



## Form ADV Part 2A Firm Brochure

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December 18, 2019

### Item 1 – Cover Page

Form ADV, Part 2A, our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients (you, your) and BB&T Securities, LLC (we, us, our, the “Firm”).

**This Brochure provides information about the qualifications and business practices of the Firm. If you have any questions about the contents of this Brochure, please contact us at (804)-782-8778. 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 the Firm is also available at the SEC’s investment advisers public disclosure website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm” and type in our Firm name). Results will provide you both Part 1 and 2 of our Form ADV.**

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply a certain level of skill or training. The oral and written communications we provide to you, including this Brochure, are information you can use to evaluate us. These communications are factors you can use in your decision to hire us or to continue to maintain a mutually beneficial relationship with us.

### Item 2 – Material Changes

1. We discuss below only material changes which we believe are important in terms of disclosure since the Firm’s last amendment filing of our Form ADV Part 2A Brochure and Appendix 1 Wrap Fee Programs Brochure on October 28, 2019. On March 26, 2019, our annual amendment was filed on the SEC’s Investment Advisers Public Disclosure Website (IAPD), [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
2. On December 06, 2019, SunTrust Banks, Inc. Holding Company merged with BB&T Corporation and the combined holding company is now known as Truist Financial Corporation. BB&T Securities, LLC is a wholly owned, nonbank subsidiary of Truist Financial Corporation.
3. We may, at any time, update this Brochure, which you can download from the above SEC Website. You may contact Wealth Strategies Group at (804)-782-8778, regarding any questions you have about the Brochure or its contents.

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## Item 4A – Description of Firm

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Effective December 06, 2019, SunTrust Banks, Inc. Holding Company merged with BB&T Corporation and the combined holding company is now known as Truist Financial Corporation. BB&T Securities, LLC is a wholly owned, nonbank subsidiary of Truist Financial Corporation.

BB&T Securities, LLC (“Firm”) is an SEC registered Investment Adviser firm, is a member of the Financial Industry Regulatory Authority ([www.finra.org](http://www.finra.org)), and the Securities Investors Protection Corporation (“SIPC”).

The Firm, a wholly-owned subsidiary of Truist Financial Corporation (NYSE: TFC), has more than 1400 offices throughout the country, has more than 1800 total employees, has over 1500 registered representatives, including approximately 1400 Investment Advisor Representatives (IARs). The Firm conducts its advisory business through four divisions, BB&T Scott & Stringfellow, BB&T Capital Markets, Sterling Advisors, and BB&T Investments.

Tracing its roots back to the founding of Scott & Stringfellow in 1893 by Frederic William Scott & Charles S. Stringfellow, Jr., the Firm operates as a full-service regional brokerage, investment banking and investment advisory firm serving individual, institutional, corporate, and municipal Clients.

BB&T Scott & Stringfellow, a division of BB&T Securities, LLC, has a longstanding commitment to developing lasting Client relationships based on mutual trust and respect. For well over a century, our focus has been on providing comprehensive financial guidance and wealth planning to our Clients. Our values are service of the highest quality, the development of a personal relationship with our Clients, quality investment advice, and a team of professionals upholding the highest standards of integrity.

BB&T Capital Markets, a division of BB&T Securities, LLC, is a leading source of capital market solutions and services for selected corporate, government, and institutional relationships. The Capital Markets division allows us to offer our retail Client base equity and fixed income research, new issue equity and debt products originated by its investment bankers, and secondary liquidity through its equity and fixed income trading desks.

Sterling Advisors, a division of BB&T Securities, LLC, provides advisory services on a non-discretionary and discretionary basis to individuals, foundations, endowments, public funds, retirement funds, corporations, banks and trusts. Sterling Advisors also serves as a sub-advisor for a small number of accounts.

BB&T Investments, a division of BB&T Securities, LLC, provides customized investment advisory services on a discretionary and non-discretionary basis, to individuals, high net worth individuals and associates, trusts, estates, pension and profit sharing plans, and other legal entities.

As of December 31, 2018, the Firm's regulatory assets under management totaled \$20,257,150,583. Of that total, we managed, on a discretionary basis, \$16,579,000,117 in client assets. Non-discretionary client assets totaled \$3,678,150,466.

## Item 4B - Description of Advisory Services

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### 1. Spectrum Investment Program

The Firm assists certain Clients in the selection of independent investment advisers to professionally manage Client assets. In this investment advisory capacity, the Firm does not provide investment advice regarding securities in the construction of an investment portfolio. The Spectrum Investment Program is offered as a wrap-fee program.

### 2. CHOICE Portfolios

#### A. CHOICE Wrap Portfolios

CHOICE Portfolios ("CHOICE") provides investment advisory services to non-qualified Client accounts on a discretionary basis using one or more of six portfolios created and managed by Sterling Capital Management LLC, ("Sterling"), a subsidiary of Truist Financial Corporation.

The Firm will assess the Client's suitability to invest in one or more of the portfolios created and managed by Sterling, and to assist the Client with allocation of the Client's account among one or more of the Sterling portfolios. On an ongoing basis, the Firm will monitor the Client's allocation between the Sterling portfolios to ensure that the allocations remain consistent with the Client's stated investment objectives. In addition, the Firm will periodically review Sterling's portfolios to ensure that the investments made in the portfolios are consistent with the descriptions of the portfolio strategies that were provided to Clients.

The Firm will not engage in discretionary trading in the Client's account because these services will be provided by Sterling. The Firm will initiate the steps necessary, including the receipt of investment funds, to open Client's account, and will be available on an ongoing basis to receive deposit and withdrawal instructions, and to convey any changes in the Client's financial circumstances or investment objectives to Sterling.

The Firm does not assume responsibility for Sterling's investment decisions or performance or compliance with applicable laws or regulations or any other matters within that Sterling controls. The Firm's relationship with Sterling is governed by a separate agreement between the Firm and Sterling.

The six portfolios that Sterling manages are the: Equity Income Portfolio, Global Leaders Portfolio, Special Opportunities Portfolio, SMID Portfolio, Insight Portfolio and Enhanced Equity Portfolio. The Equity Income Portfolio is primarily a larger-cap portfolio focused on increasing dividend payouts; the Special Opportunities Portfolio is multi-cap, multi-style portfolio focused on stock selection; the Enhanced Equity Portfolio is a portfolio that manages risk through the use of covered call writing; the SMID Portfolio concentrates on small- and mid-cap stocks; the Insight Portfolio focuses on corporate insiders' stock purchasing activity or existing ownership based on SEC filings; and the Global Leaders Portfolio primarily consists of larger cap equities that are seen as industry leaders.

Sterling will buy, sell or otherwise trade securities or other investments in Client's account in accordance with their investment style/discipline and subject to the Client's reasonable restrictions without discussing these transactions with the Client in advance. The Client also authorizes the Firm and Sterling to take any other necessary action in connection with the opening and maintenance of their account, the completion and payment of transactions in the account and the fulfillment of all other obligations hereunder. This authorization shall inure to the benefit of any designee or successor corporation of the Firm and Sterling, respectively, and shall be binding upon the Client's heirs, executors, successors and assignees.

The Firm's and Sterling's understanding of the Client's current investment objectives and investment restrictions is based upon the information provided by the Client to the Firm. The Firm and Sterling, respectively, have relied and will continue to rely on the information provided. This information is important for the management of the account.

Additionally, Client must notify the Firm if Client's financial circumstances or investment objectives (including but not limited to the investment objectives for this account) change. Also, Client must provide the Firm and Sterling such additional information as the Firm or Sterling may request from time to time to assist Sterling with managing the Client's account.

Clients may impose reasonable restrictions on the management of their account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. The Firm will forward these instructions to Sterling. If the Firm or Sterling believe the instructions are unreasonable or inappropriate, the Firm will notify the Client that unless the instructions are modified they may be required to cancel the account.

This Program is offered as a wrap fee program.

### 3. Unified Managed Account Program ("UMAP")

UMAP is a discretionary account which incorporates various investment products including: manager model portfolios, separate account managers, UITs, alternative investments, annuities, mutual funds and ETFs. In UMAP the Firm and its IARs select one or more manager models ("**Models**"), and/or separate account managers (the "**Manager**") who will manage Client's discretionary account. Where Models have been selected, the Firm and IAR will maintain trading authority and discretion. Where Managers have been selected, the Manager will maintain trading authority and discretion.

The Firm's understanding and the Manager's understanding of the Client's current investment objectives and investment restrictions is based upon the information provided by the Client to the Firm. The Firm and the Manager, respectively, have relied and will continue to rely on the information provided. This information is important for the management of the Account.

Additionally, Client must promptly notify the Firm if Client's financial circumstances or investment objectives (including but not limited to the investment objective for the Account) change. Also, Client must provide the Firm such additional information as the Firm may request from time to time to assist the Firm in managing the Account.

In the event that an IAR is removed from the Program, or leaves the Firm, the Client account will be re-assigned to another IAR.

Clients have the ability to impose reasonable restrictions on the management of the Account, including the designation of particular securities or types of securities that should not be purchased for the Account, or that should be sold if held in the Account. The Firm will forward these instructions to the Client's Manager. If the Firm or the Client's Manager believes the instructions are unreasonable or if the Firm or the Client's Manager believes that the instructions are inappropriate, the Firm will notify the Client that unless the instructions are modified the Client may be required to select an alternate Manager or cancel the Account.

#### A. Manager Models

In UMAP, the Firm and its IARs have discretionary authority to select one or more manager models ("**Models**"), for the purposes of selecting and customizing a blended portfolio. The Firm has retained investment portfolios provided by approved registered investment advisors ("**Alpha Providers**") who make recommendations for purchases and sales of securities based upon specific investment objectives and guidelines. The Firm will designate the Model(s) it selects to provide investment recommendations to the Firm with respect to the Account, and a separate sleeve ("**Subaccount**") will be established for the assets allocated to each Model in the Program. The Firm, and not the Alpha Provider, will construct and manage the Account and Subaccounts under the Program. The Alpha Provider's responsibilities are limited as set forth in the terms and conditions of the Alpha Provider and FDX Advisors Inc. Agreement. The Firm has retained FDX Advisors Inc., an Envestnet company to provide certain services which enable the Firm to offer the Program.

The Firm will manage the Account and the Client has no contractual relationship with any Alpha Provider. The Firm will seek to manage the Account and Subaccount in a manner consistent with the recommendations provided by the Alpha Provider, but the Firm may deviate, in its discretion, from such recommendations. As a result of the Firm's overlay management process, the Account and/or Subaccount may vary from the model portfolio. Because information regarding the composition of the investment recommendations and any updates thereto may be communicated to the Firm on a delayed basis, Alpha Providers may have taken action or advised other Clients, its affiliates and their respective partners, directors, officers and employees with respect to changes in the investment recommendations before making recommendations or communicating this information to the Firm. As a result, Alpha Providers and/or their related persons likely will have already commenced trading for its or their other Clients before the Firm has received or had the opportunity to evaluate or act on the Alpha Provider's recommendations. In this circumstance, trades ultimately placed by the Firm for Clients may receive prices that are more or less favorable than the prices obtained by the Alpha Providers or their related persons for their Accounts.

The Firm reserves the right to terminate an Alpha Provider from this Program at any time and for any reason. In addition, each Alpha Provider may resign from participation in this Program. The Firm may retain and terminate any Alpha Provider with respect to any Account in this Program. Upon the termination or resignation of an Alpha Provider, the Firm will, in its discretionary capacity, select a suitable replacement product for the respective Account.

By executing the UMAP Agreement, Client consents to the investment by the Firm of all or part of the Client's non-qualified Account in mutual funds or models advised by Sterling Capital Management LLC, an affiliate of the Firm. Such consent may be revoked by Client at any time. To be effective, any such revocation must be delivered to the Firm in writing. Client's

account will only be invested in mutual funds advised by Sterling Capital Management LLC, if and to the extent such mutual funds satisfy the criteria for inclusion in the model portfolio designated by Client. Sterling Capital Management LLC receives a fee from these funds for the advisory services it provides that is separate from the fee paid by the Client to the Firm under this account.

