

Vestmark Advisory Solutions, Inc.

1909 K Street NW, Suite 520
Washington, DC 20006
www.vestmarkmm.com

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This brochure provides information about the qualifications and business practices of Vestmark Advisory Solutions, Inc. If you have any questions about the contents of this brochure, please contact us at (202) 256-1914 or via our website at www.vestmarkmm.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.

Additional information about Vestmark Advisory Solutions, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

In accordance with federal securities laws, Vestmark Advisory Services is transitioning its state registration as a registered investment advisor to registration with the U. S. Securities and Exchange Commission because regulatory assets under management exceed the threshold of \$100 million. This Brochure incorporates changes relevant to that transition. In addition, Items 4 and 5 have been updated to incorporate a new Overlay Management service and the related fees, Item 14 has been amended to allow for the payment of solicitation fees, and Item 17 has been amended to reflect proxy voting for Overlay Management clients.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure. The date of the last annual update of the brochure was March 29, 2018.

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Item 4 Advisory Business

Vestmark Advisory Solutions, Inc. (“VAS”) is a corporation formed in October 2014 in the State of Delaware. VAS is currently registered with the District of Columbia Department of Insurance, Securities and Banking as a registered investment adviser since October 2016. From May 2016 to October 2016 VAS was registered with the U. S. Securities & Exchange Commission (“SEC”). VAS has an application pending with the SEC to transition back to SEC registration due to its assets under management exceeding the threshold for such registration as of the date of this filing. VAS is owned by Vestmark, Inc.

VAS provides fee-only investment sub-advisory services, described below, to businesses that sponsor their own investment management programs (“Sponsors”). VAS exclusively serves institutional clients – i.e., financial institutions, broker-dealers, registered investment advisors and others who manage investors’ accounts or portfolios. VAS provides its services either directly to Sponsors or as a sub-advisor hired by Sponsors for their customers (“Customers”).

VAS contracts with an array of third-party asset managers (“Managers”) and offers Sponsors access to those Managers’ proprietary investment strategies in three ways:

1. Manager Signal Delivery: VAS obtains recommendations for the purchase or sale of securities from the Manager (the “Manager Signals”), and supplies those Manager Signals to the Sponsor upon request by the Sponsor. Sponsor makes the ongoing decision to invest the Customer’s assets based entirely or in part on the Manager Signals.
2. Separate Account Management: Sponsor communicates to VAS the decision to select an investment strategy of a particular Manager for a Customer’s account. VAS facilitates the selected investment strategy by arranging for the selected Manager to purchase and sell securities within the Customer’s account pursuant to Manager’s contract with VAS (“Separate Account Management”). VAS does not verify any information received from Sponsor regarding the selection of a particular investment strategy and VAS is expressly authorized by Sponsor to act based on Sponsor’s instructions.
3. Overlay Management: Sponsor selects one or more strategies of participating Managers and specifies the percentage weight for each strategy to be implemented within a Customer’s portfolio. VAS provides overlay management services, which include discretionary implementation of trades to maintain with reasonable precision both (a) the Sponsor-specified allocation percentages among strategies and (b) the Manager-specified holdings within each strategy.

In addition, VAS may offer to Sponsors complementary technology services (“Tech Services”) and business process outsourcing services (“BPO”) through arrangements VAS has with affiliated companies. The Tech Services consist of the various account and practice management tools that make up the wealth management solution called

VestmarkOne, offered by VAS parent company Vestmark, Inc. BPO consists of a range of middle-office and back-office capabilities, to assist clients in managing their internal operations. BPO may include hands-on operation of the Tech Services to the extent a client desires a more comprehensive solution. BPO is offered by Vestmark Outsource Solutions, Inc., whose parent company is also Vestmark, Inc. Clients who purchase Tech Services or BPO will be billed separately at the rates indicated below in Item 5.

Where VAS provides Separate Account Management services, Sponsor determines which third-party Managers' investment strategies to employ within the Customer's account, and discretion is accordingly delegated to the selected Managers so that they can buy and sell securities within that account to implement the strategy or strategies selected by the Sponsor. Once such a discretionary arrangement is established for a given account, it shall continue until terminated or modified by the Sponsor or Customer.

