

Form ADV Part 2A



FROST INVESTMENT SERVICES, LLC FIRM BROCHURE

ITEM 1 COVER PAGE

Dated: March 15, 2024

111 West Houston Street
San Antonio, TX 78205
Phone Number: (800) 292-1292
www.frostbank.com

This brochure provides information about the qualifications and business practices of Frost Investment Services, LLC. If you have any questions about the contents of this brochure, please contact Frost Investment Services, LLC at (800) 292-1292. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or any state securities authority. References to Frost Investment Services, LLC as a registered investment adviser or descriptions of being registered do not imply a certain level of skill or training.

Additional information about Frost Investment Services, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

This section provides a summary of material changes since the last annual update on **March 31, 2023**.

March 2024:

Item 4 (Advisory Business) was amended to add new offerings for the Unified Managed Account ("UMA") Program and Tax and Impact Overlay services, and otherwise clarify our existing advisory programs.

Item 5 (Fees and Compensation) was amended to add fees for the UMA program and overlay services and provide more clarity on how advisory fees are calculated.

December 2023:

Item 4 (Advisory Business) was amended to add a new managed account program known as the Fund Strategist Portfolio (the "FSP program") and portfolios managed by unaffiliated third-party managers.

July 2023:

Item 5 (Fees and Compensation) was amended to disclose that Fidelity Institutional Wealth Adviser LLC, the sponsor of the Chartered Advisory Program, also known as Invest Point, terminated its agreement effective July 20, 2023. Following the termination, FIS no longer offers the Chartered Advisory Program. Therefore, all references and fee schedules tied to the Chartered Advisory Program have been removed.

Item 12 (Brokerage Practices) was amended to add disclosure regarding our affiliated broker-dealer, Frost Brokerage Services, Inc.

ITEM 3 TABLE OF CONTENTS

ITEM 1 COVER PAGE	1
ITEM 2 MATERIAL CHANGES	2
ITEM 4 ADVISORY BUSINESS	4
ITEM 5 FEES AND COMPENSATION.....	6
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	10
ITEM 7 TYPES OF CLIENTS	10
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS.....	10
ITEM 9 DISCIPLINARY INFORMATION	12
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	13
ITEM 11 CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	13
ITEM 12 BROKERAGE PRACTICES.....	14
ITEM 13 REVIEW OF ACCOUNTS	15
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION.....	16
ITEM 15 CUSTODY	16
ITEM 16 INVESTMENT DISCRETION	16
ITEM 17 VOTING CLIENT-OWNED SECURITIES	16
ITEM 18 FINANCIAL INFORMATION.....	17

ITEM 4 ADVISORY BUSINESS

Frost Investment Services, LLC (“we,” “us,” “our,” or “FIS”) is a retail investment adviser registered with the SEC, established in November 2016 and first registered in January 2017. FIS is a wholly owned subsidiary of Frost Bank (“Frost Bank”). Frost Bank is a wholly owned subsidiary of Cullen/Frost Bankers, Inc.

As of December 31, 2023, FIS had total discretionary assets under management of \$2,664,750,805. There are no non-discretionary assets under management.

We offer investment advisory services to clients (“you,” “your,” or “yours”) through personal consultations designed to obtain detailed financial information and other pertinent data. In formulating the investment advice to you, factors that we may consider include the following:

- Financial and personal circumstances
- Risk tolerance
- Investment horizon
- Liquidity needs
- Tax considerations
- Financial goals
- Income (current and potential)
- Portfolio size
- Net worth
- Investment objectives
- Any other issues important to your state of affairs

You should notify us promptly if there are any changes in your financial situation or investment objectives. You should also notify us if you wish to impose any reasonable restrictions upon the management of your account.

Portfolio Management

We offer a variety of investment strategies, typically managed to an allocation model designed to diversify your securities portfolios. We offer equity and fixed-income management, providing a range of style-based investment approaches, including:

- Capital appreciation
- Growth
- Growth and income
- Taxable and tax-exempt fixed-income objectives

Assets are allocated within a mix of securities that include all or some of the following:

- Stocks
- Bonds
- Mutual funds
- Exchange-traded products (“ETPs”), including exchange-traded funds (“ETFs”)

FIS has entered into an agreement with our affiliated registered investment adviser, Frost Investment Advisors, LLC (“FIA”), to provide asset allocation models. The asset allocation models are primarily focused on diversification and minimizing volatility in a portfolio by distributing assets across a broad spectrum of asset classes. FIA provides guidance to FIS as to the securities to be bought, sold, or held in each asset allocation model, as well as the percentage of the model portfolio to be invested in each underlying security. Within the allocation model guidelines, your FIS investment adviser representative maintains discretion over the implementation of any advice received from FIA. Although diversification may reduce volatility, it does not ensure a profit or guarantee against a loss.

In January 2023, FIS migrated advisory accounts transitioned from the Envestnet Asset Management, Inc. (“Envestnet”) managed platform to the Fidelity Managed Account Xchange (“FMAX”) platform. FMAX is an integrated managed account program sponsored by Fidelity Institutional Wealth Adviser, LLC (“FIWA”), an unaffiliated registered investment adviser. FIWA is a wholly owned subsidiary of FMR LLC and, together with its affiliates and subsidiaries, is generally known to the public as “Fidelity Investments” or “Fidelity.”