#### B. Separate Account Managers

In UMAP, the Firm and its IARs have the ability to select one or more separate account managers (the “**Manager**”) who will manage the Client’s discretionary Account. The Firm will, among other things, provide Clients with certain services as a broker/dealer and investment advisor as described below. In the instance where the Firm has chosen a Separate Account Manager, the Firm will not manage the Client’s Account or provide discretionary trading in the Client’s Account because these services will be provided by the Manager. The Firm will initiate the steps necessary, including the receipt of investment funds, to open an Account and will be available to Clients on an ongoing basis to receive deposit and withdrawal instructions, and to convey any changes in financial circumstances or investment objectives to the Manager.

The Firm will assist the Client in establishing appropriate investment objectives and will recommend and engage one or more Managers to provide continuous discretionary investment management to the Client.

The Firm does not assume responsibility for any Manager’s investment decisions or performance or compliance with applicable laws or regulations or any other matters within that Manager’s control. The Firm’s relationship with the Client’s Manager is governed by a separate agreement between the Firm and the Manager.

The Firm reserves the right to terminate a Manager from UMAP at any time and for any reason. In addition, each Manager may resign from participation in UMAP. The Firm may retain and terminate any Manager with respect to any Account in UMAP. Upon the termination or resignation of a Manager, the Firm will, in its discretionary capacity, select a suitable replacement product for the Manager.

In sum, the Manager will buy, sell or otherwise trade securities or other investments in the Account in accordance with the Manager’s investment style/discipline and subject to the Client’s reasonable restrictions without discussing these transactions with the Client in advance. The Client also authorizes the Firm and Manager to take any other necessary action in connection with the opening and maintenance of the Account, the completion and payment of transactions in the Account and the fulfillment of all other obligations hereunder. This authorization shall inure to the benefit of any designee or successor corporation of the Firm and the Manager, respectively, and shall be binding upon the Client’s heirs, executors, successors and assignees.

#### 4. Unified Managed Account Program Select (“UMAP Select”)

UMAP Select is a non-discretionary account which incorporates various investment products including: manager model portfolios, separate account managers, mutual funds, UITs, alternative investments, annuities, and ETFs. In UMAP Select Clients retain the ability to select one or more manager models (“**Models**”), and/or separate account managers (the “**Manager**”), and the allocation of assets between the selected models/managers, who will manage Client’s account with discretion to carry out trading activities. Where Models have been selected, the Firm will trade the portfolio as recommended by the model managers within its internal procedure guidelines. Where Managers have been selected, the Manager will maintain trading authority and discretion. In all cases, Client maintains discretion over allocation changes and any model, manager, mutual fund, UIT, alternative investment, annuity, or ETF changes.

The Firm’s understanding and the Manager’s understanding of the Client’s current investment objectives and investment restrictions is based upon the information provided by the Client to the Firm. The Firm and the Manager, respectively, have relied and will continue to rely on the information provided. This information is important for the management of the Account.

Additionally, Client must promptly notify the Firm if Client’s financial circumstances or investment objectives (including but not limited to the investment objective for the Account) change. Also, Client must provide the Firm such additional information as the Firm may request from time to time to assist the Firm in managing the Account.

Clients have the ability to impose reasonable restrictions on the management of the Account, including the designation of particular securities or types of securities that should not be purchased for the Account, or that should be sold if held in the Account. The Firm will forward these instructions to the Client’s Manager. If the Firm or the Client’s Manager believes the instructions are unreasonable or if the Firm or the Client’s Manager believes that the instructions are inappropriate, the Firm will notify the Client that unless the instructions are modified the Client may be required to select an alternate Manager or cancel the Account.

#### A. Manager Models

In UMAP Select, Client maintains discretion over the selection of manager models (“**Models**”), for the purposes of selecting and customizing a blended portfolio. The Firm has retained investment portfolios provided by approved registered investment advisors (“**Alpha Providers**”) who make recommendations for purchases and sales of securities based upon

specific investment objectives and guidelines. Client must designate the Model(s) it selects to provide investment recommendations to the Firm with respect to the Account, and a separate sleeve ("**Subaccount**") will be established for the assets allocated to each Model selected by the Client in the Program. The Firm, and not the Alpha Provider, will construct and manage the Account and Subaccounts under the Program. The Alpha Provider's responsibilities are limited as set forth in the terms and conditions of the Alpha Provider and FDX Advisors Inc. Agreement. The Firm has retained FDX Advisors Inc. to provide certain services which enable the Firm to offer the Program.

The Firm will manage the Account and the Client has no contractual relationship with any Alpha Provider. As a result of the Firm's overlay management process, the Account and/or Subaccount may vary from the model portfolio. Because information regarding the composition of the investment recommendations and any updates thereto may be communicated to the Firm on a delayed basis, Alpha Providers may have taken action or advised other Clients, its affiliates and their respective partners, directors, officers and employees with respect to changes in the investment recommendations before making recommendations or communicating this information to the Firm. As a result, Alpha Providers and/or their related persons likely will have already commenced trading for its or their other Clients before the Firm has received or had the opportunity to evaluate or act on the Alpha Provider's recommendations. In this circumstance, trades ultimately placed by the Firm for Clients may receive prices that are more or less favorable than the prices obtained by the Alpha Providers or their related persons for their Accounts.

The Firm reserves the right to terminate an Alpha Provider from this Program at any time and for any reason. In addition, each Alpha Provider may resign from participation in this Program. The Firm may retain and terminate any Alpha Provider with respect to any Account in this Program. Upon the termination or resignation of an Alpha Provider, the Firm will notify the affected Client of such event and Client will be responsible for promptly selecting a new Alpha Provider, or replacement product, in the respective Account. Any failure to timely complete and return the new Appendix A of the UMAP Select Agreement may result in the Account being terminated from the Program.

By executing the UMAP Select Agreement, Client consents to the investment by the Firm, on the Client's behalf, of all or part of the Client's Account in models advised by Sterling Capital Management LLC, an affiliate of the Firm. Such consent may be revoked by Client at any time. To be effective, any such revocation must be delivered to the Firm in writing. Client's account will only be invested in models advised by Sterling Capital Management LLC, if and to the extent such models satisfy the criteria for inclusion in the portfolio designated by Client. Sterling Capital Management LLC receives a fee from these models for the advisory services it provides that is separate from the fee paid by the Client to the Firm under this account.

#### B. Separate Account Managers

In UMAP Select, Client maintains discretion over the selection of separate account managers (the "**Manager**") who will manage the Client's Account. The Firm will, among other things, provide Clients with certain services as a broker/dealer and investment advisor as described below. In the instance where the Client has chosen a Separate Account Manager, the Firm will not manage the Client's Account or provide discretionary trading in the Client's Account because these services will be provided by the Client's Manager. The Firm will initiate the steps necessary, including the receipt of investment funds, to open an Account and will be available to Clients on an ongoing basis to receive deposit and withdrawal instructions, and to convey any changes in financial circumstances or investment objectives to the Client's Manager.

The Firm will assist the Client in establishing appropriate investment objectives and will recommend and engage Manager to provide continuous discretionary investment management to the Client. Client will have no obligation to select or to use any Manager recommended by the Firm, however, once a Manager has been selected by Client, each Manager must first agree to accept the management of the Account subject to any restrictions requested by Client.

The Firm does not assume responsibility for any Manager's investment decisions or performance or compliance with applicable laws or regulations or any other matters within that Manager's control. The Firm's relationship with the Client's Manager is governed by a separate agreement between the Firm and the Manager.

The Firm reserves the right to terminate a Manager from UMAP Select at any time and for any reason. In addition, each Manager may resign from participation in UMAP Select. The Firm may retain and terminate any Manager with respect to any Account in UMAP Select. Upon the termination or resignation of a Manager, the Firm will notify the affected Client of such event and Client will be responsible for promptly selecting a new Manager, or replacement product, in the respective

account. Any failure to timely complete and return the new Appendix A of the UMAP Select Agreement may result in the account being terminated from UMAP Select.

In sum, the Manager will buy, sell or otherwise trade securities or other investments in the Account in accordance with the Manager's investment style/discipline and subject to the Client's reasonable restrictions without discussing these transactions with the Client in advance. The Client also authorizes the Firm and Manager to take any other necessary action in connection with the opening and maintenance of the Account, the completion and payment of transactions in the Account and the fulfillment of all other obligations hereunder. This authorization shall inure to the benefit of any designee or successor corporation of the Firm and the Manager, respectively, and shall be binding upon the Client's heirs, executors, successors and assignees.

5. Professional Management Program ("PMP")

Through the Professional Management Program ("PMP"), certain selected, qualifying IARs provide investment advisory and brokerage services to Client accounts on a discretionary basis. PMP IARs develop disciplined portfolios based on certain established PMP guidelines, the Client's investment objectives, and individual Client needs as established in investment portfolio and strategy criteria. Each PMP Client must provide information to the Firm about the Client's attitude toward risk and reward, the Client's current financial situation and any specific constraints that might affect investment decisions for the Client. PMP is offered as a wrap-fee program.

6. Advisor Select

The Advisor Select account program is a non-discretionary advisory program where, for a single asset-based fee, the Client receives advisory services as well as traditional brokerage services. The traditional brokerage services include, but are not limited to, trading, custody, and research. Advisory services may include: Client education, investment planning, asset allocation, portfolio review, portfolio rebalancing, manager/stock research and monitoring, portfolio construction, risk tolerance analysis, and setting investment objectives.

The Client shall provide the Firm in writing with any investment objectives, restrictions and instructions ("Investment Guidelines") applicable to the Client's Advisor Select account ("Account"). Any changes to the Investment Guidelines will become effective as soon as practicable following their delivery in writing to, and their acceptance by, the Firm. The Firm, its employees, agents and affiliates shall not be liable to the Client or any other person for any investment made in violation of any investment objective, restriction or instruction of which the Client did not notify the Firm in writing.

The Client may choose to develop an investment strategy in either of the following ways:

- a. The Client provides the Firm with a predetermined investment strategy; or
- b. The Client, in consultation with an IAR, determines an appropriate investment strategy designed to reflect the Client's investment needs and objectives identified in the consultation process (and any additional written guidelines the Client establishes).

The Client has sole discretion whether to accept or reject a strategy or any specific recommendation to purchase or redeem securities. The Firm shall have no discretionary authority with respect to the Account and shall execute only transactions directed by the Client. Margin is generally not permitted in Advisor Select accounts. Further, in no event will the Firm be obligated to effect any transaction for the Account which it believes would be in violation of any applicable federal or state law, rule or regulation, or of the rules or regulations of any regulatory or self-regulatory body.

An IAR will be available to the Client, during normal business hours, for consultation regarding the Account. At least annually, the Client and the IAR will meet together (in person or by phone) to review and analyze the Account, Investment Guidelines, asset allocation, and other relevant factors and circumstances in order to assess what, if any, changes are to be made in the management of the Account.

The quality of the investment advisory services to be rendered under the Client Agreement are dependent upon the accuracy of the data and information supplied by the Client for analysis and use in delivering services. The Firm is under no affirmative duty to independently verify or audit any of such data or information. The Client will promptly notify the Firm of any change in the Client's investment objectives or financial condition that may affect the manner in which the Account assets should be invested. Based on that information, the IAR may recommend other investment strategies or investments.

The Firm's responsibility in connection with the Client's selection of investments shall be to consult with the Client, based on the Client's Investment Guidelines, as to which investment strategy would be most compatible with the Client's stated investment objectives and needs and as to which investment would be most compatible with the investment strategy selected by the Client. The Firm shall not be responsible for the performance of any selected investment. The Firm has the right and authority to remove any investment from Advisor Select upon at least thirty days' prior written notice to the Client.

The Client will be sent confirmations of transactions in the account and periodic account statements. It is the Client's responsibility to review this material and report any discrepancies to the IAR as soon as possible.

Eligible assets in the account include: cash & cash equivalents, free credit balances, money markets, common stock, preferred stock, rights/warrants on stock, closed-end mutual fund shares, eligible open-end mutual fund shares, American Depository Receipts ("ADRs"), exchange traded funds ("ETFs"), foreign stock, fixed income securities, municipal securities, publicly traded limited partnership shares, unit investment trusts, option contracts, annuities and alternative investments.

