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**Investment Adviser Wrap Fee Program Brochure
FORM ADV, Part 2A, Appendix 1**

June 14, 2013

This wrap fee program disclosure brochure provides information about the qualifications and business practices of BBVA Wealth Solutions, Inc. If you have questions about the contents of this brochure, please contact us by telephone at 713-552-9277 or 904-399-0662. 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 BBVA Wealth Solutions, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

This disclosure brochure contains information concerning the following program sponsored by BBVA Wealth Solutions, Inc.:

SmartPath® Diversified International Portfolios

You should read and carefully consider the information contained in this brochure before retaining BBVA Wealth Solutions, Inc. to provide any of the services described in this brochure. BBVA Wealth Solutions, Inc. is a registered investment adviser with the SEC. Our registration as an investment adviser does not imply any level of skill or training.

Material Changes

What is in this Current Brochure

This June 14, 2013 version of the BBVA Wealth Solutions Inc. SmartPath Diversified International Portfolios Wrap Fee Program Brochure (the “June 2013 Updated Program Brochure”) updates, amends and replaces the Wrap Fee Program Brochure for the SmartPath Diversified International Portfolios dated March 28, 2013 (the “March 2013 Program Brochure”). The rules of the Securities and Exchange Commission (SEC) require that investment advisers registered with the SEC under the Investment Advisers Act of 1940 (IA Act) provide their clients with various disclosures under Form ADV. This document is designed to comply with the requirements of Form ADV Part 2A and Part 2A – Appendix 1.

This disclosure brochure addresses only the SmartPath Diversified International Portfolios Program. If you would like to obtain information concerning other programs sponsored and offered by BBVA Wealth Solutions, Inc., you may download our other brochures from the SEC website as indicated above or by contacting Ms. Stacy Hasty, at 713-552-9277 or 904-399-0662 or at the following e-mail address: bws@bbvawealthsolutions.com.

Summary of Material Changes to the March 2013 Program Brochure

We have summarized below the material changes to our March 2013 Disclosure Brochure that appear in this June 2013 Updated Program Brochure.

- We have revised the cover page to reflect a change of our business address in Houston, Texas from 4161 FM 1960 West, Houston, Texas 77068 to 2200 Post Oak Boulevard, Houston, Texas, 77056.
- We have updated the information concerning the total assets we manage under all of our programs on page 2 under “*The Assets We Manage.*”
- We have noted that our affiliated broker-dealer, BBVA Compass Investment Solutions, Inc. and merged with and into another affiliated broker-dealer, BBVA Securities Inc. The surviving entity will be BBVA Securities Inc. and BBVA Compass Investment Solutions will operate as a division of BBVA Securities Inc.

- We have updated the indirect ownership of our company to reflect the merger of two bank holding companies: BBVA USA Bancshares, Inc., a Texas bank holding company and BBVA Compass Bancshares, Inc., an Alabama bank holding company. We remain a wholly-owned direct subsidiary of Compass Bank, which is now the lead bank subsidiary of BBVA Compass Bancshares, Inc., a Texas bank holding company.

The above summary does not describe any changes to the March 2013 Program Brochure that appear in this June 2013 Updated Program Brochure unless those changes were “material changes.”

How to Obtain a Current Brochure

If you would like another copy of this disclosure brochure, please download it from the SEC website as indicated above or you may contact Ms. Stacy Hasty by telephone at 713-552-9277 or 904-399-0662 or by email at bws@bbvawealthsolutions.com.

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Services, Fees and Compensation

This section provides information about, among other things, our ADVISORY BUSINESS, including the advisory services we provide under the Program described in this Brochure, our FEES AND COMPENSATION in connection with the Program described in this Brochure, and regarding whether we engage in PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT arrangements.