Implementation Manager

FIWA has retained Envestnet to provide model implementation, overlay management, and other administrative duties. Envestnet will have discretionary authority over client accounts and will be responsible for the implementation of models received from model providers within the FMAX platform.

FMAX is designed to provide a highly configurable investment advisory platform, which FIS will use to provide wealth management solutions directly to our clients. FMAX will also provide risk-based portfolio management tools, including portfolio modeling and diagnostic tools, rebalancing, drift tolerance controls, and system-generated alerts related to drift and rebalancing; and administrative services, including risk tolerance questionnaires, investment due diligence, performance reporting, and fee-billing.

Through the FMAX platform, FIS has four distinct offerings for advisory clients to consider: 1) the Fund Strategist Portfolio Program, 2) Optimum Asset Allocation Strategy, 3) Advisor Model Management, and 4) the Unified Managed Accounts Program.

Fund Strategist Portfolio Program

The Fund Strategist Portfolio Program ("FSP Program") provides a menu of prepackaged investment models provided by unaffiliated, third-party investment managers ("Investment Managers"). In the FSP Program, the asset allocation and underlying investments are provided by the Investment Managers on a model basis. These Investment Managers construct an allocation for their model and select the underlying investments, including actively managed, passively managed, and registered alternative mutual funds and exchange-traded products, including mutual funds and ETFs, which, when discussed together, are hereinafter referred to as ("Funds"). A model's risk rating allows FIS to select models aligned with a client's risk profile and investment objectives.

Optimum Asset Allocation Strategy

The Optimum Asset Allocation Strategy is also an FSP Program that provides a menu of prepackaged investment models provided by FIS affiliate Frost Investment Advisors, LLC ("FIA") as the Investment Manager. In the Optimum Asset Allocation Strategy, the asset allocation and underlying investments are provided by FIA on a model basis. FIA constructs an allocation for its models and selects the underlying investments, including proprietary Frost Funds and non-proprietary Funds.

Advisor Model Management

The Advisor Model Management ("AMM") is also known as Advisor Portfolio Manager ("APM"). AMM offers a customized investment program using asset allocation models and proprietary portfolios offered through FIA. In the AMM offering, the asset allocation and underlying investments are provided by FIA. As the Investment Manager, FIA constructs an allocation for their models and selects the underlying investments using proprietary Frost Funds, including equities and individual bonds. FIA provides investment due diligence and performance reporting.

For additional information, please refer to the Frost Investment Advisors, LLC, Form ADV Brochure available on the SEC's website at www.adviserinfo.sec.gov.

Unified Managed Account Program

The Unified Managed Account ("UMA") Program enables clients the ability to incorporate multiple Funds and strategies into a single account by accounting for each unique investment strategy as a unique investment "sleeve" within a single account (e.g., Fund sleeves, individual Separately Managed Account ("SMA") manager sleeves, and Fund Strategist sleeves). FIS may develop a UMA portfolio for a client by first creating their own asset allocation. FIS then determines the investment solution(s) to utilize within the UMA from the options available on the platform, including investment models, SMAs, Funds, and individual securities.

Tax and Impact Overlay Services

For UMA accounts that meet certain sleeve minimum requirements, FIS offers clients the ability to utilize tax and/or impact overlay services ("Tax Overlay" and "Impact Overlay"). Tax Overlay seeks to enhance after-tax returns by analyzing holdings and trading activities in an account. Impact Overlay allows the integration of Environmental, Social, and Governance ("ESG") factors into the management of a client's account. If selected, the Implementation Manager provides the Tax Overlay and/or Impact Overlay services to an account or sleeve. Neither FIS, FIWA, nor Envestnet provide tax planning advice or services, and therefore, clients should consult their accountant or tax professional.

The Impact Overlay is administered by FIWA who determines the factors that qualify an investment for that designation. The FIWA research team follows a proprietary ESG evaluation framework to qualitatively evaluate a given Fund's or SMA's ESG intent (if any), whether such intent has been consistent and is aligned with its investments and ESG outcome, and the level of commitment and engagement that exist to support the intended ESG outcome and reporting.

FIS does not conduct an independent assessment of an investment's ESG factors.

For additional information, please refer to the Fidelity Institutional Wealth Adviser LLC, Form ADV brochure titled "Fidelity Managed Account Xchange," available on the SEC's website at www.adviserinfo.sec.gov.

Financial Planning

We can prepare and provide you with a written financial plan designed to help you achieve your financial goals and investment objectives. The preparation of such a plan necessitates that you provide us with personal data such as:

- Family records
- Budgeting
- Personal liabilities
- Estate information
- Additional financial goals

The financial plan may include any of the following as requested or directed by you and agreed upon by contract:

- Asset protection
- Tax planning
- Business succession
- Strategies for exercising stock options
- Cash flow
- Education planning
- Estate planning and wealth transfer
- Charitable gifting
- Long-term care and disability planning
- Retirement planning
- Insurance planning
- Risk management

We do not provide accounting, tax, or legal advice. Should you choose to implement the recommendations contained in the plan, we suggest working closely with your attorney and accountant.