The Advisor Select Program is not intended for day trading or other excessive securities or option trading activity, including trading based on market timing. The Account may be terminated or frozen, at the Firm's discretion, if these activities occur. Losses resulting from Client initiated or Client-directed transactions, including, without limitation, losses resulting from the frequency of trading, are solely the Client's responsibility.

The Client, in conjunction with the IAR, may choose a strategy that includes asset allocation, that is, assignment of a percentage of the overall value of the Account to each asset class. If the strategy includes asset allocation, it may also include a fund allocation, that is, an assignment of a percentage of the overall value of the asset class to one or more mutual funds.

In order to implement any investment strategy, the IAR may recommend to the Client eligible securities that may include mutual funds ("mutual funds"), offered at their net asset value without any front-end or deferred sales charge, which may also include no load funds, that the Firm believes possess investment characteristics that are consistent with the Client's Investment Guidelines.

#### 7. Sterling Advisors Management Program

The Sterling Advisors Management Program ("SAM") is a discretionary advisory program for both individuals and institutions (such as pension and profit sharing plans, trusts, estates, or charitable organizations, corporations and other business entities), designed to help clients clarify their investment needs and to obtain professional asset management for a single "wrap" fee. Accounts are custodied at the Firm and are managed on a discretionary basis using one or more of equity and fixed income strategies. Client's needs are established in the Client's investment policy statement, which outlines the Client's attitude toward risk, the Client's current financial situation and any specific constraints that might affect investment decisions for the Client.

Clients have the ability to select one or more investment styles, including large cap core opportunistic, large cap value and/or fixed income. The decision to remain with a particular style rests with the Client. The Firm will assist the Client in establishing appropriate investment objectives and will provide discretionary investment management to the Client.

Large Cap Core seeks growth using mostly large capitalization (large cap – companies with a market value of \$10 billion or more) securities to provide short-term preservation of principal and long-term growth of assets. This investment process is designed to manage risk through portfolio diversification and active management.

Large Cap Value employs a combination of quantitative and qualitative research seeking to identify undervalued large cap equities with capital appreciation potential. Our Large Cap Quantitative Model calculates a weighted composite of valuation, earnings and price movement measures in order to reduce the overall Large Cap universe to a more manageable group of candidates. Once this group is established, management conducts qualitative research to identify potential buy candidates.

Fixed Income employs a conservative investment philosophy designed to build a portfolio of diversified securities across major fixed income sectors. Sterling Advisor's emphasis is on generating a level of portfolio yield in excess of the benchmark as historical data has proven that income dominates fixed income returns over time. Sterling Advisor's investment strategy rotates among sectors from corporates, mortgage-backed securities and taxable municipals to treasuries and agencies. The Firm seeks to reduce portfolio volatility through the use of a duration strategy and controlled sector weightings.

The Firm will buy, sell or otherwise trade securities or other investments in Client's account in accordance with their investment style/discipline and subject to the Client's reasonable restrictions without discussing these transactions with the Client in advance. As a general matter, the Firm considers it appropriate to use its own execution services for the purchase and sale of securities involved through the SAM portfolios. The Client also authorizes the Firm to take any other necessary action in connection with the opening and maintenance of their account, the completion and payment of transactions in the account and the fulfillment of all other obligations hereunder. This authorization shall inure to the benefit of any designee or successor corporation of the Firm and shall be binding upon the Client's heirs, executors, successors and assignees.



## **Additional Disclosures Relevant to All Above**

### **Programs 1 – 7**

Unless the Client designates a third-party custodian, the Firm will maintain custody of the assets held in the Account. As custodian the Firm will, at no additional charge, credit the Account with dividends and interest paid on securities and with principal paid on called or matured securities in the Account. For CHOICE, PMP, Spectrum (when available), UMAP Select, UMAP, and SAM accounts, the Firm employs a third party proxy voting service to vote client proxies. Where this third party firm votes proxies, Client may elect not to receive proxy and annual reports for the holdings in the account, which election may be rescinded at any time. Upon request, Client will be provided with a copy of the third party voting service's proxy voting policies and procedures which may be updated from time to time. In addition, Client will be provided information on how the proxies were voted upon request of the Financial Adviser.

The Firm will send the Client confirmations of Account transactions and monthly statements summarizing Account positions and portfolio value. It is the Client's responsibility to review this material and report any discrepancies to the IAR as soon as possible. The Client may elect not to receive a confirmation for each securities transaction, which election may be rescinded at any time. Any discrepancy not objected to in writing by the Client within 30 days of receipt will be binding upon the Client.

The Firm and its affiliates manage or provide advice to Accounts for many types of Clients and also engage in a broad range of other research, advisory, brokerage, and investment banking activities. The same may be true for your Manager. The advice given to, or action taken for, any other Client or Account, including the Firm's or Manager's own Accounts, may differ from that provided to a Client's Account. In particular, transactions effected in a Client's Account may differ from those in other such Accounts or from the advice provided by Firm IARs, or the Firm's research department. Nothing in the Program Agreements shall be deemed to impose upon the Firm or Manager any obligation to purchase or sell, or recommend for purchase or sale, for a Client's Account, any security or other property which the Firm or its affiliates, or Manager may purchase or sell for their own Accounts or for the Accounts of any other Client. The Firm or Manager may purchase securities for its own Accounts that are purchased for a Client's Accounts.

The Firm and Manager may occasionally acquire confidential information in the course of its business. If that occurs, the Firm and Manager will not, of course, be able to divulge it or act upon this information for a Client's Account. The Firm and Manager are under no obligation to execute any transaction for a Client's Account which it believes to be improper under applicable law, rule, or regulation.

In valuing a Client's Account, the Firm will use the closing prices and/or mean bid and ask prices of the last recorded transaction for listed securities and over-the-counter NASDAQ securities. In so doing, the Firm will utilize information provided to it by quotation services believed to be reliable. If any such prices are unavailable or believed to be unreliable, the Firm will determine the price in good faith so as to reflect its understanding of fair market value.

The Firm will not act on Client's behalf or render advice in legal proceedings involving a Client's Account or the securities in it. Client will be sent the information and documents that the Firm has received for distribution to customers to help Client take whatever action Client deems advisable.

Notwithstanding the above, for CHOICE, PMP, Spectrum, UMAP Select, UMAP, and SAM accounts, decisions on the following will be made by the Firm, Sterling, or Manager unless Client directs to the contrary in writing: 1) voting of proxies and 2) tendering of securities or interest coupons in response to offers, calls or redemptions or with respect to the exercise of conversion rights, subscription rights or other options relating to the investments in a Client's Account. The Client shall determine whether or not to participate in any class action lawsuits that arise as a result of the purchase of a security. Sterling, the Alpha Provider or Manager has selected in the Account unless the Client requests in writing the Firm, Sterling or Manager to act on its behalf in such class action lawsuits and the Firm, Sterling or Manager agree in writing to do so.

All trading in a Client's Account is at Client's risk and the value of a Client's Account is subject to a variety of factors including the liquidity and volatility of the securities markets. The investment performance of any kind can never be guaranteed by the Firm, Sterling, or Manager. No representation has been made by the Firm, Sterling, or Manager that success can be assured in any transaction or that a Client's Account will prove profitable.

With the exception of the SAM program, free credit cash balances resulting from sales, cash deposits, or interest or dividend credits (that is, cash that may be withdrawn from the Account without resulting interest changes) will automatically be swept on a daily basis into the Firm's Insured Deposit Program (IDP), providing FDIC insurance for all eligible cash balances or, in some cases, into shares of a money market fund made available by the Firm at their then current net asset value. Qualified accounts are not eligible for IDP. Free credit cash balances in SAM accounts are swept into a money market fund made available by the Firm. The Firm and its affiliates may have agreements to provide advisory, administrative, distribution, and other services to the money market fund used in a Client's Account and receive compensation as a result of those services.

If a Client is a shareholder of a money market fund, then in addition to fees that Client pays to the Firm as part of this Program, Client will bear a proportionate share of the money market fund's expenses, which may include the investment management fees that are paid to the fund's investment advisor, which, as stated above, may be the Firm or its affiliates. Refer to the prospectus or statement of additional information provided for a more complete description of the fund and its operation.

If a Client's Account is a qualified Account, the Firm represents that it is a fiduciary as defined in Section 3(21) of ERISA in performing its duties under the applicable Agreement. Client must maintain any bond required in connection with the Account under the provisions of ERISA or other applicable law and to include within its coverage the Firm and any of its personnel as may be required.

Client may terminate the Agreement within five (5) business days of its execution and receive a full refund of all pre-paid fees. Thereafter, either party may terminate the Agreement at any time and for any reason by notifying the other in writing and termination will become effective upon receipt of this written notice. However, termination will not affect either party's responsibilities under the Agreement for previously initiated transactions or for balances due in the Account or for any fees and amounts owed.

Upon the termination of the Agreement, Client assumes the exclusive responsibility to direct and monitor the securities in the Account, and the Firm will have no further obligation to act or advise with respect to those assets or to liquidate the positions held in the Account under the Agreement. Fees paid in advance hereunder will be prorated to the date of termination, and any unearned portion thereof will be refunded to Client.

Upon Termination, Clients may request that their Account positions be liquidated utilizing market orders. All Client requests to liquidate Account positions must be in writing. If termination is initiated by the Client, the written request to liquidate must be made in the writing terminating the Agreement. If termination is initiated by the Firm, the written request to liquidate must be made within five (5) business days of receipt of the Firm's notice of termination.

All timely requests to liquidate positions from the Account, shall not be subject to commissions; however, certain unit investment trusts and mutual funds may impose redemption fees in certain circumstances as stated in each trust or fund prospectus.

Securities liquidations may result in tax consequences that should be discussed with your tax advisor. The Firm does not, and will not, provide tax advice. Upon termination of the Account or transfer of the advisory share class into a retail brokerage account, you authorize the Firm to revert, at our discretion, the advisory share class to the mutual fund's primary share class, typically Class A shares, without incurring a commission or load without your prior consent. Client understands that the primary share class generally has higher operating expenses than the advisory share class which will negatively affect performance.

Should the necessary securities markets be unavailable, efforts to trade will be done as soon as possible following their reopening. The Firm shall not be responsible for market fluctuations in your Account from time of written notice until liquidation.

This Agreement will terminate upon notification of your death. Certain mutual fund shares may be required to be redeemed as part of the Account termination, as stated in their prospectus.

#### 8. FDX Advisors

FDX Advisors, an Envestnet company, is a SEC registered investment advisor. FDX Advisors provides the Firm with a number of tools to assist the Firm in providing its Clients with investment advisory services. Such services include assistance in investment policy development, manager research, proposal development and periodic Client reporting. Through FDX Advisors, the Firm also has access to various money managers with reduced fees and account minimums which may not otherwise be available to it.

#### 9. Financial Planning

Financial planning services are offered to Clients. Through the Client interview and questionnaire process the Client's investment needs and objectives are identified and analyzed. A financial plan, based on the Client's investment needs and objectives is, developed and delivered to the Client.

#### 10. Qualified Plan Sponsors & Participants

Registered Investment Adviser ("RIA") Services for Qualified Plan Sponsors and Participants are offered to Clients. Investment advisory services, offered on a contractual basis, to the Plan Sponsor and the Plan Participants may include providing advice regarding the investment policy statement ("IPS"), the investment selection process, and designing and maintaining asset allocation models. An investment adviser representative ("IAR") provides quarterly review and monitoring of the investment options. The IAR conducts periodic enrollment and educational meetings with the Plan Participants, as well as annual review meetings with the Plan Sponsor.

#### 11. Sterling Capital Funds

Sterling Capital Management LLC, is also a subsidiary of Truist Financial Corporation. Sterling Capital Funds distributes certain mutual funds through Sterling Capital Distributor, LLC.

#### 12. Municipal Entities

The Firm also provides investment advice to state or municipal government entities.

#### 13. Sterling Advisors- Directed Brokerage

Sterling Advisors, provides services on a non-discretionary and discretionary basis to individuals, foundations, endowments, public funds, retirement funds, corporations, banks and trusts.

Sterling Advisors is organized to provide professional investment services for a broad range of portfolio objectives, providing equity, balanced and fixed income management on an individual account basis. The Firm does not pool Client funds.

Sterling Advisors manages portfolios based on the Client's investment objectives and individual Client needs as established in the Client's investment policy statement, which outlines the Client's attitude toward risk, the Client's current financial situation and any specific constraints that might affect investment decisions for the Client.

