



Foster Victor<sup>TM</sup>

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Foster Victor Wealth Advisors, LLC (hereinafter “Foster Victor Wealth Advisors” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. 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 available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

In this Item, Foster Victor Wealth Advisors is required to discuss any material changes that have been made to the brochure since the last annual amendment filed on March 13, 2023. The Firm updated Item 5 to describe additional fee schedules for Ultra High Net Worth clients and for options strategies. The Firm updated its responses to Item 10 to disclose the following:

### Affiliated Family Office Services

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Certain owners and Supervised Persons of the Firm have a control position in FV Family Services, LLC (“FVFS”). FVFS provides family office and outsourced Chief Financial Officer services primarily to high-net-worth families and business owners. There is a conflict of interest where either Foster Victor Wealth Advisors or FVFS recommends the services of the other to their respective clients. In addition, it is possible that FVFS will have access to certain client data that would result in Foster Victor Wealth Advisors having custody if those services were provided through Foster Victor Wealth Advisors. Because those services are provided by FVFS and not in connection with the Firm’s advisory services, the Firm does not treat those assets as under custody of the Firm.

## Item 3. Table of Contents

Item 2. Material Changes.....	2
Item 3. Table of Contents .....	3
Item 4. Advisory Business.....	4
Item 5. Fees and Compensation.....	7
Item 6. Performance-Based Fees and Side-by-Side Management.....	11
Item 7. Types of Clients .....	11
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	12
Item 9. Disciplinary Information .....	15
Item 10. Other Financial Industry Activities and Affiliations .....	15
Item 11. Code of Ethics .....	15
Item 12. Brokerage Practices .....	16
Item 13. Review of Accounts .....	20
Item 14. Client Referrals and Other Compensation.....	21
Item 15. Custody.....	21
Item 16. Investment Discretion.....	22
Item 17. Voting Client Securities .....	22
Item 18. Financial Information.....	23

## Item 4. Advisory Business

Foster Victor Wealth Advisors offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Foster Victor Wealth Advisors rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Foster Victor Wealth Advisors setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Foster Victor Wealth Advisors was formed in 2016 and is wholly owned by Paul W. Foster, Robert T. Victor and Kylie K. Felker. As of February 13, 2024, Foster Victor Wealth Advisors has \$1,690,375,352 of assets under management, \$1,604,931,949 of which is managed on a discretionary basis and \$85,443,403 of which is managed on a non-discretionary basis.

While this brochure generally describes the business of Foster Victor Wealth Advisors, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Foster Victor Wealth Advisors’ behalf and is subject to the Firm’s supervision or control.

### Financial Planning and Consulting Services

Foster Victor Wealth Advisors offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- College Planning
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Trust Planning & Estate Gifting Strategies
- Tax Planning
- Private Investment Evaluations

In performing these services, Foster Victor Wealth Advisors is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Foster Victor Wealth Advisors may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage Foster Victor Wealth Advisors or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Foster Victor

Wealth Advisors under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Foster Victor Wealth Advisors' recommendations and/or services.

## **Investment Management Services**

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Foster Victor Wealth Advisors manages client investment portfolios on a discretionary basis. Foster Victor Wealth Advisors primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt securities, and individual equity securities in accordance with their stated investment objectives. The Firm may allocate clients' investment management assets in model ETF portfolios using the Schwab Intelligent Portfolios program ("the Program"), as described below. Foster Victor Wealth Advisors may also recommend that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon.

Clients may also engage Foster Victor Wealth Advisors to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e. 529 plans). These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider. In these situations, Foster Victor Wealth Advisors directs or recommends the allocation of client assets among the various investment options available with the product. Clients are advised that where the Firm manages employer sponsored retirement plan accounts using Pontera, a third-party service provider, there may be delays in processing transactions relative to transactions for assets maintained at their primary custodian.

Foster Victor Wealth Advisors tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Foster Victor Wealth Advisors consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Foster Victor Wealth Advisors if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Foster Victor Wealth Advisors determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## Use of the Schwab Intelligent Portfolios Program

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As mentioned above, Foster Victor Wealth Advisors may provide portfolio management services through the Schwab Intelligent Portfolios program, an automated, online investment management platform for use by independent investment advisors and sponsored by Schwab Wealth Investment Advisory, Inc. (“SWIA”), an affiliate of Charles Schwab & Co., Inc. (“Schwab”).