Advisory Business

BBVA Wealth Solutions, Inc. (referred to below as the “Manager,” or as “we” or “us” or “our” as appropriate) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Our registration as an investment adviser does not imply any level of skill or training. We provide various investment advisory services with respect to individually managed advisory accounts and portfolio management. This Brochure provides information regarding the SmartPath Diversified International Models Program (the “Program”) sponsored and administered by us for our investment advisory clients. Information concerning other programs sponsored and offered by BBVA Wealth Solutions, Inc. is contained in separate disclosure brochures which may be downloaded from the SEC website as indicated above or by contacting Ms. Stacy Hasty, at 713-552-9277 or 904-399-0662 or at the following e-mail address: bws@bbvawealthsolutions.com.

We do not offer tax or legal advisory services. You should seek outside counsel for tax or legal advisory services.

Our History and Owners

BWS was established in June 1996 and was originally known as Stavis Margolis Advisory Services, Inc. In 2005, BWS was acquired by Compass Bank, which became BWS’ sole shareholder. Compass Bank is a state-chartered banking institution. In 2007, Compass Bank’s parent company was acquired by Banco Bilbao Vizcaya Argentaria, S.A., a publicly-traded multi-national banking organization based in Spain that does business under the name “BBVA.” In recognition of our affiliation with BBVA, in 2009 we changed our name to BBVA Wealth Solutions, Inc. Today, we remain a 100%-owned subsidiary of Compass Bank and an indirect 100%-owned subsidiary of BBVA.

The Assets We Manage

As of May 31, 2013, (a) we managed approximately \$46,340,832 in assets under the Program for clients, all of which was managed on a discretionary basis, and (b) we managed through all of our investment advisory programs (including the Program) approximately US\$322,713,135 in assets for clients on a discretionary basis and managed approximately US\$2,102,135 in assets for clients on a non-discretionary basis.

The Program

The Program is an asset allocation program offering clients the opportunity to receive portfolio management services that take into account each client's own financial situation, retirement goals and investment risk tolerance. If you participate in the Program, your assets will be invested principally in a portfolio of securities selected by us. Specifically, your assets will be invested in one or more SmartPath Diversified International Model Portfolios managed by us. The SmartPath Diversified International Model Portfolios are comprised of mutual funds, exchange-traded funds and similar pooled investment vehicles (collectively, "Funds") selected by Manager's Diversified International Model Portfolios Team.

A portion of your portfolio may be invested in money market mutual funds or other short-term investment vehicles selected by us from time to time as representing an appropriate allocation of your portfolio to "cash equivalents."

With the assistance of our investment adviser representative (the "Financial Advisor"), you will be asked to complete a Personal Investment Profile (the "Investor Profile"). The Investor Profile will provide us with information concerning, among other things, your financial situation, retirement goals and investment risk tolerance. If we determine, based on the Investor Profile, that participation in the Program is appropriate for you, we will recommend one or more of the SmartPath International Model Portfolios. It is your sole responsibility to determine whether to participate in the Program and, if applicable, whether to accept or reject our recommended SmartPath International Model Portfolios. In making such determination, you should consider all of your assets, income and investments.

The Financial Advisor will also be a registered representative of our affiliate, BBVA Securities Inc., a registered broker-dealer. Through BBVA Securities Inc.

and its BBVA Compass Investment Solutions division, as introducing broker, you will establish an account with a clearing broker that will serve as the “Program Custodian,” (currently Pershing LLC). The Financial Advisor also may be a licensed insurance representative of another of our affiliates, BBVA Compass Insurance Agency, Inc. (“BCIA”), a licensed insurance agency. In some cases, the Financial Advisor, in his or her capacity as a registered representative of BBVA Securities Inc., may recommend mutual funds, variable annuities or other securities products other than those available through the Program. Also, in his or her capacity as a licensed insurance agent of BCIA, the Financial Advisor may recommend fixed annuities or other insurance products. You should be aware that the Financial Advisor will receive compensation in connection with such recommendations.

We will receive compensation in the form of periodic fees based on a percentage of assets under management. Certain other fees, charges and expenses will apply.

