB Wealth Advisory may recommend investment in privately placed collective investment vehicles by certain clients. The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments that may be traded, and no requirement to diversify. The funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities, which may or may not be adequately disclosed by the fund manager.
- *Use of Margin.* To the extent that a client authorizes the use of margin, and margin is thereafter employed by SVB Wealth Advisory in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to SVB Wealth Advisory will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to SVB Wealth Advisory.
- *Derivatives Risk.* Derivatives can be highly volatile and involve risks in addition to the risks of the underlying investment, index or rate. Derivatives involve special risks, including correlation, counterparty, liquidity, operational, accounting and tax risks. Investing in derivatives also requires a specific skill set and

may result in losses. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses. Gains or losses from derivatives can be substantially greater than the derivatives' original cost.

- *Foreign Currency Transaction Risk.* As foreign securities are usually denominated in foreign currencies, SVB Wealth Advisory may employ strategies intended to protect clients' portfolios from adverse currency fluctuations. SVB Wealth Advisory may also employ strategies intended to increase exposure to certain currencies. Such currency transactions involve additional risks, and if unsuccessful, may decrease the value of client assets.
- *Short Selling Risk.* SVB Wealth Advisory may engage in short selling of securities. Short selling may expose to unlimited risk the portion of a client's assets committed to these activities. Unlimited risk occurs where no upper limit exists on the price to which a security may rise. In response to the volatility of global financial markets, regulators have taken action to restrict taking short positions on certain securities. The levels of restriction vary across different jurisdictions and are subject to change in the short-to medium-term. These restrictions have made it difficult, and in some cases impossible, for a number of market participants either to continue to implement their investment strategies or to control the risk of their open positions. As a result, our clients may be constrained in fulfilling their investment objectives.
- *Reinvestment Risk.* Future proceeds from investments may have to be reinvested at a potentially lower rate of return.
- *Counterparty Risk.* The counterparties with whom SVB Wealth Advisory invests or may do business, or to which securities have been entrusted for custodial purposes, may encounter financial and/or operational difficulties that may impact their ability to trade, maintain or otherwise service our clients' security positions.
- *Management Risk.* Each client portfolio is subject to management risk. This includes the risk that SVB Wealth Advisory will make poor investment decisions. In some cases, certain investments may be unavailable, or certain investments may not be selected by SVB Wealth Advisory or sold prematurely by SVB Wealth Advisory because of market conditions or for whatever other reason, when, in retrospect, those investments could have been beneficial to the portfolio.
- *Tax Risk.* Certain investments or investment strategies that SVB Wealth Advisory may recommend may result in negative tax consequences, may involve tax treatment which may not be clear, or may be subject to recharacterization by the Internal Revenue Service, including certain sales of private company stock.

Client investments may also be subject to other risks specific to certain securities, which are further described in the underlying prospectus or other disclosure statement from the issuer of those securities. Clients should carefully review all available disclosures of any securities.

Additionally, despite SVB Wealth Advisory's affiliation with SVB, client assets managed by SVB Wealth Advisory are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency entity or person.

Item 9	Disciplinary Information
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There are no legal or disciplinary events relating to SVB Wealth Advisory that are required to be disclosed under this Item 9.

## Item 10 Other Financial Industry Activities and Affiliations

## SVB Affiliations

SVB Wealth Advisory is not registered as a broker-dealer.

SVB Wealth Advisory is affiliated with SVB Securities, a broker-dealer firm and wholly owned subsidiary of SVB. SVB Securities is a member of the Financial Industry Regulatory Authority ("**FINRA**"). The following management persons of SVB Wealth Advisory are FINRA-registered representatives through SVB Securities:

- Jeff Schnitz, President
- Gary Utschig, Chief Compliance Officer/AML Officer

Certain other SVB Wealth Advisory employees may also be securities-licensed with SVB Securities. SVB Wealth Advisory's clients do not execute securities transactions with SVB Securities.

SVB Wealth Advisory is also affiliated with SVB Asset Management ("**SAM**"), an investment adviser registered with the SEC, and SVB Wealth Advisory and SAM may share certain executive and operational personnel. The types of advisory services and the client mandates that SVB Wealth Advisory will provide and offer, respectively, are not expected to conflict or overlap materially with SAM's services and mandates. Nevertheless, certain inherent conflicts of interest may arise from SVB Wealth Advisory's affiliation with SAM, including conflicting investment strategies that may affect the prices and availability of the securities and other assets in which SVB Wealth Advisory's clients invest.