Financial planning is included in our advisory fee. Please refer to our management fee schedule below.

ITEM 5 FEES AND COMPENSATION

We offer our services on a fee-only basis. Our advisory fees are billed monthly in advance. Advisory fees are calculated based on the market value of the prior month's average daily balance. The average daily balance is the market value of all the assets in your account as determined by the custodian, including cash. The average daily balance of the prior month is multiplied by the contracted advisory fee to determine the annualized fee. The annualized fee is then prorated based on the number of calendar days in the month that the advisory fee is in effect. Fees will not be adjusted for contributions or withdrawals made during a calendar month except in the case of a new or terminated account. When an account is created or terminated, the corresponding billing or refund is issued the following month. Accounts within the same household may be combined to qualify for a lower fee.

Our fee schedule is provided below:

FUND STRATEGIST PORTFOLIO PROGRAM

The Fund Strategist Portfolio Program offers asset-allocated mutual funds and exchange-traded funds on a model basis.

Program minimum is \$25,000

Annual Advisory Program Fee:	0.80% on the first \$5,000,000 0.60% on the next \$5,000,000 0.50% on all over \$10,000,000	The program fee is based on the market value of all assets held in your account, including any cash balances.
Portfolio Strategy Fee:	0.18% on the first \$5,000,000 0.14% on the next \$5,000,000 0.10% on all over \$10,000,000	The portfolio strategy fee is based on the market value of all assets held in your account, including any cash balances.
Advisory Services Include:	<ul style="list-style-type: none">▪ Investment of your initial and ongoing investments▪ Development and ongoing management of portfolios▪ All trades	<ul style="list-style-type: none">▪ Account rebalancing▪ Goal-based financial planning▪ 24/7 online access▪ Tax-loss harvesting▪ Performance reporting

OPTIMUM ASSET ALLOCATION STRATEGY

The Optimum Asset Allocation Strategy offers asset-allocated mutual funds and exchange-traded funds using proprietary and non-proprietary Funds on a model basis.

Program minimum is \$25,000

Annual Advisory Program Fee:	0.80% on the first \$5,000,000 0.60% on the next \$5,000,000 0.50% on all over \$10,000,000	The program fee is based on the market value of all assets held in your account, including any cash balances.
Portfolio Strategy Fee:	0.18% on the first \$5,000,000 0.14% on the next \$5,000,000 0.10% on all over \$10,000,000	The portfolio strategy fee is based on the market value of all assets held in your account, including any cash balances.
Advisory Services Include:	<ul style="list-style-type: none">▪ Investment of your initial and ongoing investments▪ Development and ongoing management of portfolios▪ All trades	<ul style="list-style-type: none">▪ Account rebalancing▪ Goal-based financial planning▪ 24/7 online access▪ Tax-loss harvesting▪ Performance reporting

ADVISOR MODEL MANAGEMENT

The Advisor Model Management Program offers asset-allocation models using proprietary Frost Funds and individual equity and bond portfolios.

Program minimum is \$250,000*

*Minimum for a customized equity portfolio is \$1,000,000 and \$2,000,000 for a customized bond portfolio.

Annual Advisory Program Fee:	0.80% on the first \$5,000,000 0.60% on the next \$5,000,000 0.50% on all over \$10,000,000	The program fee is based on the market value of all assets held in your account, including any cash balances.
Portfolio Strategy Fee:	0.20% on the first \$5,000,000 0.17% on the next \$5,000,000 0.10% on all over \$10,000,000	The portfolio strategy fee is based on the market value of all assets held in your account, including any cash balances.
Advisory Services Include:	<ul style="list-style-type: none"> Investment of your initial and ongoing investments Development and ongoing management of portfolios All trades Account rebalancing 	<ul style="list-style-type: none"> Broad-based financial planning 24/7 online access Performance reporting Access to Frost Investment Advisors' insights and commentary

UNIFIED MANAGED ACCOUNTS PROGRAM

The Unified Managed Accounts Program offers multiple Funds and investment strategies into a single account, including Fund sleeves, individual SMA manager sleeves, and Fund Strategist sleeves.

Program minimum is \$250,000*

*Certain third-party Investment Managers will impose higher minimums.

Annual Advisory Program Fee:	1.25% on the first \$1,000,000 1.10% on the next \$1,000,000 1.00% on the next \$3,000,000 0.85% on all over \$5,000,000	The program fee is based on the market value of all assets held in your account, including any cash balances.
Tax and/or Impact Overlay Services Fee (optional):	0.10% on the first \$10,000,000 0.08% on the next \$15,000,000 0.05% on all over \$25,000,000	If selected, the overlay service will be charged in addition to the advisory program fee and is based on the market value of all assets held in your account, including any cash balances. The fee includes both Tax and Impact Overlay services.
Advisory Services Include:	<ul style="list-style-type: none"> Investment of your initial and ongoing investments Development and ongoing management of portfolios All trades Account rebalancing 	<ul style="list-style-type: none"> Broad-based financial planning 24/7 online access Performance reporting Access to Frost Investment Advisors' insights and commentary

HOW THE ADVISORY FEES ARE CHARGED

Advisory fees are charged monthly in advance, generally within the first ten business days of each month, based on the value of the average daily balance in the account during the previous month.