Clients have the ability to select one or more investment styles, including large cap core opportunistic, large cap value and/or fixed income. The decision to remain with a particular style rests with the Client. The Firm will assist the Client in establishing appropriate investment objectives and will provide discretionary investment management to the Client.

Large Cap Core seeks growth using mostly large capitalization (large cap – companies with a market value of \$10 billion or more) securities to provide short-term preservation of principal and long-term growth of assets. This investment process is designed to manage risk through portfolio diversification and active management.

Large Cap Value employs a combination of quantitative and qualitative research seeking to identify undervalued large cap equities with capital appreciation potential. Our Large Cap Quantitative Model calculates a weighted composite of valuation, earnings and price movement measures in order to reduce the overall Large Cap universe to a more manageable group of candidates. Once this group is established, management conducts qualitative research to identify potential buy candidates.

Fixed Income employs a conservative investment philosophy designed to build a portfolio of diversified securities across major fixed income sectors. Sterling Advisor's emphasis is on generating a level of portfolio yield in excess of the benchmark as historical data has proven that income dominates fixed income returns over time. Sterling Advisor's investment strategy rotates among sectors from corporates, mortgage-backed securities and taxable municipals to treasuries and agencies. The Firm seeks to reduce portfolio volatility through the use of duration strategy and controlled sector weightings.

The strategies listed above for Sterling Advisors are also available through the SAM wrap fee program.

### Item 5 – Fees and Compensation

Clients pay an Annual Fee in accordance with the fee schedule outlined below unless otherwise agreed to in writing. Any agreement to a flat fee to be paid on the Account's billable value may result in fees greater than or less than those that would be incurred in accordance with the Program fee schedule. The Annual Fee will be deducted directly from the Account unless the parties agree otherwise. The Annual Fee, which is payable pro-rata on a quarterly basis in advance, will compensate the Firm for investment management as well as custody and execution services, and except in the case of discretionary advisory services described above, no separate Firm brokerage commissions will be charged. The Annual Fee covers the services of the Investment Advisor Representative (also referred to as the Advisor fee) and is described with specific rates in the services agreement. The Advisor fee does not include any program/manager model fees that are incurred by Client in UMAP, UMAP Select, Spectrum, or CHOICE Programs. Program fees in UMAP, UMAP Select, and CHOICE Programs range from .05% to .75% and are subject to change without notice. Program fees are assessed to Client account separately from Advisor Fee and are based on the proportion of the Account that is allocated to each Manager. Thus, as market values increase and decrease, the amount charged to Client account each billing cycle will vary.

The initial Annual Fee will be prorated to cover the period from the date a Client's Account is opened and approved, through the end of the then current full calendar quarter. The initial Annual Fee will be due in full on the day the Firm opens and approves a Client's Account and will be based on the opening value of the Account. Thereafter, the Annual Fee will be based on the Account's value as reflected on the quarter month end statement and will be due the following business day to cover the next calendar quarter. For accounts in the SAM program fees are billed in arrears. The fee will be based on the Account's value as reflected on the quarter month end statement and is due within thirty days of the quarter end. Additional assets received into a Client's Account will be charged a pro-rata Annual Fee based upon the number of days remaining in the current calendar quarter. No fee adjustment will be made for partial withdrawals or for appreciation or depreciation of a Client's Account within a billing period. For purposes of calculating the Annual Fee due, the Account's value includes the sum of the long market value of all securities, money market, cash and credit balances. Margin debit balances and the short market value of securities held do not reduce the value of the Account. In accordance with the terms of the individual Client Agreement, a pro-rata refund of fees charged will be made to Client if a Client's Account is closed within a quarterly billing period.

The Annual Fee does not include charges to a Client's Account for services not included herein or resulting from certain dealer mark-ups or mark-downs, odd lot differentials, postage and handling charges, IRA fees, transfer taxes, pass-through fees, transaction fees and any other fees which may be charged to the Account.

Clients with mutual funds, UITs, alternative investments, annuities, exchange traded funds and other investment company products in their portfolios are effectively paying the Firm and the fund/product advisor for the management of the Client's assets. Clients who place funds/products under the Firm's management are therefore subject to both the Firm's direct management fee and the indirect management of the fund/product's advisor. These funds/products may be subject to additional advisory and other fees and expenses, as set forth in the respective prospectuses, which are ultimately borne by the Client. Any 12b-1 compensation received by the Firm based on Client positions held in advisory programs is rebated back to the Client's account. In addition, with respect to certain exchange traded funds included in certain portfolios and managed accounts, the manager of the exchange traded fund may use the Firm in its capacity as broker-dealer to transact with the exchange traded fund for the purchase and sale of the securities that comprise the exchange traded fund. The Firm derives additional revenue from these transactions.

The Firm receives payments from mutual funds or their affiliated service providers for providing certain recordkeeping and related services to the funds. The Firm processes some mutual fund business with fund families on an omnibus basis, which means Clients' trades are consolidated into one daily trade with the fund. We receive omnibus fee payments as compensation for the services we provide when trading mutual funds on an omnibus basis. We trade other fund families on a networked basis, which means we submit a separate trade for each individual Client and may receive networking fee payments for each Client mutual fund position we hold with the fund.

All programs utilize the same liquidation fee schedule upon Account termination. The Firm's liquidation fee schedule upon Account termination is described under Item 4.B titled "Additional Disclosures Relevant to All above Programs 1-7."

Advisor fee schedule for UMAP, UMAP Select, Spectrum, CHOICE, PMP and Advisor Select. This does not include any program/manager model fees for UMAP, UMAP Select, Spectrum or CHOICE.

Advisory Household Value	Standard Fee
< \$100,000	2.25%
\$100,000 - \$249,999	2.20%
\$250,000 - \$499,999	2.15%
\$500,000 - \$999,999	2.00%
\$1,000,000 - \$1,999,999	1.85%
\$2,000,000 - \$4,999,999	1.75%
\$5,000,000 - \$9,999,999	1.65%
\$10,000,000 - \$24,999,999	1.50%
\$25,000,000+	1.45%

The minimum Annual Fee per Client household is \$100.

## A. Programs

### 1. Spectrum Investment Program

Clients pay an annual fee, as specified above, for services hereunder, including execution services, custody, and quarterly reporting services with no separate charge imposed by the Firm for brokerage commissions on agency trades. The Firm may participate in selling concessions on underwritings which are purchased for the Client's Account by the Adviser.

The minimum account size is generally \$100,000, though minimums may vary according to each specific Investment Manager/portfolio.

Compensation to the independent investment adviser will vary and is billed based on the independent investment adviser selected by the Client. Compensation arrangements will also be disclosed in the independent investment adviser's disclosure brochure and/or the Firm's disclosure brochure. Fees, payments and refund policies will vary depending upon the independent investment adviser's fee schedule and terms. The Firm will determine that any independent investment adviser, with which it contracts, is properly registered in those states where investment advice or securities are provided to residents of that state.

The contract between the Client and the Firm is separate and distinct from the contract between the Client and the independent investment adviser.

### 2. CHOICE Portfolios

#### A. CHOICE Wrap Portfolios

CHOICE accounts are charged a "wrap fee" that is both for investment advice and for services including execution services, custody, and quarterly reporting services. The standard fee schedule, which is negotiable, is based on asset size and an assumed "active" portfolio.

A minimum initial account value of \$100,000 is required for the Equity Income, Global Leaders, SMID, Insight, and Special Opportunities Portfolio accounts, and \$250,000 for the Enhanced Equity Portfolio accounts. Under certain circumstances the minimum may be waived.

The Firm may terminate any account that has fallen below the minimum account value shown above as required to remain in the Program. Accounts will not be terminated due to fluctuations in market value or fees deducted. However, should the net of the assets received into the account less any Client withdrawals taken from the account fall below the minimum account value, then trading may be suspended in the account at that time and may be subject to from the Program, thus becoming a non-discretionary investment account.

Whenever there are changes to the fee schedule, the schedule or charges previously in effect shall continue until the next quarterly billing cycle. Established fees may not be increased without Client approval.

The wrap fee does not include, and the Client will be additionally responsible and charged for: commissions, mark-ups, spreads and other transactional charges on securities transactions effected with or through brokers and dealers other than the Firm, interest on debit account balances, where applicable; the entire public offering price (including underwriting commissions or discounts) on securities purchased from an underwriter or dealer involved in a distribution of securities; bid-ask spreads; odd-lot differentials; exchange fees, pass-through fees, transfer taxes on other fees required by law; Individual Retirement Account (IRA) fees, qualified retirement plan account fees, postage & handling fees and other account maintenance fees; usual and customary transaction charges on the liquidation of assets not eligible for the Program; management and other fees on open-end, closed-end and exchange traded mutual funds and UITs; margin interest; any contingent deferred sales charge assessed by a Mutual Fund company on the sale or liquidation of a mutual fund; check reordering cost and fees; short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see fund prospectus for details) made within short periods of time. These short-term trading charges are imposed by the mutual funds to deter "market timers" who trade in fund shares.

### 3. Unified Managed Account Program ("UMAP")

The minimum Account value is \$10,000 (minimums may be higher according to each specific Manager/Portfolio).

The Firm reserves the right to notify the Account of a minimum fee to be charged should the account fall below the minimum Account value. The Firm may terminate any Account that has fallen below the minimum Account value shown above as required to remain in the UMAP Program. Upon termination, the Account would become a non-discretionary commission-based investment Account at the Firm.

Client should be aware that the fees charged to the Account may be higher than those otherwise available if Client chose to select a separate brokerage service and negotiate commissions in the absence of the extra advisory services that the Firm provides. Client should consider the value of the services that the Firm provides when making such comparisons. Client should also consider the amount of anticipated trading activity when assessing the overall cost of our program. Fee based programs typically assume a normal amount of trading activity and, therefore, under particular circumstances, prolonged periods of inactivity may result in higher compensation than if commissions were paid separately for each transaction. The standard fee schedules set forth above may be subject to negotiation depending upon a range of factors, including, but not limited to, Account sizes and overall range of services requested.

The Firm will pay all fees of each Manager selected by the Client. The fees to be paid each Manager will be negotiated by the Firm and each Manager.

The Account assets used to calculate the Quarterly Fee will include those invested assets transferred into the Account for which Client may have previously paid a separate sales charge or load, commission, mark-up, or other cost associated with acquiring such assets. Transferring such previously acquired assets into the Account may result in Client paying higher investment related expenses for such assets than Client would otherwise pay were such assets retained in a commission-based mutual fund or other type of account such as direct investment with a mutual fund company.

The wrap fee does not include, and the Client will be additionally responsible and charged for: commissions, mark-ups, spreads and other transactional charges on securities transactions effected with or through brokers and dealers other than the Firm, interest on debit account balances, where applicable; the entire public offering price (including underwriting commissions or discounts) on securities purchased from an underwriter or dealer involved in a distribution of securities; bid-ask spreads; odd-lot differentials; exchange fees, pass-through fees, transfer taxes on other fees required by law; Individual Retirement Account (IRA) fees, qualified retirement plan account fees, postage & handling fees and other account maintenance fees; usual and customary transaction charges on the liquidation of assets not eligible for the Program; management and other fees on open-end, closed-end and exchange traded mutual funds and UITs; margin interest; any contingent deferred sales charge assessed by a Mutual Fund company on the sale or liquidation of a mutual fund; check reordering cost and fees; short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see fund prospectus for details) made within short periods of time. These short-term trading charges are imposed by the mutual funds to deter "market timers" who trade in fund shares

#### 4. Unified Managed Account Program Select ("UMAP Select")

The minimum Account value is \$10,000 (minimums may be higher according to each specific Manager/Portfolio).

The Firm reserves the right to notify the Account of a minimum fee to be charged should the account fall below the minimum Account value. The Firm may terminate any Account that has fallen below the minimum Account value shown above as required to remain in the UMAP Select Program. Upon termination, the Account would become a non-discretionary commission-based investment Account at the Firm.