The Advisory Services We Provide Under the Program

The SmartPath International Model Portfolios is an asset allocation program offering the client the opportunity to receive portfolio management services based on a SmartPath International Model Portfolio maintained by Manager. The SmartPath International Model Portfolios are comprised of mutual funds, exchange-traded funds and similar pooled investment vehicles (collectively, “Funds”) selected by Manager’s Diversified International Model Portfolios Team. Typically the Funds utilized in the SmartPath International Model Portfolios are “offshore” funds (“Offshore Funds”), but in some instances Manager may choose to invest in U.S. Funds, including U.S.-registered mutual funds, U.S.-registered exchange-traded funds and similar U.S. pooled investment vehicles (collectively, “U.S. Funds”).

We will provide you assistance in selecting the appropriate SmartPath International Model Portfolio, monitoring results and making ongoing investment management changes or adjustments, taking into account investment performance and changes to your personal financial circumstances or goals known to us. We provide investment advisory services, while BBVA Securities Inc. and the Program Custodian provide securities execution, custodial and other administrative services.

Currently, the following model portfolios (the “Model Portfolios”) are available to clients participating in the SmartPath Diversified International Model Portfolios Program:

- **RF3** --The main objective of this portfolio is conservative capital growth over the long term by investing in fixed income assets with a global approach and with moderate volatility. Manager seeks to achieve this objective by allocating across various fixed income Funds, including money market funds, diversified across global markets and currencies.
- **RF5** – The main objective of this portfolio is moderate capital growth over the long term by investing in fixed income assets with a global approach and moderately higher volatility. Manager seeks to achieve this objective by allocating across various fixed income Funds, including money market funds, diversified across global markets and currencies.
- **EC25** – The main objective of this portfolio is moderately higher growth by investing in global fixed income assets while also pursuing potential capital appreciation by investing in global equities with higher volatility. Manager seeks to achieve this objective by allocating across various Funds, diversified across global markets and currencies and providing varying levels of exposure to global fixed income investments, including money market funds, and global equity investments and alternative investments (including commodities). Typically, global equity and alternative investment exposure will comprise twenty-five percent (25%).
- **EC50** – The main objective of this portfolio is capital growth over the long term with a balanced portfolio accepting greater return volatility. Manager seeks to achieve this objective by allocating across various Funds, diversified across global markets and currencies and providing varying levels of exposure to global fixed income investments, including money market funds, and global equity investments and alternative investments (including commodities). Typically, global equity and alternative investment exposure and global fixed income exposure will be relatively equal.
- **RV** – The main objective of this portfolio is maximizing capital appreciation. The portfolio will have a high degree of return volatility. Manager seeks to achieve this objective by allocating across various Funds, diversified across global markets and currencies and providing exposure to global equity investments and alternative investments (including commodities). Typically, exposure to global equity investments and alternative investments will comprise one-hundred percent (100%), or close to one-hundred percent (100%), of the portfolio.

We will establish and change from time to time the weightings for appropriate types of investments (for example, equity, fixed income and cash equivalents) for each Model Portfolio. See below under “The Types of Investments We Make”

for additional information concerning the types of investments that will be purchased for the Model Portfolios.

You will grant us full investment discretion consistent with the objectives of the Program and your Program account. This will give us full authority, without your prior approval and without prior notice, to change the target allocations and the Funds and other assets comprising the respective Model Portfolios and to buy and sell assets within your account to correspond to changes in the Model Portfolios. However, the Model Portfolio or Portfolios in which your assets are invested will not be changed without your prior approval.

We also will have the discretionary authority to purchase, sell or exchange assets in order to rebalance the investments within your account to the extent necessary to maintain the target allocation of the Model Portfolios, taking into account changes in the market value of the securities or other investments, income, realized or unrealized gains and other factors and any minimum “tolerances” established by us from time to time for the Model Portfolios (“Target Allocation Tolerances”). We will not be obligated to rebalance the investments within your account more frequently than quarterly or, in any event, unless the variance between the current allocation and the target allocations established for the Program exceed the applicable Target Allocation Tolerances.