Where VAS provides Overlay Management, Sponsor determines which third-party Managers' investment strategies to employ within the Customer's account, and discretion is accordingly delegated to VAS so that VAS can buy and sell securities within that account to implement the strategy or strategies selected by the Sponsor and to maintain the Sponsor-specified allocation among strategies selected by Sponsor. Once such a discretionary arrangement is established for a given account, it shall continue until terminated or modified by the Sponsor or Customer

The Customer may impose restrictions on investing in certain securities or types of securities. Sponsor is responsible for ascertaining such restrictions from the Customer and communicating them to VAS. Where VAS provides Separate Account Management services, VAS delegates to the selected Manager or Managers compliance with trade restrictions communicated by Sponsor. Where VAS provides Overlay Management, VAS assumes responsibility for compliance with trade restrictions communicated by Sponsor.

VAS maintains and makes available to Sponsors a list of approved Managers and strategies. Approved Managers and their strategies are subjected to a program of limited operational due diligence and ongoing monitoring, which VAS makes available to Sponsors through an online portal interface.

When exceptions to VAS's due diligence requirements are noted, VAS either: (a) discloses such exceptions to Sponsors, or (b) elects to exclude the Manager or strategy from the list of available Managers and strategies. This due diligence and monitoring program is limited in scope and is not designed to assess or predict investment performance or verify regulatory compliance by Managers.

In all cases, Sponsor, and not VAS, is responsible for the following:

1. Understanding the Customer's investment objectives and restrictions with respect to specific securities;
2. Determining the suitability of any investment for the Customer;
3. Performing appropriate anti-money laundering and know-your-client

procedures;

4. Communicating and meeting with the Customer with a frequency that complies with the Investment Advisers Act;
5. Designating a custodian and/or broker dealer for the Customer and ensuring compliance with applicable rules and industry practices regarding best execution of trades, however, when providing Overlay Management VAS may be responsible for seeking best execution of trades;
6. Executing trades and voting proxies for the Customer, however, when providing Overlay Management VAS may be responsible for voting proxies; and
7. Delivering Brochures of participating Managers to the Customer.

In exchange for VAS's services, each Sponsor pays to VAS a portion of the investment advisory fee received from Sponsor's Customer for allocated assets. VAS's Chief Compliance Officer, David Littleton, is available to address any questions concerning VAS's sub-advisory arrangements.

As of June 30, 2018, VAS had \$706,000,000 in discretionary client assets under management. This amount includes Separate Account Management and Overlay Management assets only; it does not include assets managed according to Manager Signals.

Item 5 Fees and Compensation

VAS calculates fees and invoices Sponsors quarterly in arrears, based on either the average daily balance or the quarter-end balance of each account, as negotiated as follows:

Manager Signal Delivery:	between 0 bps and 15 bps
Separate Account Management:	between 0 bps and 30 bps
Overlay Management:	between 8 bps and 20 bps
Manager Fees	between 10 bps and 100 bps
Tech Services and BPO:	between 0 bps and 50 bps

Each invoice includes: (i) VAS's fees for Manager Signal Delivery, Separate Account Management and/or Overlay Management; (ii) Manager fees for the strategies selected by Sponsor for its Customer accounts; and (iii) fees for any Tech Services and/or BPO purchased by Sponsor. Manager fees will vary depending on the Managers and strategies selected.

If more than one Manager is deployed within a single account, VAS allocates the invoiced Manager fees among the selected Managers based on the average daily percentage of the account assigned to each Manager's strategy.

Each Sponsor is responsible for deducting from or billing its own Customers as appropriate. The fees set forth above are in addition to advisory, brokerage, custody and other transaction costs that may be charged by Sponsor or other entities unrelated to VAS. See Item 12, Brokerage Practices, for additional information on brokerage costs.

Some Managers may reduce the fees they charge for their services as part of the Managers' business relationship with VAS, based on asset volume or other factors. VAS may in its discretion pass such discounts on to Sponsors or not, on a case-by-case basis.

VAS may charge Sponsors different fee levels for similar services based on objective and subjective factors, including asset levels, engagement complexity, levels of service provided, and the overall business relationship. The services provided by VAS may be available from other advisors at lower fees.

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

Neither VAS nor any supervised person of VAS accepts performance-based fees. Certain Managers may charge performance-based fees, but no such fees will be shared with VAS.