Client should be aware that the fees charged to the Account may be higher than those otherwise available if Client chose to select a separate brokerage service and negotiate commissions in the absence of the extra advisory services that the Firm provides. Client should consider the value of the services that the Firm provides when making such comparisons. Client should also consider the amount of anticipated trading activity when assessing the overall cost of our program. Fee based programs typically assume a normal amount of trading activity and, therefore, under particular circumstances, prolonged periods of inactivity may result in higher compensation than if commissions were paid separately for each transaction. The standard fee schedules set forth above may be subject to negotiation depending upon a range of factors, including, but not limited to, Account sizes and overall range of services requested.

The Firm will pay all fees of each Manager selected by the Client. The fees to be paid each Manager will be negotiated by the Firm and each Manager.

The Account assets used to calculate the Quarterly Fee will include those invested assets transferred into the Account for which Client may have previously paid a separate sales charge or load, commission, mark-up, or other cost associated with acquiring such assets. Transferring such previously acquired assets into the Account may result in Client paying higher investment related

expenses for such assets than Client would otherwise pay were such assets retained in a commission-based mutual fund or other type of account such as direct investment with a mutual fund company.

The wrap fee does not include, and the Client will be additionally responsible and charged for: commissions, mark-ups, spreads and other transactional charges on securities transactions effected with or through brokers and dealers other than the Firm, interest on debit account balances, where applicable; the entire public offering price (including underwriting commissions or discounts) on securities purchased from an underwriter or dealer involved in a distribution of securities; bid-ask spreads; odd-lot differentials; exchange fees, pass-through fees, transfer taxes on other fees required by law; Individual Retirement Account (IRA) fees, qualified retirement plan account fees, postage & handling fees and other account maintenance fees; usual and customary transaction charges on the liquidation of assets not eligible for the Program; management and other fees on open-end, closed-end and exchange traded mutual funds and UITs; margin interest; any contingent deferred sales charge assessed by a Mutual Fund company on the sale or liquidation of a mutual fund; check reordering cost and fees; short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see fund prospectus for details) made within short periods of time. These short-term trading charges are imposed by the mutual funds to deter "market timers" who trade in fund shares

#### 5. Professional Management Program ("PMP")

PMP accounts are charged a "wrap fee" for investment advice and any applicable brokerage commissions. The standard fee schedule, which is negotiable, is based on asset size. This standard fee shall be effective if designated or if the fee schedule is otherwise blank. Any change to the annualized fee must be in writing and signed by the Client and the Firm.

A minimum initial account value of \$25,000 is required for PMP accounts. Under certain circumstances this minimum may be waived. Whenever there are changes to the fee schedule, the schedule or charges previously in effect shall continue until the next quarterly billing cycle. Established fees may not be increased without Client approval.

The wrap fee does not include, and the Client will be additionally responsible and charged for: commissions, mark-ups, spreads and other transactional charges on securities transactions effected with or through brokers and dealers other than the Firm, interest on debit account balances, where applicable; the entire public offering price (including underwriting commissions or discounts) on securities purchased from an underwriter or dealer involved in a distribution of securities; bid-ask spreads; odd-lot differentials; exchange fees, pass-through fees, transfer taxes on other fees required by law; Individual Retirement Account (IRA) fees, qualified retirement plan account fees, postage & handling fees and other account maintenance fees; usual and customary transaction charges on the liquidation of assets not eligible for the Program; management and other fees on open-end, closed-end and exchange traded mutual funds and UITs; margin interest; any contingent deferred sales charge assessed by a Mutual Fund company on the sale or liquidation of a mutual fund; check reordering cost and fees; short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see fund prospectus for details) made within short periods of time. These short-term trading charges are imposed by the mutual funds to deter "market timers" who trade in fund shares.

#### 6. Advisor Select

The Account assets used to calculate the Quarterly Fee will include those invested assets transferred into the Account for which Client may have previously paid a separate sales charge or load, commission, mark-up, or other cost associated with acquiring such assets.

Transferring such previously acquired assets into the Account may result in Client paying higher investment related expenses for such assets than Client would otherwise pay were such assets retained in a commission-based mutual fund or other type of account such as direct investment with a mutual fund company.

A fee-based arrangement may not be appropriate for customers who anticipate engaging in a lower level of trading activity, as substantially greater transaction cost savings may be realized in the context of a traditional pay-per-trade commission structure.

The fee payable by the Client pursuant to the Client Agreement covers investment advisory services rendered by the Firm, and certain commissions, mark-ups and other transactional charges applicable to securities transactions, subject to the terms of the Fees described as follows.

Client will pay an Annual Fee, which is negotiable, based upon the Annual Fee schedule and terms. The Standard Annual Fee shall be effective if designated or if the fee schedule is otherwise blank. The minimum value of the Account is \$25,000. Under certain circumstances this minimum may be waived. Any change to the Annual Fee must be agreed to by Client and the Firm, except as described elsewhere in the terms of the Client Agreement.

The Firm reserves the right to terminate the Client agreement for accounts whose value falls below the minimum account value of \$25,000.

The Annual Fee shall be paid in quarterly installments (each, a "Quarterly Fee") that shall be deducted in advance by the Firm from Client's Account. The Quarterly Fee may be more than the commissions that might otherwise accrue under the Firm's regular commission rates. The Quarterly Fee will be based upon all assets in the Account. Client authorizes the Firm to deduct the Quarterly Fee from the Account in the following order:

- a. from any free credit balances in the Account;
- b. from the balances in the Firm's Insured Deposit Program (IDP);
- c. from the balances in any money market funds;
- d. from the proceeds received by liquidating securities positions.

The initial Quarterly Fee shall be payable to the Firm within five (5) days of the Firm accepting the Client Agreement based upon the value of the Account on the date of acceptance for the partial calendar quarter beginning on such date. Thereafter, the Quarterly Fee shall be payable on the first business day of each succeeding calendar quarter based upon the billable value of the Account as reflected on the quarter month end statement. The Client will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination.

The fee payable covers all investment advisory services rendered by the Firm as well as commissions, mark-ups and other transactional charges applicable to securities transactions affected for the Account with or through the Firm. The fee also covers custodial services, and other Account related services provided by the Firm.

The fee payable pursuant to the Advisor Select Agreement does not cover, and the Client will be additionally responsible and charged for: commissions, mark-ups, spreads and other transactional charges on securities transactions effected with or through brokers and dealers other than the Firm, interest on debit account balances, where applicable; the entire public offering price (including underwriting commissions or discounts) on securities purchased from an underwriter or dealer involved in a distribution of securities; bid-ask spreads; odd-lot differentials; exchange fees, pass-through fees, transfer taxes on other fees required by law; Individual Retirement Account (IRA) fees, qualified retirement plan account fees, postage & handling fees and other account maintenance fees; usual and customary transaction charges on the liquidation of assets not eligible for the Advisor Select Program; management and other fees on open-end, closed-end and exchange traded mutual funds and UITs; margin interest; any contingent deferred sales charge assessed by a Mutual Fund company on the sale or liquidation of a mutual fund; check reordering cost and fees; short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see fund prospectus for details) made within short periods of time. These short-term trading charges are imposed by the mutual funds to deter "market timers" who trade in fund shares.

#### 7. Financial Planning

The Firm may charge a fee for this service. Under certain circumstances the financial planning fee, if any, may be negotiable. The fee does not include transaction execution services, either at the Firm or any other broker-dealer.

#### 8. Qualified Plan Sponsors & Participants

Charges to the Plan Sponsor or Plan Participant could include a one-time setup fee and/or an annual fee based upon a percentage of the assets contained in the plan, or a specified flat fee to be agreed upon by the Plan Sponsor or Plan Participant and the IAR. The signed agreement will continue in force from year to year, unless one party notifies the other in writing, no less than 45 days prior to the desired termination date. The Plan Sponsor or Plan Participant also has the right to terminate the agreement within five (5) business days of the execution of the agreement, without penalty, by providing the IAR with written notice of such election to rescind. The Plan Sponsor and/or Plan Participant are not required to hold their accounts with the Firm.

#### 9. Sterling Advisors

Sterling Advisors' fees for investment advisory services for Individuals and Institutions are based on the amount of assets under management, and are billed and payable quarterly in arrears, as stated in the advisory agreement. SAM program accounts are charged a wrap fee which compensates the Firm for investment management, custody and execution services. For Sterling Advisors directed brokerage accounts, clients will pay the Firm for investment management, and the third-party brokerage firms they select for custody and execution services separately.



Standard fee schedule	
On the first \$2 million	1.00%
On the next \$3 million	.75%
On the next \$20 million	.50%
On the next \$25 million	.40%
On assets above \$50 million	.30%

Sterling Advisors reserves the right to negotiate fees based on individual Client characteristics, including related accounts, and to charge a flat fee.

The fees that Sterling Advisors charges for investment advisory services are specified in an agreement between Sterling and each individual Client. If Clients agree, Sterling Advisors can arrange to deduct fees directly from their account.

If a Sterling Advisors Client terminates their investment advisory contract during a quarter, fees will be prorated to the date of termination and a final fee will be due. Any unearned or prepaid fees, if applicable, will be credited or refunded to Sterling Advisors Clients.

For Individuals and Institutions, Sterling Advisors minimum account size is \$5 million. Investment minimums for the wrap account programs Sterling Advisors manages are set by the program sponsor. Under certain circumstances, the minimum may be waived.

The wrap fee does not include, and the Client will be additionally responsible and charged for: commissions, mark-ups, spreads and other transactional charges on securities transactions effected with or through brokers and dealers other than the Firm, interest on debit account balances, where applicable; the entire public offering price (including underwriting commissions or discounts) on securities purchased from an underwriter or dealer involved in a distribution of securities; bid-ask spreads; odd-lot differentials; exchange fees, pass-through fees, transfer taxes on other fees required by law; Individual Retirement Account (IRA) fees, qualified retirement plan account fees, postage & handling fees and other account maintenance fees; usual and customary transaction charges on the liquidation of assets not eligible for the Program; management and other fees on open-end, closed-end and exchange traded mutual funds and UITs; margin interest; any contingent deferred sales charge assessed by a Mutual Fund company on the sale or liquidation of a mutual fund; check reordering cost and fees; short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see fund prospectus for details) made within short periods of time. These short-term trading charges are imposed by the mutual funds to deter "market timers" who trade in fund shares.

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

We do not charge advisory fees based on the capital appreciation of the funds or securities in a Client account (so-called performance-based fees). Our advisory fee compensation for each of our Programs is disclosed above in Item 5.

## **Item 7 – Types of Clients**

We generally provide our services to the following types of Clients:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Taft-Hartley plans, governmental plans, municipalities
- Not-for-profit entities
- Private equity firms (Consulting only)
- Outside investment platforms

See Item 5 above for the minimum account sizes of each of our various Programs.

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

For a description of the methods of analysis and investment strategies of each of our Programs, see Item 4B above. These methods vary widely across the Firm and Managers. Security analysis methods include charting, fundamental, technical and cyclical analysis. Investment strategies used to implement advice given to Clients may include long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions and approved option writing.

## **Risk of Loss**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized. Stock markets and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

## **Item 9 – Disciplinary Information**

As a registered broker-dealer and investment advisor, we from time to time are subject to disciplinary actions from our regulators. Such disciplinary actions have historically been and are currently disclosed on our Forms BD and ADV Part 1. We disclose the following disciplinary events which occurred within the last ten (10) years which we believe may be material to you when evaluating us to initiate or continue a Client/Adviser relationship with us.

On January 6, 2010, the Commonwealth of Virginia, State Corporation Commission, initiated a regulatory action against Scott & Stringfellow, LLC (“S&S”) (Docket/Case Number #SEC-2009-00112). The Virginia State Corporation Commission’s Division of Securities and Retail Franchising alleged that S&S violated Commission Rules 21 VAC 5-20-260A and B, and 21 VAC 5-20-580A3 and A18 in connection with the marketing and sale of auction rate securities to Virginia residents. Prior to entering into this settlement with the Virginia State Corporation Commission, S&S offered to purchase, at par, auction rate securities (“ARS”) from certain eligible customers (“Offer”). As part of the settlement, S&S undertook to: abide by the terms and conditions of its Offer; make up the difference paid to any eligible customers who sold ARS below par; reimburse eligible customers for expenses on ARS secured loans; and participate in FINRA’s ARS Arbitration Program. Although S&S believed that it had meritorious defenses to the allegations, to avoid the uncertainty and expense of litigation, and without admitting or denying the allegations, S&S settled the matter. The Order was entered by the Virginia State Corporation Commission on January 6, 2010. On August 1, 2013, the Firm received a follow-up letter from the Division requesting additional reporting regarding matters that were covered in the January 6, 2010 settlement. On August 23, 2013, the Firm agreed to the Division’s request for additional reporting.

