

## **Snowden Capital Advisors LLC**

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### **Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure**

**March 30, 2024**

This wrap fee program brochure ("Wrap Fee Brochure") provides information about the qualifications and business practices of Snowden Capital Advisors LLC ("SCA"). If you have any questions about the contents of this Wrap Fee Brochure, please contact us at (646) 218-9767 and/or [compliance@snowdenlane.com](mailto:compliance@snowdenlane.com).

The information in this Wrap Fee 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 SCA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

SCA is an SEC-registered investment adviser. Such registration does not imply a certain level of skill or training.

## Item 2 Material Changes

Snowden Capital Advisors LLC ("SCA") filed its last update of its wrap brochure on March 31, 2023. This brochure (the "Brochure") includes information regarding certain material changes made since SCA's last filing. For additional details, please reference the section listed.

### Item 4 Services, Fees, and Compensation

- SCA is wholly owned by Snowden Intermediate Holdings LLC
- In addition to our primary custodian, Pershing LLC, SCA uses Pershing Advisor Solutions LLC ("PAS"), member FINRA/SIPC and Charles Schwab & Co.
- All accounts formerly custodied with TD Ameritrade are now custodied at Charles Schwab & Co.
- Financial Advisors affiliated with SCA are also registered as insurance agents with SCA's affiliate insurance agency, Snowden Insurance Services LLC ("SIS"). In their role as registered representatives or producing agents, as applicable, they will earn commissions on brokerage products sold to you through SAS or insurance commissions through SIS.
- Cash and cash equivalent balances are included in your advisory fee calculations.
- 12b-1 fees paid by the Fund are automatically refunded to the Clients' accounts by the Custodian. These fees are not paid to SCA. Clients may also own such funds when they transfer their assets to SCA upon opening an account. Clients that own a share class other than the lowest cost share class that is available to them will pay additional internal fees to the mutual fund sponsor, thus reducing their returns over time.
- For advisory clients with accounts custodied at Pershing Advisor Solutions LLC ("PAS"), an asset-based fee ("AB Fee") is deducted monthly from each account. It is not charged to clients in the wrap program.
- Some Financial Advisors received recruiting and retention payments that subject the Financial Advisor to certain ongoing responsibilities. These payments take the form of an upfront loan.
- SCA has the discretion to hire and fire managers and to change your selected management program while staying within your risk tolerance.

### Item 9 Additional Information

- Additional clarification is included about our firm's Code of Ethics.
- We no longer participate in the TD Ameritrade Institutional adviser program.
- Additional details about our Financial Advisors and their registration with our affiliated broker-dealer, Snowden Account Services LLC ("SAS"), as well as the conflicts of interest this brings are provided.
- We included additional information about how we conduct reviews for best execution and also details about mutual fund and exchange-traded fund share classes that is important for you to know.

- SCA routinely recommends that clients direct us to execute transactions through one of our available custodians. Not all advisers require their clients to direct brokerage.
- SAS receives compensation from Pershing LLC. This compensation and other benefits SAS receives are financially significant to SCA and our affiliated firms and are some of the many reasons we recommend Pershing LLC to our clients.
- Other compensation received from Pershing is listed. This includes recruiting or business development compensation; forgivable promissory notes; compensation based on net new assets, a previous one-time renewal bonus received from Pershing LLC; third-party compensation; margin balance compensation; distribution assistance for money market funds and bank deposit sweep funds held at Pershing LLC; non-purpose loan compensation; and referral arrangements to third-party investment managers.

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## Item 4 Services, Fees, and Compensation

### Introduction

Snowden Capital Advisors LLC (“SCA,” “we,” or the “Firm”), a Delaware limited liability company that was formed and began operating in 2011, is an investment adviser registered with the SEC. Such registration does not imply a certain level of skill or training.

This Wrap Fee Brochure is offered to potential and existing clients to provide an understanding of the services we provide to clients with wrap fee accounts and our conflicts of interest. The information in this Wrap Fee Brochure has not been approved or verified by any governmental or regulatory authority. The advisory services described in this Wrap Fee Brochure are not insured or otherwise protected by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other governmental agency and involve risk, including the possible loss of principal.

SCA is wholly owned by Snowden Capital Partners LLC (“SCP”), a Delaware limited liability company. SCP is privately owned by members of its management team and Estancia Capital Partners, L.P., a private investment fund, among other private investors.

Clients are advised that the same or similar programs or services as those described herein may be available from other investment advisors for an annual fee lesser or greater than set forth herein, and that the programs described in this Wrap Fee Brochure may cost the client more or less than purchasing the different services within each program separately depending upon such factors as trading activity, account size, portfolio management fees, mutual fund no-load or load charges, and other relevant factors.

SCA provides services to clients through individuals registered as investment adviser representatives, generally referred to internally as “Financial Advisors.” Financial Advisors who recommend Snowden Wealth Advisory Program services receive a portion of the advisory fee and any other compensation derived by SCA from such services. The amount of this compensation may be more than what the Financial Advisor would receive if the client participated in other programs or paid separately for investment advice, brokerage, and other services, and therefore, the Financial Advisor may have a financial incentive to recommend the Snowden Wealth Advisory Program over other programs or services. All fees are negotiable at SCA's discretion.

### **Snowden Wealth Advisory Program Services Offered on a Wrap Fee Basis (the “Wrap Fee Programs”)**

The Wrap Fee Programs consist of the following programs:

- Discretionary Wealth Advisory Account Program (“DWA”);
- Personal Wealth Advisory Account Program (“PWA”);
- Brinker Capital Programs (“Brinker Programs”);
- Independent Manager Portfolio Program (“IMP”) administered by Envestnet Asset Management, Inc. (“Envestnet”) and
- Snowden Capital Advisor Portfolios (“SCA Portfolios”)

The terms of the advisory services that SCA provides for each client are set forth in the advisory agreement between SCA and such client (the “Advisory Agreement”). In some cases, a third-

party manager or Wrap Fee Program sponsor may also be a party to the Advisory Agreement. Some platforms and programs may also require an additional advisory agreement with clients in addition to the Advisory Agreement clients sign with SCA. Each Wrap Fee Program relies on a third party to custody all securities and other assets held for the client's advisory account and execute transactions for such account under the program.