ACCOUNT, OPERATIONAL, AND SERVICE FEES

IRA Annual Fee	\$35	Outgoing Domestic Wire Transfer Fee*	\$30
IRA Termination Fee	\$125	Full Account Transfer Fee	\$75
Annual Pledge Account Fee	\$50		

*Outgoing domestic wire transfer fees may vary if you request a funds transfer from your Frost checking, savings, or money market account. Please review the schedule of fees for complete information.

Your advisory agreement authorizes us to deduct the advisory fee from your custodial accounts.

Your custodian/broker-dealer will provide you with statements that show the amount of the fees paid directly to us. You should review the custodian/broker-dealer's statements and verify the calculation of our fees. The custodian/broker-dealer does not verify the accuracy of fee calculations.

Advisory fees are based on the complexity of the selected investment products and the level of service required by each client. We have the right to change any or all of our fee schedules as agreed upon by contract with individual clients. We may negotiate advisory fees at the sole discretion of our management. Negotiated fees may be lower or higher than the fees stated above. Comparable services for lower fees may be available from other providers of investment advisory services.

The advisory fee includes payment for investment advisory services we provide, as well as fees associated with the FMAX platform. The advisory fee does not cover certain charges associated with securities transactions in clients' accounts, including (i) the internal charges and fees imposed by mutual funds and ETFs, e.g., Frost proprietary mutual funds or "Frost Funds" (such as fund operating expenses, management fees, redemption fees, and other fees and expenses; further information regarding charges and fees assessed by mutual funds and ETFs can be found in the appropriate prospectus); (ii) brokerage commissions or dealer markups, markdowns, or spreads charged on transactions in over-the-counter securities imposed by broker-dealers or entities other than our affiliate Frost Brokerage Services, Inc. if and when trades are executed by another broker-dealer; (iii) costs relating to trading in certain foreign securities; (iv) postage and handling charges, returned check charges, stock exchange fees, or other fees mandated by law; (v) ACAT transfer, electronic fund and wire transfer charges; (vi) individual retirement account ("IRA") trustee or custodian fees and tax-qualified retirement plan annual account fees and annual and termination fees for retirement accounts (such as IRAs); (vii) any brokerage commissions or other charges, including contingent deferred sales charges ("CDSC"), imposed upon the liquidation of "in-kind assets" that are transferred into the platform.

None of these other fees imposed by investment companies are paid to or shared with us. However, to the extent FIS recommends that a client invests in the Frost Funds, FIS indirectly benefits from the investment in the Frost Funds due to the increase in total compensation to the parent company of FIS and the Frost Funds. We are available to answer any questions you have about fees and expenses. Please see the Brokerage section of our brochure for additional information.

Accounts in the FSP Program may incur additional fees or expenses imposed by the Investment Manager, which are set by the Investment Manager. Revenue from these fees is not shared with FIS. In addition, the advisory fee for accounts in the FSP Program does not include expense ratios for mutual funds and exchange-traded products selected by the Investment Manager. Models managed by Investment Managers may include mutual funds or exchange-traded products managed by the Investment Manager or an affiliated company. Investment Manager fees may differ between Investment Managers. Although the basis of our recommendation of Investment Manager(s) is not contingent upon the Manager's fee, a conflict may exist due to the potential incentive if we recommend Investment Manager(s) with a lower management fee. The lower the negotiated management fee, the more revenue FIS retains. We monitor the appropriateness of advisory accounts to mitigate such potential conflicts. Please consult with your FIS wealth advisor concerning the Investment Managers and their Manager fees if you have additional questions.

Your wealth advisor may recommend model portfolios invested in proprietary Funds. If so, your wealth advisor has a financial incentive to recommend proprietary Funds to the extent that our parent company, Frost Bank, receives additional compensation from management fees and other shareholder fees. This practice presents a conflict of interest. To mitigate this conflict, FIS offers a menu of prepackaged investment models provided by unaffiliated, third-party investment managers with lower program minimums.

FIS and our affiliates may utilize third parties to fulfill services we provide or make available to you, such as printing, mailing, and trading. Please see Item 12, Brokerage Practices, for detailed information on trading, pricing, and markups. Through enterprise-level pricing or markups, FIS and our affiliates will often charge you more than our actual cost for such services.

Either party, without penalty, may terminate the advisory agreement, subject to the terms of any contract in force at that time. Should either party terminate the advisory agreement before the end of a billing period, any pre-paid service fees will be refunded.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

FIS does not engage in the management of any hedge fund or unregistered fund, reducing the potential for conflicts of interest between mutual fund strategies and separately managed accounts. We do not enter into performance-based fee contracts when managing client accounts.