On May 27, 2010, the Commonwealth of Virginia, State Corporate Commission (the “Commission”), initiated a regulatory action against Scott & Stringfellow, LLC (“S&S”) (Docket/Case Number #SEC-2010-00091). The Commission alleged that S&S violated Securities Rule 21 VAC 5-20-260 B for inadequate supervision in connection with a former registered representative’s recommendation and sale of allegedly unsuitable securities to a customer. Without admitting or denying the allegations, and to avoid the cost and uncertainty of continued investigation by the Commission, S&S agreed to the entry of a settlement order, fully and finally resolving the matter with the Commission. The settlement order levied a fine of \$20,000 against S&S. S&S was also charged an additional \$5,000 in investigative charges. The settlement order was executed by the Commission on January 6, 2011. The \$20,000 fine and \$5,000 investigative charges were paid on December 31, 2010 and no portion of either was waived. A \$10,000 rescission offer to the customer was made on January 10, 2011. The registered representative who was the subject of the investigation is no longer employed by S&S.

On June 19, 2012, FINRA accepted a Letter of Acceptance, Waiver and Consent (“AWC”) from Scott & Stringfellow, LLC (“S&S”) (Case Number 20090195365). The allegations are as follows: During the period from January 2008 through June 2009 (the “Relevant Period”), S&S failed to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with applicable NASD and/or FINRA rules in connection with the sale of leveraged, inverse, and inverse-leveraged Exchange-Traded Funds (“Non-Traditional ETFs”). Non-Traditional ETFs have certain risks that are not found in traditional ETFs, such as the risks associated with a daily reset, leverage and compounding. The performance of Non-Traditional ETFs over longer periods of time can differ significantly from the performance of their underlying index or benchmark, especially in volatile markets. Nonetheless, S&S supervised Non-Traditional ETFs the same way it supervised traditional ETFs. Thus, S&S failed to establish a reasonable supervisory system and written procedures to monitor the sale of Non-Traditional ETFs. S&S also failed to establish adequate formal training regarding Non-Traditional ETFs during the Relevant Period. In addition, certain S&S registered representatives did not have an adequate understanding of Non-Traditional ETFs before recommending these products to retail brokerage customers. Certain S&S registered representatives also made unsuitable recommendations of Non-Traditional ETFs to certain customers with the primary investment objectives of income or capital preservation. S&S consented, without admitting or denying the findings, to the imposition of the following sanctions in the AWC, namely a censure and a fine in the amount of \$350,000. S&S paid the fine on June 27, 2012.

On July 29, 2013, FINRA issued a Letter of Acceptance, Waiver and Consent (“AWC”) against BB&T Investment Services, Inc. (“BB&T IS”) (Case Number #2012033571401). The allegations are as follows: BB&T IS failed to transmit all of its reportable order events (ROES) to the Order Audit Trail System (OATS) on numerous business days. BB&T IS consented without admitting or denying the findings, upon

which a censure and fine in the amount of \$7,500 was imposed on the firm. BB&T IS became a division of BB&T Securities, LLC on January 1, 2018.

On December 13, 2013, FINRA accepted a Letter of Acceptance, Waiver, and Consent ("AWC") from the Firm (Case Number #2012033723601). The allegations are as follows: During the period September 1, 2011 to December 28, 2011, the Firm effected sales of unregistered securities and that the Firm's AML programs failed to adequately address potential suspicious activity related to the unregistered securities. In addition, during the period August 23, 2010 to February 24, 2012, the Firm failed to maintain sufficient records of research analysts' public appearances, and that the Firm between 2002 and 2011 failed to consistently send change of address notices to Client. The Firm consented, without admitting or denying the findings, to the issuance of an AWC, a censure and a fine in the amount of \$300,000.

On August 25, 2016, without admitting or denying the findings, the Firm consented to the entry of an Order (File No. 3-17502) by the United States Securities and Exchange Commission (the "SEC") Instituting Cease-and-Desist Proceedings, Making Findings, and Imposing a Cease-and-Desist Order (the "Order"). The Order states that from December 2, 2011 to October 1, 2013, in reliance on F-Squared Investments, Inc.'s ("F-Squared") false statements, BB&T Securities' AlphaSector advertisements falsely stated that F-Squared had assets invested in the AlphaSector strategy from April 2001 to September 2008, and that the track record for these investments had significantly outperformed the S&P 500 Index during this period. The Order also states that the Firm took insufficient steps to confirm the accuracy of F-Squared's AlphaSector performance data for this period and failed to obtain sufficient documentation to substantiate F-Squared's advertised performance, resulting in the Firm violating Sections 206(4) and 204(a) of the Advisers Act and Rules 206(4)-1(a)(5) and 204-2(a)(16) thereunder. The Order requires the Firm to cease and desist from committing or causing any violations of the above-referenced provisions and to pay a \$200,000 penalty to the SEC.

The firm has consented, without admitting or denying the findings, to the issuance of an administrative cease-and-desist order by the SEC (the "Order") issued on September 7, 2018. The Order includes findings that, during the period between approximately March 2012 and July 2015, BB&T Investment Services, Inc. ("BB&TIS"), which merged into the firm effective January 1, 2018, violated Section 206(2) of the Investment Adviser's Act of 1940 (the "Adviser's Act") by failing to adequately disclose certain conflicts of interest relevant to its recommendation of an affiliated adviser's wrap fee program. Specifically, the Order finds that BB&TIS failed to disclose sufficient facts to enable clients to determine that a compensation arrangement between BB&TIS and the affiliated adviser created an incentive for BB&TIS and its investment advisory representatives to recommend that clients invest in the affiliated adviser's wrap fee program rather than two other available wrap fee programs. The Order orders the firm to cease and desist from any further violations of Section 206(2) of the Adviser's Act and imposes a \$100,000 penalty.

On March 5, 2019, without admitting or denying the findings, the Firm consented to the entry of an Order (File No. 3-19020) by the United States Securities and Exchange Commission ("SEC") Instituting Administrative Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"). In late 2015, BB&T Corporation ("BB&T Corp.") acquired the parent entity of Valley Forge Asset Management, LLC ("Valley Forge"), a former dually registered investment adviser and broker-dealer. Valley Forge continued to operate independently until March 1, 2016, when it was merged into the Firm. The Order states that from 2013 to 2016, Valley Forge made misleading statements in its Form ADV Part 2A and Exhibit 1 of its Investment Advisory Contract regarding its Affiliated Brokerage program and failed to fully inform its clients regarding their brokerage choices. The Order further states that Valley Forge charged its Affiliated Brokerage clients higher commissions compared to those paid by clients who used another directed brokerage option available to Valley Forge clients at the time. The Order notes that after Valley Forge was acquired, the Firm acted to end the Affiliated Brokerage program, amended the cost structure, and amended its disclosures. The Order states that, as a result of the conduct described above, Valley Forge willfully violated Sections 206(2) and 207 of the Advisers Act. The Order requires the Firm to cease and desist from committing or causing any violations of the above-referenced provisions, to pay disgorgement of \$4,712,366 and prejudgment interest of \$497,387, and to pay a \$500,000 penalty to the SEC.

On March 11, 2019, without admitting or denying the findings, the Firm consented to the entry of an Order (File No. 3-19068) by the United States Securities and Exchange Commission ("SEC") Instituting Administrative Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"). The Order was issued pursuant to the SEC's Share Class Selection Disclosure Initiative ("SCSD Initiative"), a voluntary initiative where Firms self-reported conduct to the SEC. The Order is one of 79 Orders issued pursuant to the SDSD Initiative on March 11, 2019. The Order states that from 2014 to 2016, the Firm purchased, recommended, or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible, and that the Firm and its associated persons received 12b-1 fees in connection with these investments. The Order states that the Firm failed to disclose the conflicts of interest related to its receipt of 12b-1 fees, and/or its selection of mutual fund share classes that pay such fees. The Order further states that, as a result of the conduct described above, the Firm willfully violated Sections 206(2) and 207 of the Advisers Act. The Order requires the Firm to complete certain undertakings, three of which were completed prior to the Order being issued, censures the Firm, requires it to cease and desist from committing or causing any violations of the above-referenced provisions, and to pay disgorgement of \$336,875.69 and prejudgment interest of \$39,183.54.

## **Item 10 – Other Financial Industry Activities and Affiliations**

The Firm is a registered broker-dealer.

BB&T Securities is an independently operated subsidiary of Truist Financial Corporation. Truist Financial Corporation is a diversified banking and financial holding company and operates banking subsidiaries across several states and Washington, D.C. Truist Bank, a

North Carolina banking company, is a wholly-owned subsidiary of Truist Financial Corporation. Truist Bank, including its divisions Truist Wealth and BB&T Retirement and Institutional Services and BB&T Trust, may serve as trustee and/or custodian of certain client accounts.

BB&T Institutional Investment Advisers Inc., an SEC registered investment adviser, is a wholly owned subsidiary of Truist Bank. Truist Bank is owned by Truist Financial Corporation, a bank holding company, the 100% owner of the Firm.

Sterling Capital Management, LLC is an SEC registered investment adviser which is owned by Truist Financial Corporation, the 100% owner of the Firm.

Sterling Capital (Cayman) Limited, a wholly-owned subsidiary of Sterling Capital Management LLC, provides investment management services to non-U.S. companies.

McGriff Insurance Services is owned by BB&T Insurance Holdings, Inc. BB&T Insurance Holdings, Inc. is a wholly-owned subsidiary of Truist Bank, a North Carolina chartered bank, which is wholly-owned by Truist Financial Corporation, a North Carolina financial holding company.

P.J. Robb Variable Corp., a FINRA member firm, is a wholly-owned subsidiary of Crump Life Insurance Services, Inc., a wholly-owned subsidiary of BB&T Insurance Holdings, Inc. BB&T Insurance Holdings, Inc. is a wholly-owned subsidiary of Truist Bank, a North Carolina chartered bank, which is wholly-owned by Truist Financial Corporation, a North Carolina financial holding company.

Precept Advisory Group, LLC is an SEC registered Investment Adviser and a division of McGriff Insurance Services, owned by BB&T Insurance Holdings, Inc. BB&T Insurance Holdings, Inc. is a wholly-owned subsidiary of Truist Bank, a North Carolina chartered bank, which is wholly-owned by Truist Financial Corporation, a North Carolina financial holding company.

The Firm's affiliated advisers (Sterling Capital Management LLC, Precept Advisory Group LLC, and BB&T Institutional Investment Advisers, Inc.) may manage limited partnerships or other private funds. A complete list of partnerships managed by these companies can be obtained by viewing each respective adviser's ADV Part I, Schedule D, Section 7.B. The Firm's customers are not solicited to invest in any of the affiliated companies' limited partnerships.

TD Ameritrade Institutional, Division of TD Ameritrade, Inc.; and Sterling Advisors

An employee of Sterling Advisors serves on the TD Ameritrade Institutional President's Council ("Council"). The Council consists of independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. The Council meets in person on average 1-2 times per year and conducts periodic conference calls on an as needed basis. At times, Council members are provided confidential information about TDA Institutional initiatives. Council members are required to sign confidentiality agreements. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate Council members. However, TD Ameritrade pays or reimburses Sterling Advisors for the travel, lodging and meal expenses Sterling Advisors incurs in attending Council meetings. The benefits received by Sterling Advisors or its personnel by serving on the Council do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Sterling Advisors or its related persons creates a conflict of interest and may influence Sterling Advisors' recommendation of TD Ameritrade for custody and brokerage services.

## Item 11 – Code of Ethics

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We have adopted an Investment Advisory Code of Ethics based on the principle that all Investment Advisory Representatives have a fiduciary duty to place the interest of Clients ahead of their own. This Code of Ethics is designed to (i) ensure we meet our fiduciary obligations to our Client, and (ii) foster and maintain a Culture of Compliance within our Firm. On an annual basis, all Investment Advisory Representatives are required to certify in writing that they are aware and will abide by the principles of the Code. We also supplement the Code with annual training and on-going monitoring of investment advisory activity.