Through the Program, Foster Victor Wealth Advisors offers clients investment strategies that Foster Victor Wealth Advisors has constructed and manages, each consisting of a portfolio of ETFs. The client's portfolio is held in a brokerage account opened by the client at Schwab. Foster Victor Wealth Advisors are independent of and not owned by, affiliated with, or sponsored, or supervised by SWIA, Schwab, or their affiliates. Foster Victor Wealth Advisors is the client's investment advisor and primary point of contact with respect to the Program, and, as such, Foster Victor Wealth Advisors determines the appropriateness of the Program for clients, chooses suitable investment strategies and portfolios for clients' investment needs and goals, and manages portfolios on an ongoing basis. The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios Disclosure Brochure (“the Program Brochure”), which is delivered to clients by SWIA during the online enrollment process.

Foster Victor Wealth Advisors will charge clients fees (as described below in Item 5) for Foster Victor Wealth Advisors' services in connection with the Program. Clients do not pay brokerage commissions to Schwab as part of the Program. Foster Victor Wealth Advisors does not pay SWIA fees for the Program so long as Foster Victor Wealth Advisors maintains \$100 million in client assets in accounts at Schwab that are not enrolled in the Program. If Foster Victor Wealth Advisors does not meet this condition, then Foster Victor Wealth Advisors may pay SWIA an annual fee of 0.10% on the value of clients' assets in the Program. This fee arrangement gives Foster Victor Wealth Advisors an incentive to recommend that clients with accounts that are not enrolled in the Program be maintained with Schwab.

## Retirement Plan Consulting Services

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Foster Victor Wealth Advisors provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by Foster Victor Wealth Advisors as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Foster Victor Wealth Advisors’ fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

## **Services to Real Estate Project Recommended to Clients**

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An affiliate of the Firm, Foster Victor Investments, LLC (“FVI”), provides various consulting services to real estate LLCs that are created to allow investment in a real estate project for the Firm’s clients (the “Real Estate Fund”). The Firm’s services include recommending the investment to clients when it is in their best interest, facilitating paperwork for their investment, providing reporting and investor communication, and helping assist the builder in the build out of the project. Participation as an investor in the Real Estate Fund is restricted to investors that are both “qualified clients” as defined in the Investment Advisers Act of 1940, and “accredited investors” as defined in the Securities Act of 1933. Neither the Firm nor FVI have custody of the assets in the Real Estate Fund. However, because the Firm is compensated for its services to the Real Estate Fund, there is a conflict of interest for the Firm to recommend the Real Estate Fund. The Firm will only recommend the Real Estate Fund where it believes it is in the client's best interest. Investors in the Real Estate Fund should review all of the documents provided, including the Subscription Agreement, Operating Agreement and Alternative Investment Disclosures (the “Fund Documents”) before investing.

## **Item 5. Fees and Compensation**

Foster Victor Wealth Advisors offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management or advisement.

### **Financial Planning and Consulting Fees**

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Foster Victor Wealth Advisors generally charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. Depending upon the scope and complexity of the services, and the professional rendering the financial planning and/or consulting services, these fees generally range from \$5,000 to \$25,000. If the client engages the Firm for additional investment advisory services, Foster Victor Wealth Advisors may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services. The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Foster Victor Wealth Advisors generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

## Investment Management Fees

Foster Victor Wealth Advisors offers investment management services for an annual fee based on the amount of assets under the Firm's management.

For assets managed using the Intelligent Portfolios Program, the management fee generally varies in accordance with the following fee schedule:

PORTFOLIO VALUE	BASE FEE
\$5,000 - \$50,000	0.80%
\$50,001 - \$100,000	0.65%
\$100,001 - \$150,000	0.50%
Exceeding \$150,000	0.40%

For assets managed using fixed income investments, the management fee generally varies in accordance with the following fee schedule:

PORTFOLIO VALUE	BASE FEE
Up to \$3,000,000	0.35%
\$3,000,001 - \$10,000,000	0.30%
\$10,000,001 - \$20,000,000	0.25%
Above \$20,000,000	Negotiable

For assets in employer sponsored retirement plan accounts managed using Pontera, the management fee generally varies in accordance with the following fee schedule:

PORTFOLIO VALUE	BASE FEE
\$0 - \$1,000,000	0.75%
\$1,000,001 - \$2,000,000	0.60%
Above \$2,000,000	0.50%

For all other assets, the management fee generally varies in accordance with the following fee schedule:

PORTFOLIO VALUE	BASE FEE	PORTFOLIO VALUE	BASE FEE
Up to \$215,000	1.50%	\$2,000,001 - \$2,250,000	0.99%
\$215,001 - \$250,000	1.47%	\$2,250,001 - \$2,500,000	0.95%
\$250,001 - \$400,000	1.45%	\$2,500,001 - \$2,750,000	0.92%
\$400,001 - \$500,000	1.40%	\$2,750,001 - \$3,000,000	0.89%
\$500,001 - \$600,000	1.35%	\$3,000,001 - \$4,000,000	0.86%
\$600,001 - \$700,000	1.30%	\$4,000,001 - \$5,000,000	0.80%



\$700,001 - \$800,000	1.25%	\$5,000,001 - \$6,500,000	0.70%
\$800,001 - \$1,000,000	1.20%	\$6,500,001 - \$11,000,000	0.65%
\$1,000,001 - \$1,500,000	1.15%	\$11,000,001 - \$15,000,000	0.60%
\$1,500,001 - \$1,550,000	1.10%	\$15,000,001 - \$25,000,000	0.50%
\$1,550,001 - \$2,000,000	1.05%	Above \$25,000,000 See UHNW Fee Schedule	

For assets of clients that are deemed Ultra High Net Worth (“UHNW”), which is typically those with greater than \$25,000,000 under management with the Firm, the Firm charges the following Fee Schedule:

PORTFOLIO VALUE	BASE FEE
\$25,000,001 - \$35,000,000	0.40%
\$35,000,001 - \$50,000,000	0.35%
\$50,000,001 - \$75,000,000	0.30%
\$75,000,001 - \$100,000,000+	0.25%

The Firm also provides Options strategies for clients. The fees are billed in addition to any management fees otherwise described above and in the Agreement. The options strategies include the following strategies. The difference in the fee is in recognition of the fact that the “Puts Only” (Downside Protection Strategy): i) incurs higher non-fee outflows since the cost of the strategy itself (puts) is not offset by income; and ii) maintains lower implementation and execution complexity for the Firm compared to the “All Other Option Strategies.” The covered call writing part of the “All Other Option Strategies” incurs higher monitoring and maintenance requirements due to the potential risk of option assignment.

*Downside Protection Strategy: Puts Only – 0.25%*

*All Other Option Strategies: 0.75%*

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Foster Victor Wealth Advisors on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Foster Victor Wealth Advisors may negotiate a fee rate that differs from the range set forth above.

Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Foster Victor Wealth Advisors for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. In addition, the compensation to the Firm's Supervised Persons includes incentives to maintain assets under the Firm's management ("AUM"), which includes recommending that investments be made with funds outside of the Firm's AUM. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

## **Fees to FVI for Services to the Real Estate Fund**

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As described above, an affiliate of Foster Victor Wealth Advisors, FVI, provides non-investment services to the Real Estate Fund. FVI receives compensation for its services, including an allocation of twenty-five percent (25%) of the cash flow from the Real Estate Fund. In addition, FVI receives an asset management fee of two percent (2%) of investments. The Operating Agreement describes all allocations to FVI and the unaffiliated manager of the Real Estate Fund.

## **Retirement Plan Consulting Fees**

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Foster Victor Wealth Advisors generally charges a fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based upon the fee schedule described above.

## **Fee Discretion**

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Foster Victor Wealth Advisors may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

## **Additional Fees and Expenses**

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In addition to the advisory fees paid to Foster Victor Wealth Advisors, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage

accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

## **Direct Fee Debit**

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Clients generally provide Foster Victor Wealth Advisors with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Foster Victor Wealth Advisors.

## **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to Foster Victor Wealth Advisors' right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to Foster Victor Wealth Advisors, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Foster Victor Wealth Advisors may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

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

Foster Victor Wealth Advisors does not provide services for a performance-based fee. As described above, however, FVI provides services to the Real Estate Fund and receives twenty five percent (25%) of cash flows in the Real Estate Fund. Although Foster Victor Wealth Advisors believes that this arrangement best aligns the interests of the Firm and its clients, it raises conflicts of interest. The allocation is an incentive for the Firm to recommend an investment in the Real Estate Fund and to make recommendations to the Real Estate Fund that could result in higher cash flow even if that is not in the long-term best interest of the Real Estate Fund.