ITEM 7 TYPES OF CLIENTS

We generally provide investment advice to the following types of clients:

- Individuals
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

Participation in an advisory program carries a minimum account size for the program selected. Generally, the Fund Strategist Portfolio Program and the Optimum Asset Allocation Strategy will require a minimum of \$25,000, whereas the Advisor Model Management Program and the Unified Managed Accounts Program require a minimum of \$250,000. Investment Managers may impose higher minimums depending on the Funds and services provided.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

FIS has entered into an agreement with our affiliated registered investment adviser, Frost Investment Advisors, LLC, to provide FIS with investment research in relation to the services we offer you. This research incorporates technical, fundamental, and cyclical analysis to aid FIS in formulating investment advice and managing assets.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's value, but instead use charts and other tools to identify patterns that can suggest future activity.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It involves studying overall economic and industry conditions, the company's financial condition, and the quality of its management. Earnings, expenses, assets, and liabilities are all key factors in determining the value of a company. This value is then compared to the current price of the company's security to determine whether to buy, sell, or hold the security.

Cyclical analysis is a form of fundamental analysis that involves making investment decisions based on the different stages of an economic cycle and the potential strength of that industry at a given point in time.

Investment Strategies and Offerings

FIS provides access to a wide range of professionally managed investment strategies tailored to clients' needs. See a description of the offerings below.

Risk-rated asset allocation models are composed of mutual funds and ETFs. Each model is assigned a risk rating, which allows FIS to view all available models at a given risk rating based on a client's risk profile. The investment manager, which may be affiliated if models are provided by FIA or unaffiliated through the FMAX platform, determines the model's asset allocation and underlying investment selection and provides model portfolio holdings, as well as any ongoing portfolio changes for implementation and ongoing management.

Separately managed accounts with access to a myriad of investment style-specific professionally managed portfolios composed of individual securities or a combination of individual securities, mutual funds, and ETFs. Investment portfolios can be selected from a roster of unaffiliated Investment Managers specializing in a variety of investment disciplines and may be combined with mutual funds and ETFs in order to solve for a client's personal asset allocation requirements.

Personalized investor portfolios using a variety of securities and investment strategies with the ability to incorporate multiple funds and strategies into a single account, with each unique investment strategy identified as an investment "sleeve." While many different investment strategies and Investment Managers can be selected, our platform provides the ability to utilize technology to assess portfolios holistically and across multiple advisory programs, allowing us to make a household assessment of client needs. Our analytical capability allows us to consider multiple options for investment strategies as we seek to match client needs with the features and benefits of each program. Clients may, at their discretion, place restrictions on the strategies to be used and the characteristics of assets to be held in their portfolio.

Investment Risk and Risk of Loss

Investments held in client accounts are not bank deposits and are not guaranteed by the Federal Deposit Insurance Corporation ("FDIC"). All investments involve risk and may lose money.

Past performance is no guarantee of future results.

Diversification does not ensure a profit or guarantee against a loss, and there is no guarantee that investment strategies available through FIS will achieve a particular result.

In addition to the risks noted above, the following risks apply generally to strategies made available through FIS:

Liquidity Risk

Investing in certain types of securities that are thinly traded, or investing in bonds, ETPs, or mutual funds that invest in thinly traded securities, introduces liquidity risk. Liquidity risk is a financial risk that, for a certain period of time, a security or commodity cannot be readily traded in the market or cannot be traded without a significant discount to the market price. All tradable assets assume some level of liquidity risk. For example, alternative mutual funds and ETPs may use techniques such as shorting of securities, leverage, and derivatives, all of which may have liquidity risks if there are no buyers and sellers available or if a counterparty cannot fulfill the order.

Stock Investments

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Stock investments may be subject to risk related to market capitalization as well as company-specific risk. Different parts of the market can react differently to these developments. Value and growth stocks can perform differently from other types of stocks. Growth stocks tend to be more expensive relative to their earnings or assets compared with other types of stocks. As a result, growth stocks tend to be sensitive to changes in their earnings and are more volatile than other types of stocks. Value stocks tend to be inexpensive relative to their earnings or assets compared with other types of stocks. However, value stocks can continue to be inexpensive for prolonged periods of time and may not ever realize their potential value.

Bond Investments

In general, the bond market is volatile, and fixed-income securities carry interest rate risk. As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities. The ability of an issuer of a bond to repay the principal prior to a security's maturity can cause greater price volatility if interest rates change, and if a bond is prepaid, a bond fund may have to invest the proceeds in securities with lower yields. Fixed-income securities also carry inflation risk and credit and default risks for both issuers and counterparties. The interest payments of inflation-protected bonds are variable and usually rise with inflation and fall with deflation. Unlike individual bonds, most bond funds do not have a maturity date, so holding them until maturity to avoid losses caused by price volatility is not possible. In addition, investments in certain bond structures may be less liquid than other investments and, therefore, may be more difficult to trade effectively.

Investing in Mutual Funds and ETPs

Clients bear all the risks of the investment strategies employed by or made available through FIS, including the risk that a mutual fund or ETP will not meet its investment objectives. For the specific risks associated with mutual funds or ETPs, please refer to the prospectus.

