

First National Advisers, LLC

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of First National Advisers, LLC. If you have any questions about the contents of this brochure or would like additional copies, please contact us at 970.494.6239. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about First National Advisers, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

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Advisory Business

First National Advisers, LLC (“FNA”), established on July 17, 2015, is a wholly-owned subsidiary of First National Bank of Omaha (“FNBO”). FNA and employees of FNBO’s Wealth Management Division (“FNWM”), who are also affiliated advisors with Raymond James Financial Services Advisors, Inc. (“RJFSA”), will have agreements in place to offer investment models through RJFSA, an investment adviser. FNA will develop and actively manage mutual fund models that meet the needs of a wide range of investment objectives from aggressive to conservative. The Raymond James companies are not FNA affiliated companies; they are operated completely separate from FNA. Upon SEC registration approval, FNA discretionary assets under management will be approximately \$104.6 million.

We rely on RJFSA affiliated associates to meet with clients on a one-on-one basis to determine the clients’ financial situation, risk tolerance and investment objectives utilizing tools such as interviews and questionnaires. After this determination is made, the RJFSA affiliated associate, in consultation with the client, recommends the FNA model that is best suited to meet the client’s investment needs. FNA generally has no direct client interaction; however, the client does designate FNA as an investment adviser and signs a FNA Discretionary Investment Management Agreement (“Investment Agreement”). Once a mutual fund model has been selected, FNA invests the client’s assets in the model, and when changes are made to the model, FNA executes trades in the client’s account to align the mutual fund portfolio with the model. These trades are executed on a discretionary basis as stated in the Investment Agreement. Please refer to the Investment Discretion section for more information. Clients must notify their RJFSA affiliated associate of any changes to their financial situation and/or investment objectives. The RJFSA affiliated associate then contacts FNA with any needed changes to the client’s mutual fund model.

In addition to actively managing mutual fund models, FNA has an agreement in place with FNBO to provide investment management and supervisory services to FNWM.

Fees and Compensation

Our annual fees for our mutual fund model investment management services are 0.20% and are based upon a percentage of assets under management. Our fees are paid in advance at the beginning of each calendar quarter based upon the market value of the client's account at the end of the previous quarter. Our fees are deducted from client accounts by our qualified custodian, Raymond James & Associates (“RJA”), in accordance with the Investment Agreement.

Our fees for providing investment management services to FNWM will vary based on specific account characteristics such as account size, investment strategy, restrictions and relationship type.

Limited Negotiability of Management Fees

Although FNA has established the aforementioned fee percentage, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee. These include: the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, among other factors. The specific fee is stated in the Investment Agreement between FNA and each client. Discounts, not generally available to clients, may be offered to employees, family members and friends of associated persons of FNBO.

Termination of Services

The Investment Agreement between FNA and the client will continue in effect until terminated by either party in writing. If termination occurs before the end of the billing period, FNA will refund any pre-paid management fees based on the market value of assets on the date of withdrawal and prorated for the number of days remaining in the quarter.

Other Fees and Expenses

All fees paid to FNA for investment advisory services are separate and distinct from the customary fees and expenses charged by mutual funds to their shareholders, generally including a management fee and other costs of establishing and maintaining an account with mutual funds. These fees and expenses are described in each fund's prospectus. The investment model mutual funds do not impose any initial or deferred sales charges. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed to provide the client with an actively managed mutual fund model that meets their investment objectives; additionally, the client may be subject to sales loads, transaction fees and redemption charges. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid and to evaluate the advisory services being provided.

In addition to our advisory fees, clients are also responsible for the fees charged by Raymond James Financial Services ("RJFS") which include expenses of the associated affiliates, the custodian and charges for executing transactions. Please refer to the Brokerage Practices section for additional information.

Performance-Based Fees & Side-by-Side Management

We do not charge performance-based fees.

Types of Clients

We provide active management of mutual fund models for individual clients. These clients are required to execute an Investment Agreement to receive our services. Our minimum account size is \$25,000; this may be waived under certain circumstances.

In addition we provide investment management services to some FNWM customers who may be individual or institutional clients.

Methods of Analysis, Investment Strategies and Risk of Loss

FNA manages investment models that are broadly diversified across multiple asset classes. These models are designed to satisfy a wide variety of investor needs, ranging from aggressive to conservative portfolios. In addition our Portfolio Managers provide investment management services to some FNWM customers.