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

Foster Victor Wealth Advisors offers services to individuals, pension and profit-sharing plans, trusts, estates, corporations, and business entities (including the Real Estate Fund).

## **Minimum Account Requirements**

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Foster Victor Wealth Advisors does not impose an overall stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship, however, the Firm does require clients to maintain \$250,000 in employer sponsored retirement plan accounts to manage them using Pontera. Clients seeking to engage the Firm to manage such accounts must also maintain one or more non-qualified accounts subject to the Firm's management. Separately, the Program has a minimum investment of \$5,000. The Program also has a minimum account balance of \$50,000 for its tax-loss harvesting feature.

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

### **Methods of Analysis and Investment Strategies**

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Foster Victor Wealth Advisors utilizes a fundamental method of analysis in managing client assets. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Foster Victor Wealth Advisors, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Foster Victor Wealth Advisors' investment strategy is defined by the Firm's balanced approach to financial planning. The Firm believes in building diversified portfolios that are assembled based on the time horizon and risk tolerance surrounding the client's overall goals. Foster Victor Wealth Advisors' portfolios generally consist of 8-9 asset classes across a varied list of sectors and security types. The Firm believes in rebalancing portfolios based on market movement, using proven market formulas rather than letting fear and greed drive decisions.

Foster Victor Wealth Advisors believes there are two main phases in its clients' financial lives: accumulation and distribution. During the accumulation phase the Firm's goal is to guide account growth by building a diversified portfolio, adding regular contributions and consistently dollar-cost averaging. During retirement, Foster Victor Wealth Advisors assists clients in the tax planning and distribution strategy by facilitating taxable, tax-deferred and tax free accounts. The Firm believes this strategy allows its clients to maximize income potential while minimizing taxation.

### **Risk of Loss**

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The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their

legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf. Investors in the Real Estate Fund should review the Fund Documents.

## *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Foster Victor Wealth Advisors' recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Foster Victor Wealth Advisors will be able to predict those price movements accurately or capitalize on any such assumptions.

## *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## *Equity-Related Securities and Instruments*

The Firm may take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively

affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

### *Management Through Similarly Managed “Model” Accounts*

Foster Victor Wealth Advisors may allocate clients assets using similarly managed “model” portfolios, whereby the Firm allocates all or a portion of its clients’ assets among various mutual funds and/or securities on a discretionary basis using one or more proprietary investment strategies. The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients’ net after tax gains. While the Firm seeks to ensure that clients’ assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client’s individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts. The Program Brochure includes a discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

### *Use of Private Collective Investment Vehicles*

Foster Victor Wealth Advisors recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, real estate funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. There is an additional risk where the Firm recommends a Real Estate Fund (described above as one to whom the Firm’s affiliate provides consulting services) for client investment. The Firm has a conflict of interest because of the services that it provides to the Real Estate Fund. Clients should consult each fund’s private placement memorandum and/or other documents explaining such risks prior to investing.

## Item 9. Disciplinary Information

Foster Victor Wealth Advisors has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### Licensed Insurance Agents

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A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that Foster Victor Wealth Advisors recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### Services to the Real Estate Fund

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As described above, the Firm's affiliate, FVI, provides services to the Real Estate Fund which is recommended as an investment to certain of the Firm's clients. There is a conflict of interest where the Firm recommends an investment in the Private Fund.

### Affiliated Family Office Services

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Certain owners and Supervised Persons of the Firm have a control position in FV Family Services, LLC ("FVFS"). FVFS provides family office and outsourced Chief Financial Officer services primarily to high-net-worth families and business owners. There is a conflict of interest where either Foster Victor Wealth Advisors or FVFS recommends the services of the other to their respective clients. In addition, it is possible that FVFS will have access to certain client data that would result in Foster Victor Wealth Advisors having custody if those services were provided through Foster Victor Wealth Advisors. Because those services are provided by FVFS and not in connection with the Firm's advisory services, the Firm does not treat those assets as under custody of the Firm.

## Item 11. Code of Ethics

Foster Victor Wealth Advisors has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Foster Victor

Wealth Advisors' Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Foster Victor Wealth Advisors' personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Foster Victor Wealth Advisors to request a copy of its Code of Ethics.

## Item 12. Brokerage Practices

### Recommendation of Broker/Dealers for Client Transactions

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Foster Victor Wealth Advisors generally recommends that clients utilize the custody, brokerage and clearing services of Schwab for investment management accounts.