ETPs

An ETP is a security that trades on an exchange and may seek to track an index, a commodity, or a basket of assets. ETPs can be actively or passively managed. The performance of a passively managed ETP might not correlate with the performance of the asset it seeks to track. ETPs trade on secondary markets or exchanges and are exposed to market volatility and the risks of their underlying securities. ETPs that use derivatives, leverage, or complex investment strategies are subject to additional risks. ETFs are the most common type of ETP; they are pooled investment opportunities that typically include baskets of stocks, bonds, and other assets grouped based on specified fund objectives. An ETP's prospectus and related documents, such as a pricing supplement, will include its investment objectives, investments, risks, fees and expenses, and other important information.

Legislative and Regulatory Risk

Investments could be adversely affected by new (or revised) laws or regulations, including any changes to applicable tax laws and regulations. Changes to laws or regulations could impact the securities markets as a whole, specific industries, or individual issuers of securities and could impair the ability of an account to achieve its investment objectives. Generally, the impact of these changes may not be fully known for some time.

Cybersecurity Risks

With the increased use of technologies to conduct business, FIS and its affiliates are susceptible to cyberattacks despite taking reasonable steps to mitigate the risk. In general, cyber incidents can result from deliberate attacks or unintentional events that can arise from external or internal sources. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, equipment, or systems, and causing operational disruption. Cyberattacks can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting FIS, its affiliates, or any other service providers (including but not limited to custodians, transfer agents, and financial intermediaries used by FIS) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate asset prices, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities, counterparties with which an account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions (including financial intermediaries and service providers) and other parties.

Operational Risks

Operational risks can include risks of loss arising from failures in internal processes, people, or systems, such as routine processing incidents or major systems failures, or from external events, such as exchange outages. For example, computer, communications, data processing, networks, backup, business continuity, or other operating, information, or technology systems, including those FIS outsources to other providers, may fail to operate properly or become disabled, overloaded, or damaged as a result of a number of factors. These factors could include events that are wholly or partially beyond FIS control and may have a negative impact on our ability to conduct business activities.

We manage client accounts with a level of risk that is consistent with a stated investment profile, though we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss of your investment.

For a detailed list of risks associated with investing in Frost Funds, please refer to the prospectus and the statement of additional information, which is available upon request.

For a more complete discussion of the risks associated with Fidelity's FMAX platform, please refer to the Fidelity Institutional Wealth Adviser LLC, Form ADV Brochure titled, "Fidelity Managed Account Xchange," available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 9 DISCIPLINARY INFORMATION

We have no legal or disciplinary events to report that are material to our advisory business or the integrity of our management.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Our parent company, Frost Bank, is a wholly owned subsidiary of Cullen/Frost Bankers Inc., a financial services holding company offering insurance, brokerage, and investment services through Frost Bank and its subsidiaries: Frost Brokerage Services, Inc., a registered broker/dealer and member FINRA/SIPC; Frost Insurance Agency, Inc., a multiline insurance agency; Frost Investment Advisors, LLC, an SEC-registered investment adviser; and Frost Investment Services, LLC.

Our wealth advisors are also registered representatives (RRs) of our broker/dealer affiliate, Frost Brokerage Services, Inc. If you purchase brokerage products from our wealth advisors in their capacity as RRs, they will likely receive a commission. This creates a conflict of interest to the extent that it incentivizes a representative to recommend purchases and sales based on their compensation rather than your best interest. Clients are informed of our relationship with Frost Brokerage Services, Inc., and all costs and commissions are disclosed and can be discussed upon request with your wealth advisor.

Some of our wealth advisors carry an insurance license issued by the Texas Department of Insurance with appointments to a specific insurance company or to Frost Insurance Agency, Inc. We will review and comment on the suitability of insurance products contained in client accounts. We or our affiliates receive indirect benefits as a result of these transactions, even if there is no direct compensation paid to us or our employees. Clients are informed of our relationship with Frost Insurance Agency, Inc. and are not required to take our insurance advice or purchase insurance products from agents of Frost Insurance Agency, Inc.

When purchasing Frost mutual funds for you, a conflict of interest exists to the extent that the total compensation to our parent company is increased based on the investment management fee that FIA receives on Frost Funds. All of our clients are informed of the advisory relationship of FIA to the mutual funds. FIS offers investment options that do not include Frost Funds. Our clients are not required to select investment options that include Frost Funds.

We have adopted policies and procedures that are reasonably designed to ensure that your account is handled in a manner that is consistent with the fiduciary duty owed to you. Please review the brochure supplement provided in addition to this firm brochure to review and evaluate your investment advisory representative's specific licenses, registrations, and qualifications.

ITEM 11 CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We have adopted a Code of Ethics (the "Code") to address advisory staff conduct. The Code focuses on our fiduciary duty to you, personal securities transactions by our staff, insider trading, gifts our staff may give or receive, and conflicts of interest.

The Code of Ethics includes our position on the following topics:

- The duty, at all times, to place the interests of our clients first
- That all personal securities transactions be conducted in a manner consistent with the Code of Ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility
- That staff may not take inappropriate advantage of their positions
- That information concerning a client's financial information, personal information, and security holdings is confidential and should be kept secure
- That independence in the investment decision-making process is important

We will provide a copy of the Code of Ethics to you and any prospective client upon request.