SVB Wealth Advisory is affiliated with certain other entities that may serve as general partners and/or investment advisers of investment funds ("**SVB General Partners**"). The types of advisory services and the client mandates that SVB Wealth Advisory will provide and offer, respectively, are not expected to conflict or overlap materially with the investment programs of the SVB General Partners. SVB Wealth Advisory, however, may introduce clients to an SVB General Partner, although any such introduction would not be a part of SVB Wealth Advisory's discretionary investment advisory services to a client, SVB Wealth Advisory would not be compensated for any such introduction and any client that ultimately decided to invest with an SVB General Partner would do so in its own discretion.

As a registered investment adviser, SVB Wealth Advisory is required to resolve conflicts on a fair and equitable basis, and has adopted policies and procedures, including inside information policies, which seek to ensure that it will act in the best interests of each client and comply with the Advisers Act. SVB Wealth Advisory also maintains a Code of Ethics, as described in Item 11, and provides training to supervised persons with respect to conflicts of interest and how such conflicts are to be resolved under SVB Wealth Advisory's policies and procedures.

SVB Wealth Advisory is a wholly owned subsidiary of SVB, a California state-chartered bank and a member of the Federal Reserve. SVB provides a variety of support services to SVB Wealth Advisory including human resources, information technology, facilities and administrative support. SVB Wealth Advisory may also refer clients to SVB for banking products such as personal or business loans, credit cards, cash sweep accounts and other products, and SVB may refer its bank clients to SVB Wealth Advisory for investment advisory services. SVB Wealth Advisory has adopted policies and procedures designed to address any conflicts of interest that may arise from referring clients to SVB's banking or other products or from SVB referring clients to SVB Wealth Advisory.

### Other

SVB Wealth Advisory utilizes the custodial services of Fidelity Institutional Wealth Services for client assets. From time to time, a client may request a different custodian, subject to SVB Wealth Advisory's acceptance at its sole discretion.

SVB Wealth Advisory will provide to our clients monthly account statements through an electronic reporting platform provided by a third-party provider. While SVB Wealth Advisory is not affiliated with such third-party

provider, the costs associated with the reporting platform are borne by SVB Wealth Advisory. Our clients do not currently bear any of the costs for this reporting platform.

We may from time to time invest our clients' assets in certain funds offered by Fidelity, which is affiliated with Fidelity Institutional Wealth Services. (See Item 4 (Fees and Compensation) above.) We do not believe that our recommendation of Fidelity funds poses a material conflict of interest, and we will only recommend Fidelity funds to our clients if we believe these funds offer attractive investment opportunities and are aligned with our clients' investment objectives.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

SVB Wealth Advisory has established and implemented a Code of Ethics (the "**Code**"), pursuant to Rule 204A-1 under the Advisers Act that applies to all employees, including supervised persons, of SVB Wealth Advisory ("**Covered Persons**"). The Code sets forth a standard of business conduct expected of all persons covered under the Code, including ethical standards and prohibitions of fraudulent, deceptive or manipulative conduct.

Our Code emphasizes and implements fundamental governing principles to which SVB Wealth Advisory personnel must adhere in the course of their work for SVB Wealth Advisory, including the duty to act at all times in our clients' best interests and the requirement to avoid any actual or potential conflicts of interest.

Our Code sets forth prohibitions against the use of material non-public information. Covered Persons are prohibited from trading for themselves or others in any security while in possession of material non-public information relating to the issuer of such security, as well as communicating or sharing that information to anyone else. Our Code also covers our policy on giving or receiving gifts and entertainment in a business setting, as well as protecting the confidentiality of client information and our privacy policy.

Moreover, our Code covers prohibitions on insider trading and restrictions on personal securities transactions of employees. SVB Wealth Advisory requires Covered Persons to receive prior written approval of certain personal transactions, such as purchasing securities through an initial public offering, a limited offering, or private placement. Covered Persons may, from time to time and consistent with SVB Wealth Advisory's Code of Ethics, personally invest in the same or similar securities that are purchased on behalf of clients. Covered Persons may maintain their personal brokerage accounts at other third-party firms, or via SVB Wealth Advisory. Any same or similar investments that a Covered Person might make would be separately executed in their personal accounts without comingling with executions for non-Covered Persons.

SVB Wealth Advisory's policies require that Covered Persons disclose on a routine basis their personal securities holdings. The Compliance Department reviews these holdings for potential conflicts of interest and to ensure that the personal interests of Covered Persons do not interfere with our clients' interests.