Item 7 Types of Clients

VAS's clients are limited to registered investment advisors. VAS provides its services either directly to Sponsors or as a sub-advisor hired by a Sponsor for its Customers. VAS does not offer financial planning, investment advisory or other services directly to Customers or other individuals.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss Investment Risk

Investing in securities involves risk of loss that Sponsors' Customers should be prepared to bear. Different investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and investment strategies recommended or undertaken by VAS) will be profitable or will achieve any specific performance levels.

As described in Item 4, VAS performs certain functions designed to provide limited monitoring and approval of Managers with whom VAS enters into contracts for the services it offers to Sponsors. The monitoring functions performed by VAS are not designed to assess or predict investment performance by a Manager. Each Manager adheres to its own protocol for analysis and risk measurement.

The limited monitoring of Managers performed by VAS is designed to complement, not replace, thorough due diligence and analysis by each Sponsor. The decision to allocate

Customer assets to a Manager's strategy is made by Sponsor based primarily on Sponsor's analysis and risk assessment.

VAS does not recommend any particular type of security. Rather, VAS makes available strategies of Managers who purchase and sell securities or recommend the purchase and sale of securities. Each Manager determines which markets to invest in and which securities to trade within a strategy. Accordingly, each strategy carries unique risks, including but not limited to market risk, currency risk, interest rate risk, default risk, etc.

Item 9 Disciplinary Information

Neither VAS nor its management persons have been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

As noted in Item 8, VAS makes available to Sponsors strategies of third-party Managers. Because VAS could set prices in a way that favors one strategy over another, VAS has procedures in place to ensure conflicts of interest do not influence the way that prices are set. Specifically, when VAS fees for comparable strategies are to be assessed differentially for the same Sponsor, VAS requires documentation of the business rationale for such differential pricing.

VAS's parent company provides middle and back office technology solutions, including portfolio accounting and trading tools, to institutional clients, some of whom separately contract with VAS.

David Littleton, CCO, is an investor and advisor to Vajra Asset Management LLC, an unaffiliated registered investment advisor. Vajra and its clients are not clients of VAS and there are no conflicts of interests to report concerning this activity.

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

VAS has adopted a Code of Ethics, pursuant to SEC Rule 204A-1, that sets forth the basic policies of ethical conduct for all managers, officers, and employees of VAS. In addition, the Code of Ethics governs personal trading by each employee of VAS deemed to be an Access Person and is intended to ensure that securities transactions are conducted in a manner that avoids any conflict of interest between such Access Persons and Sponsors or their Customers. VAS reviews records of securities holdings and securities transactions conducted by Access Persons to identify and resolve conflicts of interest. VAS will provide a copy of the Code of Ethics to any client or prospective client upon request.

As described above in Item 8, rather than recommend particular securities, VAS makes available certain strategies of Managers who purchase and sell, or who recommend the purchase and sale of, securities. Accordingly, neither VAS nor any related person recommends securities in which VAS or a related person has a material financial interest.

VAS or a related person may invest in the same securities or related securities that one or

more Managers selected by Sponsor recommends to or purchases for a Customer. This could create an opportunity for front running – i.e., executing personal trades ahead of Customer trades – or insider trading and other potentially abusive practices. VAS and its personnel are required to abide by the Code of Ethics, which prohibits such practices, and VAS has in place the policies described above to monitor personal trading by Access Persons and reduce the risk of such abuses. Further, VAS and its personnel are bound by fiduciary duty to put the interests of VAS’s clients ahead of their own.

Item 12 Brokerage Practices

As described in Item 4, Sponsor, and not VAS, is responsible for designating a custodian and/or broker dealer for each Customer as well as ensuring compliance with applicable rules and industry practices regarding best execution of trades; however, when providing Overlay Management, VAS may be responsible for seeking best execution of trades. VAS generally does not recommend a particular broker-dealer or custodian.

Note that directing brokerage may cost Customers more money. For example, in a directed brokerage account, the Customer may pay a higher brokerage commission because orders cannot be aggregated to reduce transaction costs or the Customer may receive less favorable prices.

VAS does not receive referrals from broker-dealers, nor does VAS receive research, products, or services from broker-dealers or other third parties in connection with securities transactions for Sponsors or Customers.