In managing your account, we will not take into account the possible tax impact on your assets held under the Program or elsewhere. Among other things, you should be aware (a) that, under certain circumstances, transactions occurring within your Program account may be or become subject to taxation in the United States, and (b) we will provide discretionary investment management services hereunder without regard to the possible tax effects on you, your Program assets or other assets you hold, including any potential income tax or estate tax consequences under United States laws, under the laws where you live or under any other country’s or jurisdiction’s laws. We have included some information for your general reference. **HOWEVER, WE DO NOT PROVIDE TAX ADVICE AND YOU ARE RESPONSIBLE FOR OBTAINING ADVICE FROM A QUALIFIED TAX PROFESSIONAL REGARDING THE CONSEQUENCES OF PARTICIPATING IN THE PROGRAM, INCLUDING IN CONNECTION WITH THE INVESTMENTS HELD IN YOUR PROGRAM ACCOUNT FROM TIME TO TIME.**

U.S. Tax Reporting

As a U.S. broker-dealer, the Program Custodian is required to report to the U.S. Internal Revenue Service ("IRS") once a year on Form 1042-S all "US source income" for each Program account at the firm. "US source income" is, in general terms, defined under U.S. tax regulations as dividend on interest income earned on securities issued by U.S. companies or U.S. registered mutual funds or exchange-traded funds. Also, interest earned on U.S. Treasury securities and Eurobonds issued by U.S. companies are "US source income." Hence, to the extent that you have dividends or interest from U.S. companies or U.S. government agencies, the amount will be included in the brokerage firm's annual report to the IRS.

In contrast, "foreign source of income" is dividend or interest earned on securities issued by non-U.S. companies, including non-U.S. registered mutual funds, etc. Dividend or interest income paid on non-U.S.-securities in your Program account is not reported to the IRS. It is necessary that you have on file as part of your Program account documentation, IRS Form W-8 (which certifies that your account is not owned by a U.S. citizen or resident).

U.S. Tax Withholding

As a U.S. broker-dealer, the Program Custodian is required to withhold income tax on "US source of income".

- *Dividends:* Under U.S. tax treaties in place with other countries, dividends earned on U.S. securities in your U.S. account will be subject to a tax withholding (which means that a portion of each dividend payment is deducted by the Program Custodian and sent to the IRS).
- *Interest:* Interest earned on bonds issued by U.S. companies (including Eurobonds) or by the U.S. Treasury or other U.S. government agency is exempt from U.S. withholding tax provided the original issue date of the bond is after July 1984.

However, even though there is no U.S. tax withheld on interest earned on U.S. bonds issued by U.S. companies, the U.S. Treasury or other U.S. government agencies, as noted above, the interest earned on such securities must be reported to the IRS in respect of your account by the Program Custodian on their annual report on Form 1042-S.

U.S. Estate Tax

Certain classes of assets located in the United States, even those which are beneficially owned by non-U.S. citizens who do not reside in the United States, could be subject to U.S. estate tax.

The Types of Investments We Make

The Program provides clients portfolio management services based on the Model Portfolios maintained by us. The Model Portfolios are comprised of Funds (as defined above) selected by our Diversified Portfolios Team. Typically the Funds utilized in the Model Portfolios are Offshore Funds (as defined above), but in some instances we may choose to invest in U.S. Funds (as defined above).

We seek to broadly diversify the Model Portfolios across various factors. In the case of Model Portfolio RF3 and Model Portfolio RF5, we pursue the portfolio's objective by allocating across fixed income Funds, including money market funds, diversified across global markets and currencies. In the case of Model Portfolio EC25 and EC50, we pursue the portfolio's objective by allocating across various Funds, diversified across global markets and currencies and providing varying levels of exposure to global fixed income investments, including money market funds, and global equity investments and alternative investments (including commodities). Finally, in the case of Model Portfolio RV, we pursue the portfolio's objective by allocating across various Funds, diversified across global markets and currencies and providing exposure to global equity investments and alternative investments (including commodities).