When purchasing Frost mutual funds for you, a conflict of interest exists to the extent that the total compensation to our parent company increases based on the investment management fee that Frost Investment Advisors, LLC receives on our proprietary funds. All of our clients are informed of our relationship with the mutual funds Frost affiliates manage.

Our staff is permitted to engage in personal securities transactions. These transactions raise potential conflicts of interest if they were to trade in a security that is owned by a client or considered for purchase or sale to a client. We have adopted policies and procedures that are reasonably designed to ensure that all transactions are conducted in a manner that is consistent with our fiduciary duty to you. Staff who buy or sell securities of the types bought or sold for you may do so only if they conform to our written policies.

ITEM 12 BROKERAGE PRACTICES

Frost Brokerage Services, Inc. serves as the introducing broker for FIS client accounts. Frost Brokerage Services, Inc. does not earn revenue from FIS accounts. Any brokerage revenue inadvertently derived from FIS client accounts will be refunded to the client.

We recommend that National Financial Services LLC ("NFS"), an unaffiliated clearing broker-dealer, serve as the custodian for your account. Our use of NFS is a beneficial business arrangement for us and for NFS. Information regarding the benefits of this relationship is described as follows.

In recommending NFS as your custodian, we consider, at a minimum, its:

- Existing relationship with us
- Financial strength
- Reputation
- Reporting capabilities
- Execution capabilities
- Pricing
- Types and quality of research

The determining factor in the selection of NFS to execute transactions for your accounts is not the lowest possible transaction cost but whether NFS can provide what we believe is the best qualitative execution for your account.

FIS does not use soft dollars or maintain a soft dollar program. However, Envestnet and certain unaffiliated Investment Managers on the FMAX platform may use soft dollars or other commission-sharing arrangements in connection with transactions effected for the platform.

NFS provides us with access to its institutional trading and custody services, which include:

- Brokerage
- Custody
- Asset allocation planning software
- Research
- 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

We are not required to maintain a minimum volume of transactions or hold a minimum dollar amount of client assets to receive these services. NFS does not charge separately for holding and servicing your account but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your account.

NFS also makes other products and services available that benefit FIS but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- Provide access to account data such as:
 - Duplicate trade confirmations
 - Bundled duplicate account statements
 - Access to an electronic communication network for client order entry and account information
- Facilitate trade execution, including:
 - Access to a trading desk serving investment advisers exclusively
 - Access to bunched trading, which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account
- Provide research, pricing information, and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office function, record keeping, and client reporting
- Provide us with compliance-related publications

NFS also makes available services intended to help FIS manage and further develop our business.

These services may include:

- Consulting
- Publications and conferences on practice management

- Information technology
- Business succession
- Regulatory compliance
- Marketing

NFS may discount or waive the fees it would otherwise charge for some or all of these services. It may also arrange for certain services to be provided to us by independent third parties. In that regard, NFS may pay all or a part of the fees of the third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with NFS because we do not have to produce or purchase the products and services listed above.

The amount of compensation or the products or services we receive may vary depending on the custodian or broker-dealer we recommend to our clients; for this reason, we have a conflict of interest in making that recommendation. Our recommendation of NFS is based not only on the nature, cost, and quality of the custody and brokerage services but also, in part, on the economic benefit to us. We strive to act in your best interests at all times.

Commissions and other fees for transactions executed through NFS may be higher than commissions and other fees available if you use another custodian/broker-dealer to execute transactions and maintain custody of your account. We believe, that the overall level of services and support provided by NFS outweighs the benefit of possibly lower transaction costs that may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our clients, including clients whose accounts are not maintained through NFS. We do not attempt to allocate these benefits to specific clients.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or guarantee best execution of transactions effected through that broker-dealer. In addition, under these circumstances, a difference may exist between the commissions charged to you and other clients who do not direct us to use a particular broker-dealer.

We aggregate orders in a bunched, or block, trade(s) when securities are purchased or sold for multiple discretionary accounts. We must reasonably believe that the bunched order is consistent with our efforts to provide the best execution and will benefit each client participating in the aggregated order equally. The average price of the security in each bunched trade is allocated to each account that participates in the trade. Accounts that participate in the same bunched trade are charged commissions, if applicable, as described in their advisory contracts. Different accounts participating in an aggregated transaction may not be charged the same commission rates. We prohibit personal trades of our staff to be bought or sold within bunched trades executed on behalf of our clients.

Prior to entry of a bunched trade, a written pre-allocation is generated that identifies the group of client accounts participating in the order. If a bunched order cannot be fully executed by the end of the business day, the securities purchased or sold are allocated in a way that is consistent with the initial pre-allocation of the trade. This is done in a way that does not advantage or disadvantage any particular client accounts. If an account is added to the bunched trade after the first business day of trading, it is accorded a prorated share of the remaining block as it is traded.

Changes in allocation before final execution may be made, provided that all client accounts receive fair and equitable treatment. A written explanation of the reason for any material change in the allocation is documented no later than the morning following the execution of the trade.