FNA constructs each investment model by first determining an appropriate asset allocation that utilizes various asset classes. Then, the mutual fund universe is screened to determine the possible funds for each allocation. Each mutual fund considered for inclusion in an investment model is analyzed both quantitatively and qualitatively. Quantitative factors used in the analysis are risk-adjusted returns, returns relative to a comparable peer group, a volatility measure, the consistency of fund investment style and other fund statistics such as total assets and the inception date. Qualitative factors include the expense ratio, an assessment of the fund's management team, service provided by the fund and whether the fund is open for new investment.

Risk of Loss

There is a risk of loss when investing in any investment security including mutual funds, and clients should be prepared to bear such losses in connection with their investments. Investments in client accounts are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Past performance is not indicative of future results.

In general, FNA client assets will be allocated to mutual funds that invest in four major asset classes:

1. Domestic stocks (U.S. equity securities)
2. Foreign stocks (non-U.S. equity securities)
3. Bonds (fixed income securities of all types and maturities, including lower-quality debt securities)
4. Short-term assets (such as money market funds)

In addition, FNA may also invest in mutual funds that invest in nontraditional asset classes such as real estate, commodities or other alternative investments. The allocation of the investments in client accounts depends on the chosen investment model.

The material risks of our investment models may include:

- *Asset Allocation Risk.* The model is subject to risks resulting from FNA's asset allocation decisions. The selection of underlying funds and the allocation of the fund's assets among various asset classes could cause the model portfolio to lose value or its results to lag relevant benchmarks or other models with similar objectives. In addition, the model's active asset allocation strategy may cause the fund to have a risk profile different than that described in the Investment Agreement from time to time and may increase losses.
- *Investing in Other Funds.* The investment model bears all risks of investment strategies employed by the underlying funds, including the risk that the underlying funds will not meet their investment objectives.
- *Common Stock Risk.* Companies included in the funds that we invest in may not perform as anticipated. A downturn in the stock market may lead to a lower market price for a stock even when company fundamentals are strong. Factors such as U.S. economic growth and market conditions, interest rates and political events affect the stock market.
- *Interest rate risk.* Changes in interest rates affect the value of fixed income securities; generally when interest rates increase, the value of fixed income securities decline. On the other hand, if rates fall, the value of fixed income securities generally increases.
- *Credit risk.* The price of a fixed income security can be affected by the issuer's or guarantor's ability to meet its financial obligations. The price of a security can be adversely affected if the issuer's credit status deteriorates and the probability of default rises.
- *Mortgage-Related and Other Asset-Backed Securities Risk.* The risks associated with mortgage-backed securities include: (1) credit risk associated with the performance of the underlying mortgage properties and of the borrowers owning these properties; (2) adverse changes in economic conditions and circumstances, which are more likely to have an adverse impact on mortgage-backed securities comprised of loans on certain types of commercial properties than on those comprised of loans on residential properties; (3) prepayment and extension risks, which can lead to significant fluctuations in the value of the mortgage-backed security; (4) loss of all or part of the premium, if any, paid; and (5) decline in the market value of the security, whether resulting from changes in interest rates or prepayments on the underlying mortgage collateral. Investments in asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.
- *Foreign Securities Risk.* Investments in foreign securities involve risks not typically associated with U.S. investments. These risks include, among others, adverse fluctuations in foreign currency values as well as adverse political, social and economic developments and possible

imposition of foreign withholding taxes on income payable on the securities. In addition, there may be less publicly available information and more volatile or less liquid markets and foreign issuers may not be subject to the same accounting, auditing and financial recordkeeping standards and requirements as domestic issuers.

- *Real Estate.* Real estate is a cyclical industry that is sensitive to interest rates, economic conditions (both nationally and locally), property tax rates, and other factors. Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry.
- *Alternative Investments.* Alternatives are classified as assets whose investment characteristics and/or performance differ substantially from the major asset classes and therefore offer opportunities for additional diversification. They may be illiquid.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FNA or the integrity of FNA's management personnel. FNA has no reportable disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

Some of the mutual funds we select for the investment models may be Tributary Funds which are proprietary funds of FNBO. Tributary Capital Management ("Tributary"), the investment adviser to Tributary Funds, Inc. an open-end registered investment company, and FNA are both wholly-owned by FNBO. Additionally, First National Fund Advisers, a separately identifiable department of FNBO and a registered investment adviser, has an agreement with Tributary to provide sub-investment advisory services to Tributary Funds, Inc. When FNA selects Tributary mutual funds for its investment models, FNBO and/or its affiliates may receive investment management and other fees from the funds. To mitigate some conflicts, FNA utilizes the same selection criteria for all of the mutual funds it includes in the investment models.