For all accounts, client assets are primarily custodied with Pershing LLC, member FINRA, NYSE, SIPC, a BNY Mellon company. Some accounts are held at another custodian as agreed to by SCA and client (each, as applicable, the "Custodian"). Other custodial platforms available include Pershing Advisor Solutions LLC ("PAS"), member FINRA/SIPC and Charles Schwab & Co. ("Schwab").<sup>1</sup> The Custodian provides execution, clearance, and administrative services for clients. Clients whose assets are custodied with Pershing, LLC will enter into either (i) an account agreement with Snowden Account Services LLC ("SAS"), SCA's affiliated broker-dealer, pursuant to which SAS will act as introducing broker for client's account and introduce transactions in client's account to Pershing, LLC for execution, clearance, and custody or (ii) an account agreement with Pershing Advisor Solutions LLC ("PAS" and together with SAS, the "Introducing Brokers" and each an "Introducing Broker"), Pershing, LLC's affiliated introducing broker, pursuant to which PAS will act as introducing broker for client's account and introduce transactions in client's account to Pershing for execution, clearance, and custody. Clients with accounts held at Schwab will sign an account agreement with Schwab and with SCA. Charles Schwab & Co. serves as the Introducing Broker for accounts custodied at Schwab.

### **Discretionary Wealth Advisory Account Program Description**

This section describes the DWA Program offered by SCA. Clients who wish to participate in the DWA Program will enter into an Advisory Agreement with SCA that sets forth the services that SCA will provide the client and the fee that the client will pay. Clients must deposit a minimum of at least \$100,000 in order to participate in the DWA Program, subject to waiver by SCA, including in situations where the client maintains a high minimum balance in other SCA accounts.

Clients in the DWA Program grant SCA authority to manage their accounts on a discretionary basis in accordance with the client's investment objectives, liquidity needs, risk tolerance, and investment time horizon, subject to any reasonable restrictions that the client has provided to SCA in writing and that SCA confirms that it is able to implement. The client's Financial Advisor will be responsible for making investment decisions for the account as attorney in fact and discretionary adviser for the client. Pursuant to this grant of discretion, clients authorize SCA, acting through the Financial Advisor, to invest in securities and other investments of any nature whatsoever, at the time and in the manner that the Financial Advisor determines, and to act on the client's behalf in all other matters necessary or incidental to the handling of the account, without discussing these transactions or actions with the client in advance, consistent with the client's investment objectives, liquidity needs, risk tolerance and investment time horizon. The specific terms of the investment advisory relationship between each client, SCA, and the Financial Advisor are set forth in the Advisory Agreement. Each Financial Advisor manages his or her clients' accounts utilizing a model developed by the Financial Advisor or a team of Financial Advisors. The model is customized to the client's individual investment style and strategy in accordance with each client's description of its financial situation, liquidity needs, risk tolerance, and investment objective for the DWA Program account provided in writing by the client, as amended from time to time.

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<sup>1</sup> We have recently initiated new custodial arrangements at Morningstar and AssetMark, where are assets are thus far de minimus.

Transactions in DWA Program accounts generally are executed through the Custodian.

In connection with the DWA Program, Financial Advisors will collect information about the client's financial circumstances, including investment objectives, risk tolerance, liquidity needs, and investment time horizon for the account (collectively "financial information"), and any reasonable restrictions that the client wishes to impose on the management of the account in writing. Clients are responsible for providing complete information regarding their particular financial circumstances in writing to SCA and for notifying SCA promptly, in writing, of any material changes to the information provided to SCA and for providing SCA with additional information as SCA may request from time to time to assist it in providing services under the DWA Program. Clients are also responsible for providing to SCA in writing any investment policies or other guidelines applicable to the client's DWA Program account. Such investment policies and guidelines are subject to acceptance by SCA in its sole discretion. Any restrictions on the management of the DWA Program account imposed by the client or by such written investment policies or guidelines may cause SCA or any underlying portfolio manager to deviate from the investment decisions it otherwise would make in providing services under the DWA Program. SCA will have no liability for a client's failure to provide SCA with accurate or complete information or to inform SCA promptly of any change in the information previously provided.

Financial Advisors will be reasonably available for consultation with clients regarding the management of their account.

### **DWA Program Fee Schedule**

Clients in the DWA Program pay a fee that covers, among other things, services provided by the Custodian and other platform services. Clients also pay advisory fees to SCA for the services it provides. The program fee and the SCA advisory fee are bundled into one fee (the "Wrap Fee"). The Wrap Fee covers investment advisory services, execution of transactions through the Custodian, custody with the Custodian, and reporting. The Wrap Fee does not cover fees charged by third-party brokers if SAS elects to execute the transactions for the clients with a third-party broker-dealer other than the Custodian or SAS. "Trade away" fees are typically charged by the Custodian for transactions executed with a third-party broker-dealer.

For the services provided by SCA and as described in the Advisory Agreement, each account in the DWA Program will be charged an annual Wrap Fee at the rate set forth in the Discretionary Wealth Advisory Account Agreement, payable in advance at the beginning of each month, on the total net fair market value of the assets (including all cash) in the client's account as of the last day of the preceding month or a flat monthly fee. The maximum Wrap Fee, expressed as an annual rate, that may be charged to new clients is 3.00%. The advisory fee is negotiable by the Financial Advisor and will generally vary depending upon the asset class or classes managed in the account.