Investment Risks Presented by the Model Portfolios

- Equity investments are highly volatile and are subject to stock market risk, with the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- Bond and interest rates have an inverse relationship. For example, when interest rates rise, bond prices fall.
- Model Portfolios that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. As a result, investment in junk bonds may expose clients to a higher level of volatility and increased risk of default.

- International investing involves special risks including greater economic and political instability, as well as currency fluctuation risks, which may be even greater in emerging markets.
- Investments in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure and are not as well-established as larger blue chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.
- Investments in real estate have various risks including possible lack of liquidity and devaluation based on adverse economic and regulatory changes.
- The price of commodities, such as gold and currency, is subject to substantial price fluctuations of short periods of time and may be affected by unpredictable international monetary and political policies. The market for commodities is widely unregulated and concentrated investing may lead to higher price volatility.

Selected Information Regarding Fund Investments

Certain types of pooled investment vehicles that are offered or sold in the United States are regulated under, and registered with the U.S. Securities and Exchange Commission (“SEC”) pursuant to, a U.S. federal law known as the Investment Company Act of 1940 (the “U.S. Investment Company Act”). Investments in Funds are subject to various fees, charges and expenses which will be borne by you and that are in addition to the Program Fee. See below under “Fees and Compensation.”

Offshore Funds

Typically we will purchase Offshore Funds, rather than U.S. Funds, for Program accounts. Offshore Funds are similar in many respects to U.S. mutual funds, ETFs and money market mutual funds, as the case may be (see below under “U.S. Funds”), but are not registered as securities in the United States, are domiciled and operate outside of the United States and are only available to persons and entities that do not qualify as “U.S. Persons” under the U. S. tax laws. The Offshore Funds we will purchase for Program accounts will function very similarly to their U.S. counterparts in terms of structure, investments, operations, risks and costs. In most cases we will utilize various Offshore

Funds that are structured similarly to U.S. mutual funds. Accordingly, the purchase and sale of shares for Program accounts will be at the then current net asset value ("NAV") of the shares as calculated by the applicable fund.

Under some circumstances, we may utilize Offshore Funds that are structured similarly to U.S. exchange-traded funds. In those cases, the purchase of the fund will be an on-going basis and the market determines prices. Investors can buy and sell shares at any time that the markets are open. Accordingly, there is a potential for trading to occur at prices other than the NAV. In addition, typically a brokerage commission will be incurred by affected Program accounts in connection with the purchase of shares of exchange-traded funds.

Offshore Funds are not available to U.S. citizens or persons living in the United States and, dependent on the country of domicile of the fund, may not be available to persons who reside in certain countries.

Equity-based Offshore Funds are subject to risks similar to those of stocks. Fixed-income Offshore Funds are subject to risks similar to those of bonds, but also are subject to certain risks similar to those of publicly-traded equity securities. Fixed income risks include credit risk, interest rate risk and prepayment risk. Offshore Funds that invest in foreign (non-U.S.) securities have unique and greater risks than mutual funds that invest only in U.S. domestic securities. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Past performance is no guarantee of future results.

Some exchange-traded funds that seek to track the performance of a corresponding index by either replicating the securities in the index or by holding a representative sample of the securities in the index. Typically, the expenses of index-based exchange-traded funds are lower than the expenses of actively managed funds, which generally have higher management fees and brokerage expenses. However, typically brokerage commissions will be incurred in connection with those transactions.

In some cases, we will purchase shares of Offshore Funds that seek to provide current income while maintaining a stable value per share and liquidity by investing in short-term, high quality money market instruments ("Offshore Stable Value Funds"). While similar in some respects to U.S. money market mutual funds, such Offshore Stable Value Funds may not be subject to the

same level of regulations and restrictions applicable to U.S. money market mutual funds. Like a U.S. money market fund, however, there is no assurance that an Offshore Stable Value Fund will be able to maintain a stable value and it is possible to lose money by investing in an Offshore Stable Value Fund.