Our Code also contains provisions relating to, among other things, gifts and entertainment events that could create an appearance of impropriety or a potential conflict of interest, and the protection of the confidentiality of client information.

A copy of our Code of Ethics is available upon request to any client or prospective client. Requests should be directed to the contact listed on the cover page of this brochure.

We do not anticipate having clients engage in cross-transactions, nor do we anticipate engaging with clients in principal transactions. Any such transactions we may conduct or engage in, however, will comply with the requirements of the Advisers Act.

SVB Wealth Advisory and SAM are each registered investment advisers and may share certain personnel. We will seek to identify and address any conflicts of interest that result from such sharing. In particular, we have adopted

policies and procedures, including inside information policies, which seek to ensure that we will act in the best interests of each client and comply with the Advisers Act. SVB Wealth Advisory and SAM also have adopted information barrier policies and procedures to provide for the proper handling of confidential information (i.e., nonpublic information received or created by SVB Wealth Advisory or SAM in connection with its activities) to prevent violations of laws and regulations prohibiting the misuse of such information, and to avoid situations that might create an appearance of such misuse.

SVB and its affiliates have arrangements with certain unaffiliated investment managers whereby SVB (or its affiliate) is entitled to a portion of the profits or fees a manager is entitled to receive from one or more funds it manages. SVB Wealth Advisory may advise its clients to invest in one or more such funds, and has implemented policies and procedures to ensure that any such recommendations are made consistent with the client's best interests.

## **Item 12 Brokerage Practices**

### **Broker-Dealers for Client Transactions**

Portfolio transactions are executed with broker-dealers selected by SVB Wealth Advisory, although SVB Wealth Advisory's clients do not execute securities transactions with SVB Securities, and any execution costs are borne directly by SVB Wealth Advisory. Broker-dealers are selected primarily based on pricing, reputation, integrity, financial strength and stability, efficiency of execution and error resolution, and other factors.

SVB Wealth Advisory does not have any arrangements in which we utilize research, research-related products and other services obtained from broker-dealers or third parties on a soft-dollar commission basis. We derive our research through paid subscribed services, as well as through generally available public sources. We may also receive information from broker-dealers with whom we execute transactions, as well as those with whom we do not. Our policy is to execute transactions using our reasonable best efforts to ascertain the best market price or yield for all securities bought and sold in the market. We do not execute transactions with any particular broker-dealer based on any research or related products and services that it may provide to us.

As discussed in Item 5 (Fees and Compensation) above, our clients do not incur any brokerage costs. We do not add any trading spreads nor charge any commissions or mark-ups to our clients.

We do not permit clients to direct that their transactions be executed by a particular broker-dealer. However, exceptions may be made from time to time, as approved by SVB Wealth Advisory, and in such cases and as applicable, SVB Wealth Advisory will explain to the client that it may not achieve most favorable execution of its transactions and that it may result in more costs to the client. Additionally, we do not select or recommend a particular broker-dealer based on client referrals from that broker-dealer or other third party.

### **Aggregation and Allocation of Clients' Orders**

SVB Wealth Advisory may from time to time engage in trade aggregation practices among multiple clients to obtain volume discounts, to reduce transaction fees, to achieve trading efficiencies, and/or to obtain some benefit for clients as determined by SVB Wealth Advisory.

Allocations of aggregated orders are determined at SVB Wealth Advisory's sole discretion and are based on a variety of factors, including but not limited to the following:

- Each client's investment policy, objectives, restrictions or other client-provided instructions.
- Each client's particular liquidity needs.

- Any need to rebalance or adjust the investment composition of the portfolio.
- The size and nature of the potential allocation.
- The extent the client's portfolio has been fully invested.
- The availability of the subject securities.

Allocations are determined in good faith based on the foregoing and in a manner that is not reasonably expected to result in an improper disadvantage/advantage to one participating client over another. Accordingly, allocations are not made on a pro rata basis.

Should there be a supply shortage for securities for eligible portfolios, we will allocate the transactions in the manner as described above.