### **PWA Program Description**

This section describes the PWA Program, offered by SCA. Clients who wish to participate in the PWA Program will enter into an Advisory Agreement with SCA that sets forth the services that SCA will provide the client and the fee that the client will pay. The minimum amount of assets required to participate in the PWA Program is \$100,000, subject to waiver by SCA. Each client participating in the PWA Program enters into an agreement with the Custodian, the

clearing and custodial firm selected by SCA. SCA has an agreement with the Custodian that sets forth the services that SCA will provide the client and the fee the client will pay. The Custodian provides execution, custody, and administrative services to SCA. Securities and/or cash designated by the client for inclusion in the PWA Program are maintained in one or more brokerage accounts held at the Custodian.

PWA Program accounts will be managed on a non-discretionary basis in which case the client's Financial Advisor will purchase, sell, or otherwise trade securities or other investments for the client's account only after the client has been notified of and approves the transaction. This approval may be verbal or written. Financial Advisors are responsible for the management and review of these types of client accounts on an ongoing basis. Additional periodic reviews are performed by the SCA compliance department.

In connection with the PWA Program, Financial Advisors will collect information about the client's financial circumstances, which may include investment objectives, risk tolerance, and investment time horizon for the account (collectively "financial information"), and any reasonable restrictions that the client wishes to impose on the management of the account in writing. Clients are responsible for notifying SCA promptly, in writing, of any changes to the information provided to SCA and for providing SCA with additional information as SCA may request from time to time to assist it in providing services under the PWA Program. Clients are also responsible for providing to SCA in writing any investment policies or other guidelines applicable to the client's PWA Program account. Such investment policies and guidelines are subject to acceptance by SCA in its sole discretion. Any restrictions on the management of the PWA Program account imposed by the client or by such written investment policies or guidelines may cause SCA to deviate from the investment decisions it otherwise would make in providing services under the PWA Program. SCA will have no liability for a client's failure to provide SCA with accurate or complete information or to inform SCA promptly of any change in the information previously provided.

Financial Advisors will be reasonably available for consultation with clients regarding the management of their account.

Clients may need to complete a brokerage account application for their brokerage account at the custodian as well as an SCA Advisory Agreement.

### **PWA Program Fee Schedule**

Clients in the PWA Program pay a fee that covers, among other things, services provided by the custodian. Clients also pay advisory fees to SCA for the services it provides. The program fee and the SCA advisory fee are bundled into one fee (the "Wrap Fee"). The Wrap Fee covers investment advisory services, execution of transactions through SCA or its affiliates, custody with Custodian, and reporting.

#### **a. Wrap Fee Accounts**

For the services provided by SCA and as described in the PWA Program Agreement, each account in the PWA Program will be charged a Wrap Fee each month in advance, on the total net market value of the assets (based on the average daily balance) in all of the account(s) in the PWA Program (including all cash) or a flat monthly fee. The maximum Wrap Fee, expressed as an annual rate, that may be charged to new clients is 3.00%. The advisory fee is negotiable by advisor and by asset class.



## **IMP Program Description**

This section describes the IMP Program, offered by SCA. Clients who wish to participate in the IMP Program will enter into an Advisory Agreement with SCA that sets forth the services that SCA will provide the client and the fee that the client will pay. The minimum amount of assets required to participate in the IMP Program is \$100,000, subject to waiver by SCA. In addition, certain portfolio managers may impose minimum account size requirements. Each client participating in the IMP Program enters into an agreement with Custodian, the clearing and custodial firms selected by SCA. SCA has an agreement with the Custodian that sets forth the services that SCA will provide the client and the fee the client will pay. SCA also has agreements with the money managers chosen to participate in the IMP Program ("Money Managers"). The Custodian provides execution, custody, and administrative services to SCA. Securities and/or cash designated by the client for inclusion in the IMP Program are maintained in one or more brokerage accounts held at a Custodian.

IMP Program accounts are managed by the Financial Advisor on a discretionary basis. Financial Advisors will recommend discretionary Money Managers to the client and subscribe or redeem funds from these Money Managers for the client's account only after the client has been notified of and approves the transaction. This approval may be verbal or written. The selection of managers will be guided by an asset allocation process in accordance with the client's risk profile and investment objectives. Financial Advisors are responsible for the management and review of these types of client accounts on an ongoing basis. Additional periodic reviews are performed by the SCA compliance department. Performance numbers reported by independent Money Managers are not verified by SCA or its Financial Advisors.

Transactions in IMP Program accounts are generally transacted through unaffiliated broker-dealers Pershing. Money Managers must meet certain requirements as established by SCA and as determined through SCA's due diligence through the New Product Committee.

In connection with the IMP Program, Financial Advisors will collect information about the client's financial circumstances, which may include investment objectives, risk tolerance, and investment time horizon for the account (collectively "financial information"), and any reasonable restrictions that the client wishes to impose on the management of the account in writing. Clients are responsible for notifying SCA promptly, in writing, of any changes to the information provided to SCA and for providing SCA with additional information as SCA may request from time to time to assist it in providing services under the IMP Program. Clients are also responsible for providing to SCA in writing any investment policies or other guidelines applicable to the client's IMP Program account. Such investment policies and guidelines are subject to acceptance by SCA in its sole discretion. Any restrictions on the management of the IMP Program account imposed by the client or by such written investment policies or guidelines may cause SCA or the Money Manager to deviate from the investment decisions it otherwise would make in providing services under the IMP Program. SCA will have no liability for a client's failure to provide SCA with accurate or complete information or to inform SCA promptly of any change in the information previously provided.

Financial Advisors and Money Managers will be reasonably available for consultation with clients regarding the management of their accounts. SCA will provide necessary financial information to the Money Manager including material changes as notified by the client as needed.

Clients may need to complete a brokerage account application for their brokerage account at the custodian as well as an SCA Advisory Agreement. Some Money Managers may also

require the completion of a client agreement between the Money Manager and the client.