Our Code includes the following:

- Requirements related to the confidentiality of our Client;
- Policies relating to conflicts of interest;
- Prohibitions on:
  - Insider trading;
  - Use of proprietary information, and
  - Rumor mongering;
- Policies relating to employee and Firm transactions;

Our Code does not prohibit personal trading by employees or proprietary trading by our Firm. As you may imagine, as a professional investment adviser, we follow our own advice. As a result, we or our employees may purchase or sell the same or similar securities (or securities that are suitable for a Firm or employee or related account but not suitable for any Client) at the same time that we place transactions for Client accounts.

On an annual basis, we require all Investment Advisory Representatives to re-certify to our Code. Individuals who are designated as "Access Persons" are required to make quarterly reports to Compliance of all securities transactions made in their covered accounts. By January 31<sup>st</sup> of each year Access Persons must also file an Annual Holdings Report.

Clients may request a complete copy of our Code by contacting us at the address or telephone number on the cover page of this Brochure; attn.: Chief Compliance Officer.

## **Item 12 – Brokerage Practices**

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### **1. Spectrum Investment Program**

The Firm will perform no discretionary acts with respect to the account of a Client for which it has acted in an investment advisory capacity by assisting the Client in selection of an independent investment adviser. For such Clients, the Firm is appointed as primary broker for the execution of purchase and sale transactions as directed by the independent investment adviser managing the Client's account. Accounts will be carried by the Firm, who will serve as custodian and process trade executions. In the execution of such transactions, the Firm may act as agent or as principal. The independent investment adviser may choose to effect a securities transaction on behalf of an account through or with a broker or dealer other than the Firm. Such transactions will be effected (other than through the Firm) only when the independent investment adviser reasonably believes that such other broker or dealer may effect such transaction at a price, including any brokerage commission or dealer mark-up or mark-down, that is more favorable to the account than would otherwise be the case if the transaction were effected through the Firm.

### **2. CHOICE Portfolios**

As a general matter, the Firm considers it appropriate to use its own execution services for the purchase and sale of securities involved in its CHOICE program.

Under CHOICE, the Firm effects securities transactions as agent or, where permitted by law, as principal for Clients but receives no additional brokerage execution compensation for the account. Clients authorize the Firm to effect brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

It is the Firm's practice, when feasible, to aggregate for execution as a single transaction orders for the purchase or sale of a particular security for the accounts of CHOICE (including employee, the Firm or affiliates' CHOICE accounts), in order to seek a lower commission or more advantageous net price. The benefit, if any, obtained as a result of such aggregation generally is allocated *pro rata* among the accounts of CHOICE.

### **3. Unified Managed Account Program ("UMAP")**

As a general matter, the Firm considers it appropriate to use its own execution services for the purchase and sale of securities involved in its UMAP program. In no event will the Firm be obligated to execute any transaction which it believes would violate applicable state or federal law or regulations of any self-regulatory body of which it is a member at the time of the transaction. The Firm or Manager may direct transactions to another broker-dealer in its own discretion, including when legal execution obligations so require. Clients authorize the Firm or its affiliates to effect and execute brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934 and the rules promulgated thereunder and any future amendments or changes to such statutes and rules.

The Firm will inform Clients when a new Account is opened, on an annual basis thereafter and on transaction confirmation slips, of payment for order flow practices (compensation received by placing orders through certain broker-dealers, exchanges, NASDAQ, or exchange members). To provide its Clients with the best execution price for their trades, orders placed through the Firm will be routed to primary exchanges and other market centers, including regional securities exchanges and dealers which make markets over-the-counter. In an effort to obtain the best execution price, the Firm may consider several factors, including price improvement opportunities (executions at prices superior to the then prevailing inside market on NASDAQ or national best bid or offer for listed securities), regardless of whether the Firm will receive cash or non-cash payments for routing order flow and reciprocal business arrangements. The Firm may receive remuneration for directing orders to particular broker-dealers or market centers for execution.

The Manager will act as a principal in transactions only if, prior to each such transaction, the Manager discloses in writing to Client the capacity in which it is acting and obtains Client's written consent before the execution of the transaction. Client hereby

authorizes the Firm to act as a principal in transactions to the extent permitted by applicable law and subject to applicable restrictions.

In addition, there may be instances when the Firm or an affiliate or the Manager will have an opportunity to act as agent for both buyer and seller in a securities transaction. This is called an "agency cross transaction." Because the Firm or Manager would receive compensation from each party to such an agency cross transaction, there is a potential conflict of interest. By signing the Client Agreement, Client is giving the Firm and Manager permission to do agency cross transactions for the Account when the Firm or the Manager considers them advisable. Client may revoke this consent at any time by notifying the Firm in writing.

It is Firm and Manager practice, when feasible, to aggregate for execution as a single transaction orders for the purchase or sale of a particular security for the Accounts of several Clients and, occasionally, our affiliates, in order to seek a lower commission or more advantageous net price. The benefit, if any, obtained as a result of such aggregation generally is allocated pro-rata among the Accounts of Clients and affiliates who participated in the aggregated transaction. The Firm and Manager allocate trades among Clients and affiliates in accordance with the Firm's written procedures.

#### 4. Unified Managed Account Program Select ("UMAP Select")

As a general matter, the Firm considers it appropriate to use its own execution services for the purchase and sale of securities involved in its UMAP Select program. In no event will the Firm be obligated to execute any transaction which it believes would violate applicable state or federal law or regulations of any self-regulatory body of which it is a member at the time of the transaction. The Firm or Manager may direct transactions to another broker-dealer in its own discretion, including when legal execution obligations so require. Clients authorize the Firm or its affiliates to effect and execute brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934 and the rules promulgated thereunder and any future amendments or changes to such statutes and rules.

The Firm will inform Clients when a new Account is opened, on an annual basis thereafter and on transaction confirmation slips, of payment for order flow practices (compensation received by placing orders through certain broker-dealers, exchanges, NASDAQ, or exchange members). To provide its Clients with the best execution price for their trades, orders placed through the Firm will be routed to primary exchanges and other market centers, including regional securities exchanges and dealers which make markets over-the-counter. In an effort to obtain the best execution price, the Firm may consider several factors, including price improvement opportunities (executions at prices superior to the then prevailing inside market on NASDAQ or national best bid or offer for listed securities), regardless of whether the Firm will receive cash or non-cash payments for routing order flow and reciprocal business arrangements. The Firm may receive remuneration for directing orders to particular broker-dealers or market centers for execution.

The Manager will act as a principal in transactions only if, prior to each such transaction, the Manager discloses in writing to Client the capacity in which it is acting and obtains Client's written consent before the execution of the transaction. Client hereby authorizes the Firm to act as a principal in transactions to the extent permitted by applicable law and subject to applicable restrictions.

In addition, there may be instances when the Firm or an affiliate or the Manager will have an opportunity to act as agent for both buyer and seller in a securities transaction. This is called an "agency cross transaction." Because the Firm or Manager would receive compensation from each party to such an agency cross transaction, there is a potential conflict of interest. By signing the Client Agreement, Client is giving the Firm and Manager permission to do agency cross transactions for the Account when the Firm or the Manager considers them advisable. Client may revoke this consent at any time by notifying the Firm in writing.

It is Firm and Manager practice, when feasible, to aggregate for execution as a single transaction orders for the purchase or sale of a particular security for the Accounts of several Clients and, occasionally, our affiliates, in order to seek a lower commission or more advantageous net price. The benefit, if any, obtained as a result of such aggregation generally is allocated pro-rata among the Accounts of Clients and affiliates who participated in the aggregated transaction. The Firm and Manager allocate trades among Clients and affiliates in accordance with the Firm's written procedures.

#### 5. Professional Management Program ("PMP")

As a general matter, the Firm considers it appropriate to use its own execution services for the purchase and sale of securities involved in its PMP services. On occasion, Clients may designate, or legal requirements may indicate, the use of other brokers.



Under PMP, the Firm effects securities transactions as agent, or, where permitted by law, as principal for Clients but receives no additional brokerage execution compensation for the account. Clients authorize the Firm to effect and execute brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder. There may be instances when the Firm or an affiliate or the Manager will have an opportunity to act as agent for both buyer and seller in a securities transaction. This is called an "agency cross transaction." Because the Firm or Manager would receive compensation from each party to such an agency cross transaction, there is a potential conflict of interest.

PMP IARs also are authorized to purchase for their own account securities that are purchased for Clients.

It is the Firm's practice, when feasible, to aggregate for execution as a single transaction orders for the purchase or sale of a particular security for the accounts of several PMP Clients, in order to seek a lower commission or more advantageous net price. The benefit, if any, obtained as a result of such aggregation generally is allocated *pro rata* among the accounts of Clients which participated in the aggregated transaction.

#### 6. Advisor Select

The Firm will perform no discretionary acts with respect to the account of an Advisor Select Client. Consistent with its duty to the Client to seek and obtain best execution on securities transactions, most securities transactions will be affected with and through the Firm. Any principal and agency cross transactions will be affected through the Firm only to the extent and in the manner permitted by applicable law, rules and regulations. In any case, the Firm receives no additional brokerage execution compensation for the account. The Firm may aggregate contemporaneous purchase or sell orders for the same securities with orders of other customers in accordance with applicable legal and regulatory guidelines.

#### 7. Sterling Advisors Management Program ("SAM")

As a general matter, the Firm considers it appropriate to use its own execution services for the purchase and sale of securities involved in its SAM program.

Under SAM, the Firm effects securities transactions as agent or, where permitted by law, as principal for Clients but receives no additional brokerage execution compensation for the account. Clients authorize the Firm to effect brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder. There may be instances when the Firm or an affiliate will have an opportunity to act as agent for both buyer and seller in a securities transaction. This is called an "agency cross transaction." Because the Firm would receive compensation from each party to such an agency cross transaction, there is a potential conflict of interest.

It is the Firm's practice, when feasible, to aggregate for execution as a single transaction orders for the purchase or sale of a particular security for the accounts of SAM (including employee, the Firm or affiliates' SAM accounts), in order to seek a lower commission or more advantageous net price. The benefit, if any, obtained as a result of such aggregation generally is allocated *pro rata* among the accounts of SAM.

#### 8. Additional Disclosures

Managers of fixed income portfolios have historically placed more trades through other broker-dealers than equity managers and as a result Clients of these fixed income managers will pay more for execution to the extent their managers trade away and the total net price paid for bonds could exceed the net price the Firm might have obtained, acting as agent. A portion of the wrap fee compensates the Firm for custody, clearance and settlement activities that are undertaken by the Firm even where a manager chooses to place the trade through a broker-dealer other than the Firm. Clients should read the disclosures related to the Firm program in which they enroll and also the disclosures of their chosen Managers (particularly those disclosures regarding best execution, since those Managers are responsible for best execution and control brokerage selection on behalf of their Clients).

#### 9. Sterling Advisors – Directed Brokerage

Clients can direct Sterling Advisors to use a particular broker-dealer for trade execution and custody of their assets. When a client directs Sterling Advisors to use a particular broker-dealer, Sterling Advisors will not be able to negotiate commission rates or spreads, or to select a different broker-dealer based on Sterling Advisor's determination of the best price and execution available at the time of any trade. Clients might obtain lower spreads, more favorable pricing and lower commissions if they direct Sterling Advisors to use a particular broker-dealer. Clients directing Sterling Advisors to use a particular broker-dealer might also result in greater spreads, less favorable pricing and will result in clients paying higher commissions. Whether it will be more or less advantageous to the client to direct Sterling Advisors to utilize a particular broker-dealer for trade execution and custody will depend upon the specific arrangement between the client and the client's selected broker-dealer.

If Client directs brokerage, Client represents that the direction of brokerage (i) shall be for the exclusive purpose of providing benefits to participants and beneficiaries of the plan, and (ii) shall not constitute, or cause the Account to be engaged in, a 'prohibited transaction,' as defined in ERISA.

Sterling Advisors is also an approved investment advisor on a limited number of wrap fee or networking programs sponsored by other firms not affiliated with Sterling Advisors. Some wrap accounts may utilize model based portfolios. The wrap program sponsor assumes responsibility for manager selection, custody, execution, performance reporting and consulting services, while Sterling Advisors sole responsibility is to provide investment management. All services provided to the Client by Sterling Advisors and the wrap sponsor under these agreements are paid for by a single fee charged to the Client.