It is our policy that a client must not be disadvantaged for trade errors attributed to the adviser. Trades are corrected to reflect the original intent of the client. If the trade error correction results in a loss, we will reimburse you for the loss.

Each error is corrected through the FIS error account. During the calendar quarter, the losses and gains resulting from trade error corrections are netted against each other within the error account. If, at the end of each calendar quarter, the trade error corrections result in a net gain in the error account, that gain will be donated to a charitable organization.

ITEM 13 REVIEW OF ACCOUNTS

We review client accounts for compliance with the stated objective(s), level of risk, holdings, and asset weightings. Client accounts are regularly monitored for compliance with portfolio objectives and performance in relation to benchmarks. A review to ensure that accounts are still in line with your current objectives and risk profile is performed at least annually by an investment adviser representative. We may review your account more frequently if we believe that market conditions or your personal circumstances warrant it.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

We compensate employees of our affiliates who refer clients to us for investment advisory services. We participate in programs sponsored by our parent company, Frost Bank, and our affiliates to pay individuals making the referral a percentage of the fee paid to us by clients they refer. These payments are taken from the stated investment management fee charged by FIS and does not result in an increase in the amount of fees paid by you.

A conflict of interest exists where a related person has a financial incentive to direct the referral to us over our affiliates or an unrelated third party based on the referral fee they receive. Any solicitation or referral arrangements will comply with applicable laws and regulations that govern the payment of referral fees.

ITEM 15 CUSTODY

FIS does not provide custody-related services. Custody-related services are available through NFS. FIS is deemed to have custody of client accounts used as collateral to secure loans with Frost Bank.

You will receive statements from NFS reflecting your account activity and holdings at least quarterly. You may request to have online access to view your account activity and performance. You should carefully review the statements received from your custodian and verify that the transactions in your account are consistent with your investment objectives. As disclosed above, any custody fee is separate from the advisory fee charged to you. We also encourage you to contact your investment advisory representative or our chief compliance officer should you have any concerns regarding your account.

ITEM 16 INVESTMENT DISCRETION

FIS offers advisory services on a discretionary basis only. In a discretionary account, your investment adviser representative can buy and sell securities without your prior approval. By eliminating the need to seek approval for every transaction, your investment adviser representative can more quickly implement portfolio and asset management strategies.

Discretion is used in a manner consistent with your stated risk profile. Discretionary authorization is included in the advisory agreement you sign when establishing your account.

Although our advisory agreement provides authorization to deduct advisory fees from your account, it does not provide any additional authorization to withdraw or transfer funds.

Within the FMAX platform, FIS is responsible for ensuring that the recommended portfolios are consistent with your risk profile and are in your best interest. When selecting securities or trading accounts, Envestnet or the investment manager, as applicable, observe the investment policies established through the platform for client accounts, along with any account investment limitations or restrictions. In such instances, FMAX provides tools to assist FIS and the investment manager in monitoring adherence to the investment policies established for each client. FIWA does not undertake responsibility for monitoring adherence to the client's broader investment policy.

ITEM 17 VOTING CLIENT-OWNED SECURITIES

Unless otherwise directed by you in writing, proxies on securities that are managed by FIS are voted by us on your behalf. To ensure that our decisions comply with our fiduciary obligations to you, we have adopted policies and procedures reasonably designed to prevent conflicts of interest from influencing our proxy voting decisions.

FIS has retained Glass, Lewis & Co. ("Glass Lewis"), an independent provider of proxy research and voting recommendations, to assist FIS in receiving and voting proxies. Unless you provide specific voting guidelines or directives, we have pre-selected certain proxy voting guidelines provided by Glass Lewis. The Glass Lewis guidelines are not exhaustive, do not address all potential voting issues, and do not necessarily always correspond with the opinions of FIS. Therefore, there may be instances where we may not vote shares in accordance with Glass Lewis guidelines. In the event that we believe the Glass Lewis recommendation is not in the best interest of shareholders and on those matters for which Glass Lewis does not provide a specific voting recommendation, we will determine how to vote the proxies. There may be instances when Glass Lewis does not send proxy vote recommendations in a timely manner or recommendations are not available.

Our contract may permit you to direct the voting of a particular proxy if you choose. Our proxy voting policies and procedures, including information for you on how your securities were voted, are available upon written request to:

Frost Investment Services, LLC

Attention: Chief Compliance Officer

111 West Houston Street

San Antonio, TX 78205

We review and can elect to participate in class action lawsuits involving securities owned on your behalf. Participation in a class action will be facilitated through the use of an unaffiliated third-party vendor. If your participation results in a recovery, the proceeds received will be net of the fees charged by the third-party vendor.

FMAX clients may directly perform proxy voting or delegate proxy voting to either FIS or the discretionary investment manager to whom FIS has allocated client assets. If delegated by the client, FIS or the discretionary investment manager, as applicable, shall be responsible for voting or abstaining from voting with respect to any proxy solicitations for any securities purchased on behalf of clients. Clients should review the proxy voting policies and procedures as described above and in their discretionary investment manager's Form ADV Part 2A as applicable.

ITEM 18 FINANCIAL INFORMATION

We do not solicit prepayment of advisory fees greater than six months in advance, and we are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to you.