### **IMP Program Fee Schedule**

Clients in the IMP Program pay a fee that covers, among other things, services provided by the custodian and services provided by applicable Money Manager(s) (a "program fee"). Clients also pay advisory fees to SCA for the services it provides. The program fee and the SCA advisory fee are bundled into one fee (the "Wrap Fee"). The Wrap Fee covers investment advisory services, execution of transactions through SCA or its affiliates, custody with Custodian, and reporting.

Additional details on the Money Managers, their fees, program details, and management style, among other items, are included in each Money Manager's Form ADV, Part 2A.

#### *Wrap Fee Accounts*

For the services provided by SCA and as described in the IMP Program agreement, each account in the IMP Program will be charged a Wrap Fee each month in advance, on the total net market value of the assets (based on the average daily balance) in all of the account(s) in the IMP Program (including all cash). The maximum Wrap Fee, expressed as an annual rate, which may be charged to new clients is 3.00%. The advisory fee is negotiable by advisor and by asset class.

### **Investnet Asset Management, Inc.**

Investnet is an investment management firm providing investment management and advisory services through independent Money Managers. Investnet provides SCA with the ability to use the Pershing custodial platform, or other custodial platforms, with the Money Managers established on the Investnet platform. Investnet performs the initial and ongoing due diligence on Money Managers and provides other back-office operations needed for this type of program. Investnet reserves the right to hire and fire Money Managers as it deems appropriate.

### **SCA Portfolios Description**

This section describes the SCA Portfolios program offered by SCA. SCA Portfolios are internal model portfolios made available to SCA clients, which Financial Advisors may select within a DWA Program advisory relationship.

Clients who wish to participate in the SCA Portfolios program will open a new account and deposit a minimum of at least \$10,000.

The costs of construction and implementation of the SCA Portfolios are borne internally, i.e., the Clients pay no additional fees for the SCA Portfolios Program. The program fee and the SCA advisory fee are bundled into one fee (i.e., the applicable Wrap Fee). Similarly, Financial Advisors receive no additional compensation or other incentive to select or recommend SCA Portfolios.

#### *Pershing Advisor Solutions LLC*

For advisory clients with accounts custodied at Pershing Advisor Solutions LLC ("PAS"), an asset-based fee ("AB Fee") is deducted monthly by PAS from each account. The AB Fee ranges from 0.03% to 0.12% per year and is based on the size of the account. The AB Fee is in lieu of transaction or commission charges to clients and is not charged to clients in the wrap

program. Instead, the AB Fee for clients in a wrap program is paid by SCA or the client's Financial Advisor.

### ***Prepayment of Fees***

For clients participating in the Wrap Program, the fees charged by SCA, and any third-party manager or sponsor are generally required to be paid monthly in advance, as described above.

The client's Advisory Agreement is terminated upon written or verbal notification to by SCA by the client or the third-party manager or sponsor (if applicable) at any time. SCA will notify the applicable third-party manager, if applicable. Receipt by the Custodian of a request to transfer assets or other directions to close the account from the client also terminates the client's Advisory Agreement with SCA. Upon termination, the client will receive refunds of any prepaid and unearned advisory or wrap fees. Refunds of asset-based fees are prorated based on the time remaining in the applicable billing period. Refunds of hourly fees are prorated based on the number of hours paid for but not worked. If services have been provided, and are therefore due and payable, clients will receive an invoice for the amount due. Any transactional or custodial charges levied by the Custodian after the termination of SCA's Advisory Agreement will be the client's responsibility and not the responsibility of SCA, and SCA has no obligation to refund such fees to its clients.

### **General Information Applicable to All Wrap Accounts**

The following disclosures are applicable to all accounts in one of the Wrap Fee Programs. SCA, in its discretion, may negotiate the fee (and the rate of any other fees charged by SCA for services not covered by the Wrap Fee) in appropriate circumstances, based on a number of factors including, but not limited to, the type and size of the account, the size or number of trades anticipated to be executed for the account, services provided to the account, the client's other accounts with SCA, and the accounts of the client's family, household or other affiliation with SCA, in the sole discretion of SCA. The fees charged may be higher or lower than the fees that SCA charges other clients in this or other programs; and they may be higher or lower than the cost of similar services offered through other financial firms. The account may be subject to a minimum fee specified in the Discretionary Wealth Advisory Account Agreement.

SCA also has the discretion to hire and fire managers and to change your selected management program while staying within your risk tolerance. If there are any changes to the fees you will be charged, your written agreement is required first.

For accounts owned by retirement plans subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") or retirement plans for self-employed individuals subject to comparable provisions of the Internal Revenue Code of 1986 and managed by a SCA Financial Advisor (and not an external portfolio manager), SCA will rely on and operate in accordance with U.S. Department of Labor Prohibited Transaction Exemption 86-6-128 ("PTE 86-6-128"). By relying on PTE 86-6-128, SCA may serve as a fiduciary to such retirement plans and receive separate brokerage commissions and transaction charges in connection with effecting securities transactions for those plans. One of the conditions of PTE 86-128 is that a plan's authorizing fiduciary be provided with a copy of PTE 86-128, a form providing an election to terminate the plan fiduciary's previously granted authorization to effect transactions in the account, and instructions on the use of the form. In compliance with this condition, a copy of PTE 86-128 and a form termination letter shall be provided separately.

In connection with a wrap program, Financial Advisors may utilize an investment strategy that

generally seeks investments that are long term in nature with a buy and hold bias. Due to the nature of these strategies, investments in accounts could incur low turnover. For Wrap Fee accounts, however, the client continues to pay the Wrap Fee regardless of the number of transactions incurred in the account. Clients should also be aware that services similar or comparable to those provided to them might be available to the client at a lower aggregate cost elsewhere on an “unbundled” basis. Neither SCA nor the Financial Advisor will earn commissions or other transaction-based compensation in connection with execution of transactions for client accounts in a wrap program.