U.S. Funds

Mutual Funds. U.S. mutual funds are investment companies that are registered under the U.S. Investment Company Act. Typically, mutual funds are managed by investment advisers who research, select and monitor the securities held in the fund. Mutual funds sell and redeem their shares at NAV. Equity-based mutual funds are subject to risks similar to those of stocks. Fixed-income mutual funds are subject to risks similar to those of bonds, but also are subject to certain risks similar to those of publicly-traded equity securities. Fixed income risks include credit risk, interest rate risk and prepayment risk. Mutual funds that invest in foreign (non-U.S.) securities have unique and greater risks than mutual funds that invest only in U.S. domestic securities. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Past performance is no guarantee of future results.

ETFs: ETFs are investment companies that are registered under the U.S. Investment Company Act and typically have the flexibility of intraday trading. Typically, ETFs track specific domestic or foreign market indices, and may provide investors with diversification, certain tax and cost efficiencies and liquidity. Generally, because ETF shares are traded on an on-going basis, the market determines prices and investors can buy and sell shares at any time that the markets are open. Since ETFs are priced continuously by the market, there is a potential for trading to occur at prices other than the NAV.

An index-based ETF seeks to track the performance of its corresponding index by either replicating the securities in the index or by holding a representative sample of the securities in the index. Typically, the expenses of an ETF are lower than the expenses of actively managed mutual funds, which generally have higher management fees and brokerage expenses. However, investors who buy and sell ETF shares in the secondary market generally pay brokerage commissions in connection with those transactions.

Equity-based ETFs are subject to risks similar to those of stocks. Fixed-income ETFs are subject to risks similar to those of bonds, but also are

subject to certain risks similar to those of publicly-traded equity securities. Fixed income risks include credit risk, interest rate risk and prepayment risk. ETFs that invest in foreign (non-U.S.) securities have unique and greater risks than ETFs that invest only in U.S. domestic securities.

Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Past performance is no guarantee of future results.

Money Market Mutual Funds. Money market mutual funds are investment companies that are registered under the U.S. Investment Company Act, which, like other mutual funds, are managed by investment advisers that select and monitor the securities held in the fund and sell and redeem their shares at NAV.

An investment in a money market mutual fund is not insured or guaranteed by the United States Government, the Federal Deposit Insurance Corporation or any other governmental agency. Money market mutual funds seek to maintain the value of investments made in the funds at \$1.00 per share; however, it is possible to lose money by investing in a money market mutual fund.

Prospectuses and Other Disclosure Documents

Because we exercise full investment discretion, you will delegate to us any and all rights you have to receive prospectuses, offering circulars, offering memoranda, disclosure statements and other disclosure documents relating to any securities, Funds or other investment products purchased for your Program account. You may receive copies of the disclosure documents we receive by contacting us.

Fees and Compensation

Program Fee

We will receive periodic fees based on a percentage of assets under management (the “Program Fee”) at the rates described below for each Program.

Program Fee

<u>Total Assets</u>	<u>Fees</u>
\$1,000,000 and below	0.75%
Above \$1,000,000	Negotiable*

* If your initial investment in the Program exceeds \$1,000,000, and under certain other circumstances, the Program Fee will be negotiable. The Program Fee also will be negotiable in the event the total market value of your assets in all Program accounts maintained by with us (the “Combined Balances”) exceeds \$1,000,000. In the event your Combined Balances fall below \$1,000,000 due to the withdrawal of assets, the Program Fee will be the greater of 0.75% or the previously negotiated fee rate unless and until you restore your Program account or, if applicable, your Combined Balances, to not less than \$1,000,000. Assets in accounts maintained by you with us, or any of our affiliates, other than assets in Program accounts, will not be taken into account in calculating the \$1,000,000 threshold.