In addition to providing FNA clients with discretionary investment model services, our Portfolio Managers, through an agreement with FNBO, also provide investment advisory services to FNWM trust clients. The investment models offered to FNA clients may also be provided to some FNWM clients along with other investment strategies. We will make every effort when making changes to or rebalancing our mutual fund model portfolios to do so for all clients within a reasonable time frame, when possible, so that no client receives preferential treatment. Please refer to the Brokerage Practices section for more information regarding order aggregation.

FNA has an arrangement with some employees of the FNWM Division who are also RJFSA affiliated associates; these employees meet one-on-one with FNA clients and are responsible for investment model determination, account document and on-going client service and support. When certain asset thresholds are met, clients may be referred to the FNWM Trust Department, although no referral fees are paid.

As a wholly owned subsidiary of FNBO, we may share employees with FNBO. In addition, FNBO will provide services to FNA, through a service level agreement, such as investment research, information technology, compliance, accounting and payroll.

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

Our Code of Ethics emphasizes our fiduciary duty to place our client's interests first and outlines expected high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. The Code of Ethics includes: personal securities trading and reporting requirements, prohibiting investments in initial public offerings, provisions relating to the need to protect personal client information; a prohibition on insider trading, fraudulent or deceitful activities and spreading false rumors about a company, reporting of Code of Ethics violations and restrictions and reporting requirements for the acceptance of significant gifts or entertainment, among other things. All access persons acknowledge and accept the terms of the Code of Ethics upon employment and annually thereafter.

Employees provide our Compliance Officer with quarterly statements of personal securities transactions and initial and annual holdings reports, and, when applicable, direct their brokers to supply us with duplicate confirmations.

We may select FNBO proprietary mutual funds for inclusion in our mutual fund models. We address this potential conflict of interest by utilizing the same selection criteria for all the funds that are included in our models. Please refer to the Other Financial Industry Activities and Affiliations section for additional information. A copy of our Code of Ethics is available upon request.

Brokerage Practices

FNA uses a RJFS provided trading platform to execute all transactions for FNA clients. RJFS retains complete authority to select the broker/dealer for all of our accounts. As such, FNA is neither able nor responsible for seeking or monitoring the best overall terms for client account transactions. The client does not pay individual transactions costs but does pay an RJFSA fee that includes these costs and others.

Trades will be executed in all affected FNA client accounts on the same day, if possible, when model changes or rebalancing occurs. The same or similar investment models may be offered to FNA and FNWM clients. These client accounts are traded on different platforms, and therefore transactions can't be aggregated or blocked together. Transactions will be executed on the same day, when possible and there are no restrictions on the accounts. FNA does not have any soft dollar arrangements.

Trade Error

FNA has implemented procedures to prevent trade errors; however, errors may occur as a result of system malfunctions, trader error or other circumstances. If an error does occur, prompt action is taken, and, if it is determined that the error is the result of an FNA error, our firm will be responsible for the loss.

Review of Accounts

Our Portfolio Managers review client cash balances on a regular basis for the purpose of determining if portfolio rebalancing may be appropriate. An overall account review is conducted annually to ensure that the investments are still appropriate. FNA acts solely as the discretionary asset manager and has, in most cases, no client interaction.

Client Referrals and Other Compensation

FNA does not compensate any person or firm for client referrals, and we do not receive compensation from anyone who is not our client. Although we receive referrals from RJFSA affiliated associates, we do not pay the associates or RJFSA a referral fee.

Custody

FNA does not maintain custody of client funds and securities; they are held at RJA, a qualified custodian. The client pays for this service as part of their RJFSA fee.

Investment Discretion

Clients authorize FNA with sole investment discretion in accordance with the Investment Agreement; this allows us to select the amount and type of securities to be bought and sold without first obtaining specific consent.

Voting Client Securities

FNA does not acquire authority for or exercise proxy voting on behalf of its clients. Clients will receive proxy materials directly from the funds or their service providers. FNA will not advise clients on the voting of proxies. Clients must exercise any proxy voting directly.

Financial Information

We believe our financial condition will allow us to meet our contractual commitments.