The Wrap Fee does not cover brokerage commissions or other charges resulting from transactions not effected through the Custodian, SAS, or PAS, nor does it cover custody services provided by any third-party custodian that is not an eligible custodian for the particular program in which the client is participating. The Wrap Fee does not cover certain costs or charges that may be imposed by SCA or third parties, including, but not limited to, costs associated with exchanging foreign currencies, odd lot differentials, activity assessment fees, transfer taxes, exchange fees, wire transfer fees, postage fees, auction fees, foreign clearing, settlement and custodial fees, and other fees or taxes required by law. The Wrap Fee does not cover “mark-ups” or “mark-downs” that broker-dealers other than the Custodian or SAS, may receive or “dealer spreads” that other broker-dealers may receive when acting as principal in certain transactions. The Wrap Fee also does not cover the annual fee that the Custodian charges to Individual Retirement Accounts (“IRA accounts”) or certain other retirement plans. Costs associated with using margin are also not covered in the Wrap Fee.

The Financial Advisor or a selected outside portfolio manager may invest account assets in open-end mutual funds (including money market funds), closed-end funds, exchange traded funds (“ETFs”), and other collective investment vehicles that have various internal fees and expenses, which are borne by the client as an investor. SCA and/or its affiliates may provide services to and receive compensation in connection with these mutual funds. For example, SCA may benefit indirectly from the sales charges imposed by mutual funds through SCA. The fee that the custodian pays Snowden might represent a significant amount of that custodian’s mutual fund service fees. The fee is in recognition of certain shareholder servicing that registered representative affiliate(s) of Snowden perform in respect of those assets (“Shareholder Services”). Those Shareholder Services fees are often referred to as trailers, rebates or revenue sharing arrangements and are received from various mutual fund companies with respect to clients whose assets are invested in those mutual funds, which typically range from 5 basis points to 50 basis points depending on the mutual fund purchased. Because the affiliate(s) of SCA receive an economic benefit, SCA has a potential conflict of interest in recommending to clients that they use a specific custodian and invest their assets in certain mutual funds. These fees will not always be used to offset SCA’s fees, although in some cases clients’ monthly fee may be lower because of the receipt of the Shareholders Services fees. The possibility of this compensation creates an incentive for a Financial Advisor to make decisions for the clients that would have the effect of increasing this compensation. Fees debited from the wrap account(s) will appear on statements received from Pershing. Clients are encouraged to verify the fees charged.

Besides general equities and fixed income securities, ETFs & mutual funds, Financial Advisors may employ strategies that utilize the following types of investments: (i) American Depositary Receipts (“ADRs”), which are receipts, generally issued by a U.S. bank or trust company, that evidence ownership of non U.S. securities and are traded on a U.S. exchange or in the over the counter market; (ii) Global Depositary Receipts (“GDRs”), which are receipts issued generally by a non U.S. bank or trust company that evidence ownership of non U.S. securities; and (iii) publicly-traded shares of real estate investment trusts (“REITs”). Clients will bear, in addition

to the Wrap Fee, a proportionate share of any fees and expenses associated with ADRs, GDRs, and REITs, if applicable, in which account assets are invested, and may also bear any fees and expense associated with converting non- U.S. securities into ADRs or GDRs, if applicable.

A portion of the Wrap Fee and any other advisory fee associated with an account is paid to the Financial Advisor. The Financial Advisor receives compensation as a result of the client's participation in the wrap program, and the amount of this compensation may be more or less than what the Financial Advisor would receive if the client participated in other SCA or affiliates' programs or paid separately for investment advice, brokerage, and other services. The Financial Advisor may have a financial incentive to recommend a wrap program over other SCA or affiliates' programs and services.

### **Fee Calculations and Withdrawals**

The Wrap Fee is an agreed upon annual fee that will be payable monthly.

SCA will calculate the initial fee as of the date it accepts the Wrap Fee Program account, which it refers to as the effective date. The initial fee will cover the period from the effective date until the last day of the initial month. SCA will not be responsible for managing any account before the Effective Date of the Advisory Agreement related to such account. Any transactions executed in an account before its effective date will be executed by the Custodian in its capacity as broker-dealer only and will be subject to the Custodian's customary brokerage fees or commissions.

The fees charged will be based upon the agreed upon fee rate and will not be affected by the services the client receives or the number of transactions actually executed during a month; however, such factors may be taken into account in negotiating new fee rates.

Clients may make additions into an account at any time, subject to SCA's right to terminate the account. Additions may be in cash or marketable securities of any kind, provided that SCA and the Custodian reserve the right to decline to accept particular securities into the account or impose a waiting period before certain securities may be deposited. Fee adjustments will generally not be made for client accounts with a custodian other than Custodians unless specifically agreed to by SCA in writing.

When opening a wrap account, clients generally will authorize SCA to deduct the fee and all other applicable charges from the account on or following the date they are payable. Clients are responsible for ensuring that the amount of any debit is correct. Custodians may withhold any tax to the extent required by laws and may remit such taxes to the appropriate government authority. In appropriate circumstances, clients may instruct SCA to deduct the Wrap Fee and other expenses from another account that the client has at SCA or to deduct the fees due with respect to another account that the client has at SCA from the wrap account. Clients also may elect to be billed for fees and expenses with respect to certain accounts.

The client may designate certain securities as "Excluded Securities" in an addendum to the Advisory Agreement. Excluded Securities are held in the wrap account with the consent of SCA, but they are not part of the portfolio managed by SCA. SCA will thus not be obligated to provide any advice with respect to Excluded Securities and the risks presented by the Excluded Securities. Excluded Securities are not included in fee calculations. Transactions in Excluded Securities will be subject to commissions and other transactions charges that may or may not be discounted from standard rates. Excluded Securities will be considered brokerage assets and not advisory assets and as a consequence, a client's and SCA's duties and obligations to

the client may differ, including the scope of SCA's fiduciary obligations.