Factors which Foster Victor Wealth Advisors considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Foster Victor Wealth Advisors' clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Foster Victor Wealth Advisors determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Foster Victor Wealth Advisors seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Foster Victor Wealth Advisors in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Foster Victor Wealth Advisors does not have to produce or pay for the products or services.

Foster Victor Wealth Advisors periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

## **Software and Support Provided by Financial Institutions**

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Foster Victor Wealth Advisors may receive without cost from Schwab computer software and related systems support, which allow Foster Victor Wealth Advisors to better monitor client accounts maintained at Schwab. Foster Victor Wealth Advisors may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Foster Victor Wealth Advisors, but not its clients directly. In fulfilling its duties to its clients, Foster Victor Wealth Advisors endeavors at all times

to put the interests of its clients first. Clients should be aware, however, that Foster Victor Wealth Advisors' receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services. Specifically, Foster Victor Wealth Advisors may receive the following benefits from Schwab: credits to be used toward qualifying third-party service providers used in connection with the initial set up of the Firm's research, technology and software platforms; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional traders; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Schwab. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of Foster Victor Wealth Advisors by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Foster Victor Wealth Advisors in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to Foster Victor Wealth Advisors other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these

types of services rendered to the Firm by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, Foster Victor Wealth Advisors endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

## **Brokerage for Client Referrals**

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Foster Victor Wealth Advisors does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

## **Directed Brokerage**

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The client may direct Foster Victor Wealth Advisors in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Foster Victor Wealth Advisors (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Foster Victor Wealth Advisors may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

## **Trade Aggregation**

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Transactions for each client generally will be effected independently, unless Foster Victor Wealth Advisors decides to purchase or sell the same securities for several clients at approximately the same time. Foster Victor Wealth Advisors may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Foster Victor Wealth Advisors' clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Foster Victor Wealth Advisors' Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange

Commission. Foster Victor Wealth Advisors does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## Item 13. Review of Accounts

### Account Reviews

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Foster Victor Wealth Advisors monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's Principal and/or investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Foster Victor Wealth Advisors and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations. In addition, the Firm contacts ongoing investment advisory clients periodically to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### Account Statements and Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Foster Victor Wealth Advisors and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they

receive from their custodian with any documents or reports they receive from Foster Victor Wealth Advisors or an outside service provider.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

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The Firm does not provide compensation to any third-party solicitors for referring prospective advisory clients to the Firm. The Firm has entered into one or more arrangements whereby it may receive compensation for referring advisory clients to third-party licensed insurance agencies offering health insurance products. A conflict of interest exists to the extent that Foster Victor Wealth Advisors refers advisory clients to such third-party licensed insurance agencies and receives compensation as a result. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such arrangements.

### Other Compensation

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The Firm receives economic benefits from Schwab. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

## Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize Foster Victor Wealth Advisors to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Foster Victor Wealth Advisors. In addition, as discussed in Item 13, Foster Victor Wealth Advisors may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Foster Victor Wealth Advisors.

Neither the Firm nor FVI have custody of the assets in the Real Estate Fund. The Fund is, however, audited annually.

## Item 16. Investment Discretion

Foster Victor Wealth Advisors may be given the authority to exercise discretion on behalf of clients. Foster Victor Wealth Advisors is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Foster Victor Wealth Advisors is given this authority through a power-of-attorney included in the agreement between Foster Victor Wealth Advisors and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Foster Victor Wealth Advisors takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

## Item 17. Voting Client Securities

Foster Victor Wealth Advisors may accept the authority to vote a client's securities (i.e., proxies) on their behalf. When Foster Victor Wealth Advisors accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully-described in the Firm's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Foster Victor Wealth Advisors' Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Foster Victor Wealth Advisors to request information about how the Firm voted proxies for that client's securities or to get a copy of Foster Victor Wealth Advisors' Proxy Voting Policies and Procedures. A brief summary of Foster Victor Wealth Advisors' Proxy Voting Policies and Procedures is as follows:

- Foster Victor Wealth Advisors has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will vote proxies according to Foster Victor Wealth Advisors' then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.

- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the Firm devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Foster Victor Wealth Advisors' vote on a particular solicitation but can revoke the Firm's authority to vote proxies.

In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that Foster Victor Wealth Advisors maintains with persons having an interest in the outcome of certain votes, the Firm takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

### **Item 18. Financial Information**

Foster Victor Wealth Advisors is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.