VAS will allow clients to direct brokerage at the firm’s sole discretion. Clients should be aware that if they direct VAS to a particular broker-dealer for execution VAS may be unable to achieve most favorable execution of client transactions. Directing brokerage may cost clients more money than if VAS were to execute transactions at the broker-dealer where it has an established relationship. The client may pay higher brokerage commissions because VAS may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

VAS may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of VAS’ investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely

filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. VAS may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

Item 13 Review of Accounts

VAS provides services to the Customer accounts of Sponsors. Sponsors (as well as Managers, in the case of accounts receiving Separate Account Management services) perform reviews of Customers' accounts as disclosed in Sponsors' Brochures. VAS does not perform any additional reviews.

VAS does not provide regular reports to clients.

Item 14 Client Referrals and Other Compensation

VAS does not receive any compensation for referrals. VAS' affiliates earn fees for providing Tech Services and BPO to some Sponsors.

VAS may compensate persons of affiliated firms for client referrals in compliance with the Advisers Act and state securities rules and regulations. The fees paid to referral sources do not affect the fees clients pay to VAS. In each instance, a written agreement will exist between the Advisor and the referral source. VAS has established policies and procedures to ensure that its solicitation activities are compliant with the requirements under Rule 206(4)-3 of the Advisers Act and state securities rules and regulations.

Item 15 Custody

VAS does not direct or provide custody of Customer assets and does not send account statements to Customers. Sponsors may, pursuant to their agreements with their Customers, make arrangements for custody. In some cases, Sponsor or a related firm may act as a custodian and provide custody services to Sponsor's Customers. In that case, Customers should carefully review statements provided by the Sponsor.

Item 16 Investment Discretion

Where VAS provides Manager Signals, and not Separate Account Management services, VAS does not take any investment discretion.

Where VAS provides Separate Account Management services, Sponsor determines which third-party Managers' investment strategies to employ within the Customer's account. The Customer provides written discretionary authority to the Sponsor, VAS is then given discretion, in the written agreement between VAS and the Sponsor, to buy and sell securities within that account in order to implement the strategy or strategies selected by the Sponsor, and VAS provides written discretionary authority to the Managers selected to trade the Customer account. VAS's discretion is limited to enabling selected Managers to trade Customer accounts to align with the investment strategies of those Managers.

VAS in all cases delegates to the selected Manager or Managers the actual purchasing and selling of securities within the Customer's account.

Where VAS provides Overlay Management, Sponsor determines which third-party Managers' investment strategies to deploy within the Customer's account, and discretion is accordingly delegated to VAS so that VAS can buy and sell securities within that account to implement the strategy or strategies selected by the Sponsor and to maintain the Sponsor-specified allocation among strategies selected by Sponsor.

Item 17 Voting Client Securities

When providing Overlay Management, VAS votes proxies for the relevant accounts. For those accounts, VAS has adopted and implemented written Proxy Voting Policies and Procedures ("Proxy Voting Procedures"), which are designed to reasonably ensure that VAS votes proxies in the best interest of its clients where the adviser has voting authority.

The Proxy Voting Procedures describe how VAS addresses voting authority, material conflicts of interest, voting decisions, notification to the client, and books and records requirements, and ensures that proxies are voted in the best interest of its clients.

VAS acknowledges and agrees that it has a fiduciary obligation to its clients to ensure that any proxies for which it has voting authority are voted solely in the best interests and for the exclusive benefit of its clients. The Proxy Voting Procedures are intended to guide VAS and its personnel in ensuring that proxies are voted in such manner without limiting VAS or its personnel in specific situations to vote in a predetermined manner. These policies are designed to assist VAS in identifying and resolving any conflicts of interest it may have in voting client proxies.

Outside of the context of Overlay Management, VAS does not vote proxies or provide advice on how to vote proxies. Sponsors and their Customers agree between them who will have authority and responsibility for proxy voting. Accordingly, Sponsor or the Customer arranges to receive proxy solicitations from the custodian or transfer agent. Therefore, VAS cannot answer Customer questions concerning proxy solicitations.

Item 18 Financial Information

VAS does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

VAS is not aware of any financial condition that is reasonably likely to impair VAS's ability to meet contractual commitments relating to VAS's discretionary authority over any Customer accounts.

VAS has not been the subject of a bankruptcy petition.