SCA is not compensated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of any client.

### **Execution of Transactions**

In the Advisory Agreement, clients generally authorize and direct SCA and SAS (or PAS, as applicable) to execute transactions for their accounts. Transactions in the account will generally effected through SAS or PAS and the Custodian, unless otherwise required by applicable law. When a transaction is executed through the Custodian, the Custodian will be entirely responsible for the execution and clearance of the transaction. By recommending a wrap program, SCA may be recommending its affiliated broker-dealer, SAS. Clients should understand that this directed brokerage arrangement may cause the client to forego any savings on execution costs that SCA otherwise might be able to negotiate with different broker-dealers, other than SAS or the Custodian, such as reduced execution costs that may result from utilizing alternative trading services. Clients are encouraged to consider the possible costs and disadvantages of such directed brokerage arrangements.

All transactions are subject to any SCA internal policies or procedures. In no event is SCA obligated to effect any transaction for an account that SCA believes would violate applicable federal or state law or the regulations of any regulatory or self-regulatory body or would otherwise present an unacceptable risk to SCA.

### **Riskless Principal Transactions**

For wrap accounts, if SCA executes a riskless principal transaction as agent through an unaffiliated dealer, SCA will not receive commission or other compensation in connection with the trade.

## **Item 5 Account Requirements and Types of Clients**

SCA intends to serve high net worth clients (U.S. \$1.0 million or more in investable assets), both individual and institutional, including family offices, individuals, companies and business entities, foundations, charitable organizations, trusts, governmental agencies and endowments. SCA may also serve clients with a lower level of investable assets, at the discretion of SCA.

The minimum amount of assets required to participate in the Snowden Wealth Advisory Program accounts is \$100,000, subject to waiver by SCA.

## **Item 6 Portfolio Manager Selection and Evaluation**

The selection of portfolio managers typically begins with a client or Financial Advisor-generated request. If a Financial Advisor wants to invest client assets with a certain manager, that particular portfolio manager would first have to be approved.

All portfolio managers are approved by one of the following:

- SCA's New Product Committee;
- Envestnet; or
- a custodian (e.g., Pershing)

SCA relies on Envestnet and the custodians for the first approval of a majority of the portfolio managers. If a portfolio manager is not approved by one of these third parties, SCA's New Product Committee will perform its own independent due diligence on the manager.

SCA does not approve portfolio managers on performance alone. SCA reviews many factors of a portfolio manager before approval, including:

- Operational functionality
- Safety of client assets
- Investment Review
- Infrastructure
- Portfolio Manager capabilities
- Track Record

Once all these areas have been reviewed, the New Product Committee votes on whether to approve the manager or not based on the results of the reviews. SCA does not have a uniform and consistent basis to calculate performance.

No related person is a portfolio manager of one of wrap fee programs described above.

All of SCA's Financial Advisor teams act, in some fashion, as portfolio managers. Some advisory teams are one hundred percent portfolio managers and run their own models, while some teams only manage a portion of their client's assets as a portfolio manager, with the remainder going to other money managers or mutual funds.

The advisory business offered when SCA is acting as portfolio manager is no different than any other advisory business offered as described in the Advisory Business section of Form ADV Part 2A. The advisory team will obtain the necessary client information to make an informed decision on the asset allocation for the client.

SCA, as a matter of policy and practice, has no authority to vote proxies on behalf of clients. Clients may elect to delegate proxy voting authority to the investment managers that the client engages to provide investment advisory services to such client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent rather than from SCA. Clients are free to contact their primary Advisor with questions concerning a particular solicitation.

## **Item 7 Client Information Provided to Portfolio Managers**

Initially SCA will interview prospective clients to determine their financial position, investment goals and objectives (e.g., risk tolerance and time horizon), investment limitations, reasonable investment restrictions and risk tolerance (collectively "Investor Profile"). The Investor Profile is used to help determine which portfolio manager(s) fits clients' investment needs. At least annually, Financial Advisors will contact clients to determine whether they have had any changes to their Investor Profile. Should changes occur to a client's Investor Profile before the annual conference call or meeting, it is the client's responsibility to contact SCA as soon as possible.

## **Item 8 Client Contact with Portfolio Managers**

SCA does not place restrictions on contact between a client and a selected/appointed portfolio manager. SCA does attempt to coordinate all client communication through each client's Financial Advisor to ensure one point of contact is aware of all aspects of the client's relationship with SCA. SCA will attempt to facilitate access for the client to any appointed portfolio manager if requested by the client.

## **Item 9 Additional Information**

### **Disciplinary Information**

In the past ten years, neither SCA nor any of its management persons have been involved in any reportable legal or disciplinary events. For the purpose of this item, a "management person" includes anyone with the power to exercise, directly or indirectly, a controlling influence over SCA's management or policies, or to determine the general investment advice given to its clients. Generally, management persons include (a) a firm's principal executive officers, such as its chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; its directors, general partners, or trustees; and other individuals with similar status or performing similar functions and (b) members of its investment committee or group that determines general investment advice to be given to clients.

### **Other Financial Industry Activities and Affiliations**

Certain of SCA's representatives are also registered representatives of SAS, a FINRA registered broker-dealer. SCA and SAS are both wholly-owned by Snowden Capital Partners LLC and are, therefore, under common control. Neither SCA, nor its representatives, are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

Estancia Capital Partners, L.P., a private equity fund, indirectly owns a majority interest in SCA through its majority ownership interest in SCA's parent, SCP.

Persons providing investment advice on behalf of our firm are sometimes licensed as insurance professionals. Financial Advisors will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by a Financial Advisor are separate from and in addition to SCA's advisory fees. This practice presents a conflict of interest as a Financial Advisor may have an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on Client needs. Clients are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with SCA. Insurance products are not included in your advisory billing if a commission was paid on the product. Insurance products are sold through an affiliate of SCA, Snowden Insurance Services LLC ("SIS") while variable products are sold through our affiliated broker-dealer, SAS. Additional details are provided under Item 10, *Other Financial Industry Activities and Affiliations*.