#### 10. Brokerage for Client Referrals

Sterling Advisors participates in the institutional advisor program ("the Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Sterling Advisors receives benefits from TD Ameritrade through our participation in the Program. Please see the disclosure listed in Item 14.

### Item 13 – Review of Accounts

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With the exception of the Sterling Advisors Division, the Firm's Supervision and Oversight ("O&S") unit is responsible for the quarterly review of advisory accounts. O&S will review a selected sample of advisory accounts using a risk based approach which includes reviews of, but not limited to, suitability, trading volume, cash balance and overall performance.

#### 1. Spectrum Investment Program

The Firm assists Clients in the selection of investment advisers that are suitable for the Client's investment objectives. The Firm does not have discretionary authority over the assets in these accounts, and does not supervise such accounts on a daily basis. On a periodic basis, the IAR reviews the independent investment adviser's performance, using objective criteria, based on reports provided by the Firm and the independent investment adviser. At each review, the investment adviser's performance and adherence to the Client's investment strategy are measured against objective criteria. The IAR typically meets with the Client on an annual basis to review these results.

Those Clients who have independent investment advisers have available a quarterly analysis of the portfolio from the Firm, and in some cases, the independent investment adviser as well. The Firm provided quarterly analysis provides the following: details of investment earnings, performance tracking (for the quarter and since inception), and returns compared to appropriate benchmarks. Additional reports to Clients provided by the Firm include account statements (itemizing all cash and securities transactions, dividends and interest received, all deposits and withdrawals of principal and income during the preceding calendar month), and statements of securities in custody listing securities held in the account.

Spectrum Investment Program Clients have the option to receive individual trade confirmations from the Firm reflecting all securities transactions executed through the Firm. Clients may elect to receive or not to receive a confirmation for each securities transaction, which election may be rescinded at any time.

#### 2. CHOICE Portfolios

For the CHOICE Wrap Fee Program, the Client's investment objective and strategy are reviewed for approval and consistency with CHOICE guidelines for each particular portfolio when each CHOICE account is opened. The Firm is responsible for monitoring of the activity in their Clients' fee-based accounts to ensure the respective advisory program is appropriate. The IAR for the account will meet with the Client no less than annually to determine if the Client's financial status has changed.

The Firm provides CHOICE Clients with periodic reports of relevant activity. Each CHOICE Wrap Fee Program account will receive: (1) confirmation of each transaction in securities (except money market fund transactions); (2) monthly statements of account; and (3) annual summary of transactions and dividend and interest statements. At account inception CHOICE Clients may elect not to receive a confirmation for each securities transaction, which election may be rescinded at any time.

#### 3. Unified Managed Account Program ("UMAP")



For the Unified Managed Account Program (UMAP), the Client's investment objective and strategy are reviewed for consistency with UMAP guidelines when each account is opened. On a regular basis, the Firm reviews the portfolio to ensure that the current allocation is within an acceptable range of the target allocation guidelines. The Firm will rebalance the portfolio if the current allocation deviates outside of the acceptable range of the target allocation. The IAR for the account will meet with the Client no less than annually to determine if the Client's financial status has changed which would result in changes to the Client's portfolio or investment objectives, risk tolerance and time horizon. The Client may at any time place restrictions on his/her account and may change investment objectives, risk tolerance and time horizon.

4. Unified Managed Account Program Select ("UMAP Select")

For the Unified Managed Account Program Select (UMAP Select), the Client's investment objective and strategy are reviewed for consistency with UMAP Select guidelines when each account is opened. On a regular basis, the Firm reviews the portfolio to ensure that the current allocation is within an acceptable range of the target allocation guidelines. The Firm will rebalance the portfolio if the current allocation deviates outside of the acceptable range of the target allocation. The IAR for the account will meet with the Client no less than annually to determine if the Client's financial status has changed which would result in changes to the Client's portfolio or investment objectives, risk tolerance and time horizon. The Client may at any time place restrictions on his/her account and may change investment objectives, risk tolerance and time horizon.

5. Professional Management Program ("PMP")

For the PMP account, the Client's investment objective and strategy are reviewed for consistency with PMP guidelines when each PMP account is opened. The Firm and its IARs are responsible for the monitoring of the activity in their Clients' PMP accounts to ensure the program remains appropriate for the Client. On a periodic basis, the IAR will review the account's performance and adherence to the Client's investment strategy using the reports provided by the Firm. The IAR will meet with Clients on at least an annual basis.

The Firm provides PMP Clients with periodic reports of relevant activity. Each PMP account receives a confirmation of each transaction in securities (except money market mutual fund transactions) and monthly statements. PMP Clients may elect not to receive a confirmation for each securities transaction, which election may be rescinded at any time.

6. Advisor Select

The Advisor Select account is a non-discretionary advisory account. Based on the Client's investment needs and objectives, the IAR consults with the Client in determining an investment strategy compatible to their objectives and needs. The Firm and its IARs are responsible for the monitoring of the activity in their Clients' Advisor Select accounts to ensure the program remains appropriate for the Client. On a periodic basis, the IAR will review the account's performance and adherence to the Client's investment strategy using the reports provided by the Firm. The IAR will meet with Clients on at least an annual basis.

The Firm provides Advisor Select Clients with periodic reports of relevant activity. Each Advisor Select account receives: (1) confirmation of each transaction in securities (except money market mutual fund transactions); (2) monthly statements of account; and (3) annual summary of transactions and dividend and interest statements.

7. Sterling Advisors

The Client provides Sterling Advisors with an Investment Policy Statement (IPS) when the account is opened. Sterling reviews the portfolio, at a minimum, each quarter to ensure that the current allocation is within an acceptable range of the IPS. Sterling will rebalance the portfolio if the current allocation deviates outside of the acceptable range of the IPS. On a quarterly basis, Sterling Advisors management will review a sample of Sterling Advisors advisory accounts using a risk-based approach similar to the one used by O&S. The IAR for the account will meet with the Client at least annually to determine if the Client's financial status has changed which would result in changes to the Client's portfolio or investment objectives, risk tolerance and time horizon. The Client may at any time place restrictions on his/her account and may change investment objectives, risk tolerance and time horizon by notifying Sterling Advisors in writing.

Each Sterling Advisors account receives: (1) monthly statements of account activity provided by custodian; and (2) an inventory of investments and a report of investment results at least quarterly.

## Item 14 – Client Referrals and Other Compensation

Non-employee third-parties who are directly responsible for bringing a Client to the Firm; such as accountants, may receive compensation from the Firm. Such agreements will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, including the requirement that the relationship between the solicitor and the investment advisor be disclosed to the Client at the time of the solicitation or referral. Referral fees are a percentage of the annual management fees earned by the Firm on referred accounts and represent no additional expenses to such accounts. The Client will be requested to acknowledge this arrangement prior to acceptance of the Clients' funds.

In certain cases, applicable state laws may require these third-parties to become either licensed as representatives of the Firm or as independent investment advisors.

#### TD Ameritrade Institutional Program

As disclosed in Item 12, Sterling Advisors participates in TD Ameritrade's institutional customer program and such Clients may choose TD Ameritrade for custody and brokerage services. There is no direct link between Sterling Advisors participation in the program and the investment advice given to Clients, although Sterling Advisors receives economic benefits through participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount):

- Receipt of duplicate Client statements and confirmations
- Access to a trading desk serving Advisor participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts)
- The ability to have advisory fees deducted directly from Client accounts
- Access to an electronic communications network for Client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers and
- Discounts on compliance, marketing, research, technology, and practice management products or services provided by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit Sterling Advisors but may not benefit our Client accounts. These products or services may assist in managing and administering Client accounts, including accounts not maintained at TD Ameritrade.

Other services made available by TD Ameritrade are intended to help manage and further develop our business enterprise. The benefits received by or its personnel, through participation in the program, do not depend on the amount of brokerage transactions directed to TD Ameritrade.

As part of our fiduciary duties to Clients, we endeavor at all times to put the interests of our Clients first. Clients should be aware, however, that the receipt of economic benefits by Sterling Advisors or our related persons in and of itself create a potential conflict of interest and may indirectly influence recommending TD Ameritrade for custody and brokerage services.

#### TD Ameritrade Advisor Direct Program

Sterling Advisors participates in TD's AdvisorDirect program. As part of this program, TD Ameritrade refers prospective clients to the Firm. In return, referred client accounts are custodied and trades are executed at TD Ameritrade, and the Firm pays TD Ameritrade an ongoing fee for each client referral account. TD Ameritrade does not supervise Sterling Advisors and has no responsibility for our management of Client portfolios or our other advice or services. Sterling Advisors pays TD Ameritrade an on-going fee for each successful Client referral. This fee is usually a percentage (not to exceed 25%) of the assets under management of the referred account ("Solicitation Fee"). Sterling Advisors will also pay TD Ameritrade a Solicitation Fee on any advisory fees paid to us from any of a referred Client's family members, including a spouse, child or any other immediate family member who resides with the referred Client and hired us on the recommendation of such referred Client.

Sterling Advisors will not charge Clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our Clients or otherwise pass Solicitation Fees paid to TD Ameritrade to Sterling Advisors Clients.

If a referred client's assets are later transferred to a Firm representative that is not a participant in TD's AdvisorDirect program, transferred to another financial institution, or moved to a third party, the Firm is obligated to pay TD referral fees for a set number of years from the date the account was transferred or reassigned and, depending on the specific circumstance, to make a one-time payment to TD Ameritrade.

In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Sterling Advisors may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Client accounts maintained with TD Ameritrade.

TD Ameritrade is a discount broker-dealer independent of and unaffiliated with the Firm and there is no employee or agency relationship between the Firm and TD Ameritrade. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors.

For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

In addition, Sterling Advisors has agreed not to solicit Clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Sterling Advisors participation in AdvisorDirect does not diminish our duty to put the interest of our Clients first.

Sterling Advisors' participation in TD's AdvisorDirect program creates a conflict of interest for the Firm. In order to obtain client referrals from TD Ameritrade, Sterling Advisors has an incentive to recommend that clients custody their assets and place trades through TD Ameritrade. The negative financial consequences to the Firm if Sterling Advisors recommends to referred Clients that they transfer their accounts to non-AdvisorDirect representatives, from TD Ameritrade or to establish brokerage or custody accounts at other custodians, also creates a conflict of interest for the Firm.

## **Item 15 – Custody**

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The Firm may have custody of certain securities held by Client Accounts in our Programs. As part of its clearing function, the Firm is responsible for transmitting monthly account statements to Client Accounts.

On an exception only basis at the request of the Client, a third party custodian other than the Firm may be used. For Clients choosing to use a third party custodian, they will be subject to any additional custodial fees charged by and collected by their respective third party custodian. Clients who use a third party custodian will be charged for custodian fees within the wrap program in addition to any fee assessed by their respective third party custodian.

As discussed in Item 12 above, Sterling Advisors allows Clients to use third party brokers and custodians. In such case Clients will be charged separate brokerage and custodial fees that are collected by their respective third party custodian, or broker. Clients are encouraged to compare the account statement received from qualified custodians and the statements provided by the Firm. For tax and other purposes, the custodial statement is the official record of your account(s) and assets.

## **Item 16 – Investment Discretion**

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For a discussion of Investment Discretion within our Programs, see Items 4B and 12 above.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

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For UMAP, UMAP Select, Spectrum (when available), PMP, CHOICE, and Sterling Advisors accounts, the Firm employs a third party proxy voting service to vote proxies in the best interest of the client. Clients may obtain a copy of the proxy voting policies and procedures upon request by using the address or telephone number on the front page of this Brochure, Attn: Chief Compliance officer or contacting your IAR. In addition, Client will be provided information on how the proxies were voted by this third party firm upon request of the IAR.

## **Item 18 – Financial Information**

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The Firm does not charge or solicit pre-payment of fees by Clients six months or more in advance. The Firm is not aware of any financial conditions or events which are reasonably likely to impair its ability to meet its contractual commitments to its Clients.

## **Item 19 – Requirements for State-Registered Advisers**

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N/A