### **Item 13                                      Review of Accounts**

Each client account is internally reviewed by a SVB Wealth Advisory Managing Director or Portfolio Advisor on at least a monthly basis. These reviews may include, among other things, a review of overall performance of investments, a review of asset allocation changes in the portfolio, a determination of actual and expected liquidity needs of the account, a review for cash flow reinvestment planning, and a comprehensive review of each client's overall asset allocation, liquidity position and performance that takes into account both client assets managed by SVB Wealth Advisory and client assets held in private or illiquid investments with third-party custodians. Account reviews may occur more frequently, particularly upon certain events, including changes in client liquidity needs, security offerings in the marketplace, and certain market events.

On an annual basis, SVB Wealth Advisory will contact each client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions, and on a quarterly basis, SVB Wealth Advisory will notify each client in writing to contact SVB Wealth Advisory if there have been any changes in the client's financial situation or investment objectives, or if the client wishes to impose any reasonable restrictions on the management of the client's account or reasonably modify existing restrictions, and provides the client with a means through which such contact may be made.

SVB Wealth Advisory will provide monthly written account statements to clients through an electronic reporting system provided by a third-party vendor, and may retain the services of a third party to generate the performance reports, account reviews and account statements.

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

We do not pay referral fees to independent persons or firms for introducing clients to us. However, personnel of SVB, our parent company, may refer clients to SVB Wealth Advisory and may receive direct incentive compensation for such referrals. Such compensation is not guaranteed, and generally is paid on a discretionary basis by SVB. Referral agreements with SVB are conducted in accordance with Rule 206(4)-3 under the Advisers Act.

**Item 15****Custody**

SVB Wealth Advisory does not have possession or actual or constructive custody of any client assets. Client assets are held by a third-party qualified custodian. Our primary custodian is Fidelity Institutional Wealth Services. Client assets are held in custody by Fidelity Institutional Wealth Services (or other custodian designated by the client) under a separate custody agreement.

Clients receive monthly written account statements through an electronic reporting platform provided by a third-party vendor. These statements should be carefully reviewed on a regular basis by clients. Clients should contact SVB Wealth Advisory immediately if they believe that there may be an error or discrepancy in their statement.

**Item 16****Investment Discretion**

SVB Wealth Advisory accepts discretionary investment authority to manage our client's investable assets. We do not necessarily have discretionary authority to manage our clients' illiquid and private assets, although we take into account such assets in providing overall investment advisory services to our clients. Our discretionary authority is granted to us pursuant to our form discretionary account agreement, which we enter into with each client. Under our agreement, SVB Wealth Advisory is granted the complete and unlimited discretionary trading authorization on the assets of the client's account, subject to any restrictions or limitations imposed by the client and/or its investment policy. The account agreement may be terminated by either party.

We provide discretionary investment management services to substantially all of our clients. From time to time and on a case-by-case basis, in order to meet certain strategic investment objectives of our client, we may invest a client's assets as specifically directed by the client. These client-directed arrangements are subject to the acceptance of SVB Wealth Advisory as determined in SVB Wealth Advisory's sole discretion.

**Item 17****Voting Client Securities**

Under SVB Wealth Advisory's proxy voting policy, SVB Wealth Advisory will vote any proxies received by SVB Wealth Advisory relating to assets held in client accounts, other than certain non-discretionary, or client-directed, assets. Unless otherwise provided, our account agreement provides for the client's delegation of responsibility for voting proxies to SVB Wealth Advisory. When voting proxies, SVB Wealth Advisory evaluates and votes proxies in a manner consistent with what we believe is in the client's best interests. SVB Wealth Advisory considers that it acts in the best interest of clients when the firm votes in a manner that it determines best serves the interest of maximizing shareholder value for all clients. SVB Wealth Advisory's policy is to vote all proxies received the same way for each client absent qualifying restrictions from a client. While SVB Wealth Advisory does not solicit direction from its clients with respect to proxy voting, clients may place reasonable restrictions on SVB Wealth Advisory's voting authority. Further, there may be times when SVB Wealth Advisory's management determines that refraining from voting a proxy is in a client's best interest, such as when the cost of voting a proxy exceeds the expected benefit to the client.

If we determine that a material conflict of interest exists in voting a proxy, then the matter will be reviewed by SVB Wealth Advisory's senior management, including our Chief Compliance Officer, who will determine whether to give the affected clients an opportunity to vote their proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an

independent third-party voting recommendation.

You may obtain information regarding how SVB Wealth Advisory voted your proxies, or request a copy of the firm's proxy voting policy. Such requests for information should be directed to the contact listed on the cover page of this brochure.

## **Item 18**

### **Financial Information**

SVB Wealth Advisory has not been the subject of a bankruptcy petition at any time during the past 10 years.