### **Code of Ethics**

At SCA, we take great pride in our integrity and our commitment to serving clients' needs. SCA has adopted a Code of Ethics (the "Code") that sets forth the standards of conduct expected of SCA personnel. The Code is based on the principle that all employees and supervised persons of SCA have a fiduciary duty to place the interest of clients ahead of their own and SCA's. We have developed it as a means of memorializing our vision of appropriate and professional conduct in servicing our clients. Each of SCA's supervised persons has been furnished with a



copy of this Code and has acknowledged and accepted its terms. The Code contains policies specific to the safeguarding of non-public personal information of clients and the avoidance of conflicts of interest. The Code also prohibits manipulative trading practices and insider trading. In addition, the Code restricts personnel from giving or receiving gifts whose value exceeds \$100 to or from persons that do business with or on behalf of SCA.

#### ***Financial Interest in Recommended or Purchased and Sold Securities***

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

#### ***Investment in Recommended Securities***

SCA and its related persons may buy or sell securities that are also recommended to clients. This gives rise to a potential conflict of interest in that SCA representatives may benefit from the purchase or sale of those securities. SCA maintains policies and procedures to prohibit and detect "front-running," *i.e.*, trading ahead of client orders, and other potentially abusive practices.

#### ***Trades in the Same Securities at the Same Time as a Client***

SCA representatives may buy or sell securities at or around the same time as those securities are sold to clients. This creates a potential conflict of interest and, per C. above, SCA maintains policies and procedures designed to prohibit and detect potentially abusive trading practices.

#### **Review of Accounts**

Investment performance and investment objectives and guidelines are reviewed by SCA Advisors on at least an annual basis with the client. Clients are encouraged to consult with their Advisors periodically to discuss their portfolios and account information and to report promptly any changes to their investment objectives, restrictions and guidelines.

Each client also receives written detailed quarterly reports from SCA. An account must be open for a complete calendar quarter in order for a performance report to cover that quarter, and the advisory fees will not be reduced if performance reporting is not provided with respect to the account that was not open during such complete calendar quarter.

#### ***A. Economic Benefits for Providing Services to Clients***

Economic benefits received by SCA for providing services to clients are disclosed elsewhere throughout this Brochure.

#### ***B. Compensation to Non-Supervised Persons for Client Referrals***

SCA may directly or indirectly compensate third parties for client referrals. Such referrals are compensated in accordance with Rule 206(4)-1 of the Investment Advisers Act of 1940. The compensation generally consists of a cash payment computed as a percentage of SCA's advisory fee, but other computation methods may be used as well. The costs of any such referral fees are paid entirely by SCA and, therefore, do not result in any additional charges to the client.

#### ***Other Compensation***

#### ***Recruiting (Business Development) Compensation***

Recruiting financial advisors from other firms creates a conflict of interest for SCA because compensation received as a result of clients following their financial advisor to SCA induces SAS and SCA to recruit financial advisors without regard to the comparative benefits clients receive at other financial firms. Your Financial Advisor may be eligible for incentive compensation based on the amount of revenue your Financial Advisor generates for SAS and its affiliates, including SCA. This is a conflict of interest because it incents your Financial Advisor to induce you to engage in more investment transactions in order to qualify for incentive compensation based on business development. Pursuant to the fully disclosed clearing agreement with Pershing LLC ("FDCA"), our broker-dealer affiliate, SAS, receives financial incentives from Pershing LLC.

### ***Forgivable Promissory Notes***

SCA offers financial incentives to prospective Financial Advisors who join SCA from other firms. These financial incentives include promissory notes for a specified time frame and amount. SCA will forgive the principal and interest of the note over the term of the note. This forgiveness is income to the Financial Advisor. If the Financial Advisor terminates their employment with SCA before the note is fully forgiven, the Financial Advisor will be required to pay back the outstanding amount. The Financial Advisor may be eligible for additional financial incentives including additional promissory notes and/or equity interests in SCA's ultimate parent company, Snowden Capital Partners LLC, based on revenue generated and/or assets under management after a specified period. These financial incentives are a conflict of interest because they give your Financial Advisor an incentive to enter employment with SCA regardless of the benefit you as a client may receive from SCA.

### ***Net New Assets***

Pershing LLC provides compensation to SAS for net new assets greater than \$1 billion during any 12-month period beginning July 1<sup>st</sup> of each year. SAS is required to repay any compensation SAS received under this calculation to Pershing LLC if SAS terminates its FDCA. This repayment requirement incentivizes SCA to continue requiring Pershing LLC to serve as the client custodian for its advisory accounts and creates a conflict of interest.

### ***Renewal Bonus***

When SAS renewed its FDCA with Pershing LLC in 2017, SAS received a one-time payment as a renewal bonus. This created an additional incentive for SCA to continue using Pershing LLC as a custodian for its advisory accounts and created a conflict of interest.

### ***Third-Party Compensation***

SAS receives compensation from third parties in several forms including investment products with annual 12b-1 fees, sales charges, and shareholder servicing fees creating an incentive to recommend the products offered by the third party. Compensation from product sponsors is based on aggregate client holdings.

### ***Margin Balance Compensation***

The use of margin is permitted in some fee-based investment advisory programs, including those offered by SCA. A margin debit balance is created by borrowing against your account which gives you access to cash and/or the ability to purchase additional securities. Using margin increases the market value of your account's billable account value, which in turn increases the amount of the advisory fees you pay and the amount of compensation SCA and your financial advisor earn. It is a conflict of interest for SCA or your financial advisor to recommend that you borrow on margin in your account for any reason because SCA and your financial advisor receives greater compensation from the increased account value. It is also a conflict of interest if you borrow on margin in your account because SCA or its affiliate, SAS (but

not your financial advisor) receives compensation on the interest you pay on your margin debit balance. Specifically, SAS marks up the interest rate that you pay on margin balances over and above the base interest rate charged by Pershing LLC on margin debits. This additional interest is retained by SAS as compensation. You are encouraged to evaluate the interest rates you pay by borrowing on margin and compare those interest rates to other available sources of credit (or lenders) from which you can borrow, as the interest you might be charged by borrowing on margin may be greater than loans available to you elsewhere.

### ***Pershing LLC***

Pursuant to the FDCA, our broker-dealer affiliate, SAS, receives payments from Pershing LLC in connection with the following:

- i. Improved custodial services pricing in the form of a credit via cash payment as a percentage of new assets in excess of \$1 billion introduced by SAS in given time periods.
- ii. Compensation in the form of cash payment in fixed amounts related to annual maintenance fees for certain types of retirement accounts.
- iii. Compensation in the form of cash payment in fixed amounts contemporaneous with renewal of the FDCA or Schedule A thereto.

The assets include assets in SCA's advisory programs or accounts custodied at Pershing LLC. This additional compensation or improved custodial services pricing received by SAS creates a conflict of interest with SCA's clients because the compensation received by SAS increases as our assets under management increase on the Pershing LLC platform. This financial incentive is not available to SAS with our other custodial platforms.

### ***Money Market Funds and Bank Deposit Sweep Products***

SCA and/or its affiliate, SAS, receives distribution assistance from Pershing LLC based on our level of assets in sweep products, including Pershing's Retirement Money Fund, its Cash Management Choice Money Market Funds, and other bank deposit sweep products. This raises a conflict of interest for SCA. The different groups of money market funds and bank deposit sweep products (together "Funds") pay us different amounts of compensation which means some Funds pay us more than others. The differences in compensation are also based on the amount of each Fund held in SCA client accounts combined with the balances in SAS accounts. Some Funds do not pay SCA or SAS anything which gives us an incentive to select the Funds that pay the most. Receipt of these distributions provides a source of revenue for SCA and our affiliate, SAS, and help reduce our overall costs in providing an advisory program to our clients. This in turn helps us keep our fees reasonable while allowing us to provide the services our clients want. The revenue we receive is not a direct reduction in the fees you pay us.

The revenue we receive on these Funds is based on the average balance of SCA and SAS assets in the Funds and ranges from 0 to 30 basis points. We receive higher payouts on higher balances and on certain funds. We have an incentive to offer or recommend certain investments, such as these Funds, because the manager or sponsor of these Funds shares with us revenue it earns on these Funds.

### ***Pledging Assets: Non-Purpose Loans***

As a service to eligible customers, SAS provides access to securities-backed non-purpose lending programs offered by Pershing LLC and TriState Capital Bank (each, a "Lender")

("Program"). Customers are not required to participate in the program, but if you choose to do so, you should be aware of the possible risks. A non-purpose loan allows borrowers to use the securities in their brokerage or advisory accounts as collateral for an extension of credit, the proceeds of which cannot be used for purchasing or trading securities. The customer's accounts must meet certain requirements, such as a minimum market value of assets in the account before the Bank approves the non-purpose loan. The requirements and approval or denial of credit is controlled by the Lender and SAS is not a decision-maker.

SAS has certain conflicts of interest in offering this service to customers:

- **Referral Fees.** As part of this Program, the Lender compensates SAS in the form of a Referral Fee, which is up to 75 basis points (0.75%) of the average principal amount of all outstanding Program loans that SAS customers have through the program. This Referral Fee is paid from the interest you pay on your Program loans and, were SAS to agree to receive a lower Referral Fee, customers' interest rate would decline by that same amount. Were customers to take a loan from a different institution outside of this Program, SAS would not receive a Referral Fee. Accordingly, the Referral Fee creates a conflict of interest between us and you. SAS does not share any portion of the Referral Fee with SCA but does share a portion with Financial Advisors.
- **Program Loans Secured by Investment Advisory Accounts.** When a customer takes a loan secured by securities in their advisory account, the securities remain in the advisory account, which means that SCA continues to receive advisory fees based on the full value of the securities that are eligible for billing purposes, with no reduction or offset for the value of securities that secure the loan. In contrast, if the customer were to liquidate the securities rather than borrow against them, SCA would no longer receive advisory fees based on the value of those securities and SAS would not receive a Referral Fee on the loan amount. Therefore, the payment of a Referral Fee and the lack of any reduction or offset against the total billable assets in the customer's investment advisory account incentivizes us to make this program available to customers. Furthermore, it is a conflict of interest for SCA to recommend that customers take a loan under this program rather than liquidate securities in their investment accounts.

### ***Referral Arrangements and Fees***

We have entered into agreements with unaffiliated third-party investment managers. There is a conflict of interest where we and our financial advisors recommend that you participate in such a separate third-party advisory arrangement. The costs associated with the services provided by an unaffiliated third-party investment manager to you, including any management fees paid to the manager or commissions or fees paid to us in connection with the transactions executed in an account, results in additional compensation to us and our Financial Advisors.

### ***Rollovers and Transfers***

Your financial advisor has an incentive to recommend that you rollover or transfer your assets from an employer-sponsored plan and/or another brokerage firm or investment adviser, because these actions generate advisory compensation. We maintain supervisory and compliance policies and procedures designed to ensure that rollover recommendations are suitable, in your best interest, and are in alignment with your financial investing and retirement goals.

**Financial Information**

SCA is not required to include a balance sheet for our most recent fiscal year end because we do not require or solicit more than \$1,200 in fees per client, six months or more in advance. In this Item, we are required to disclose that SCA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Additionally, SCA has not been the subject of a bankruptcy petition during the past ten years.