Under certain circumstances (including, but not limited to those described above), we will negotiate the Program Fee or may waive a portion of the Program Fee for promotional purposes.

We and our affiliate, BBVA Securities Inc., will designate a clearing brokerage firm to act as custodian for client assets held under the Program (the “Program Custodian”). Currently, Pershing LLC, member FINRA and SIPC, serves as Program Custodian. BBVA Securities Inc., through its BBVA Compass Investment Solutions division, acts as introducing broker for Pershing LLC. By participating in the Program, you agree that custody of your Program assets will be held by the Program Custodian and that the securities transactions within your Program account will be executed through the Program Custodian, as clearing broker. We reserve the right, however, to execute transactions through a broker-dealer other than the Program Custodian when the transaction cannot

be executed through the Program Custodian due to regulatory or other constraints.

Except as noted below, a single fee (i.e., the Program Fee) includes and encompasses all our asset allocation and investment management services, as well as all brokerage commissions and other transaction costs for transactions executed through the Program Custodian on an agency basis, all monitoring and reporting services and all custody services associated with participation in the Program. The Program Custodian's compensation will be paid out of the Program Fee. **However, you will incur certain additional charges and expenses and we and our affiliates will receive additional compensation as described below.**

Fee Billing

The Program Fee will be payable quarterly in advance and will be based on the market value of all assets in your Program account as of the close of business on the last business day of the preceding calendar quarter (the "Valuation Date"). If we commence management of your account on a day other than the first business day of a calendar quarter, the Valuation Date for the partial quarter will be the close of business on the last business day of such calendar quarter. In that case, we will not charge the Program Fee for the partial quarter in advance and, instead, will charge the fee in arrears at the same time we charge the Program Fee for the next succeeding calendar quarter.

Under the terms of the Investment Management Agreement you sign with us, you will authorize and direct the Program Custodian to automatically deduct the Program Fee from the assets in your Program account when due as instructed by us or BBVA Securities Inc. on our behalf. The payment of the Program Fee will be reflected on the next account statement sent to you by the Program Custodian. Your responsibility for payment of the deducted amounts will be satisfied once the Program Custodian deducts the full amount of a periodic Program Fee from your Program account.

In our discretion, a portion of the assets of your Program accounts will be held in liquid investments or cash to cover the payment of fees and Fund redemption fees, if any.

The assets in your Program accounts that are invested in shares of Funds, including money market mutual funds and/or other short-term investment vehicles, will be included in calculating the value of the assets of your accounts

for purposes of computing the Program Fee. Those same assets also will be subject to advisory and other fees, other charges and operating expenses applicable to such Funds.

If you open your Program account with securities previously purchased through BBVA Securities Inc., including its BBVA Compass Investment Solutions division, or our representative, BBVA Securities or our representative may already have received commissions on the purchase. Similarly, if you open a Program account with cash proceeds from the sale of securities through BBVA Securities Inc., including its BBVA Compass Investment Solutions division, or our representative, BBVA Securities Inc. or our representative may have already received commissions on the sales.

If you or we terminate our Investment Management Agreement under the Program, we will refund to you the pro rata amount of any Program Fees that you prepaid from the date of termination through the end of the billing period.

Charges and Expenses Not Covered by Program Fees

Certain Securities Transaction Charges and Expenses. The Program Fee will not include, and you will separately incur and be responsible for, fees and charges associated with securities transactions that may be imposed by regulatory authorities, ADR agency processing fees, electronic fund and wire transfer fees, SEC and exchange fees and transfer taxes, and any other charges imposed by law. Non-standard services fees incurred as a result of special request from the client, such as wiring funds or overnight mailing services, will be an expense of the your Program account and may be deducted when incurred.

Certain Brokerage Commissions Are Not Covered. The Program Fee will cover the costs of brokerage commissions and other transaction fees executed through the Program Custodian on an agency basis. However, all other brokerage commissions and transaction costs will not be covered by the Program Fee and will be paid from the assets of your Program account, including the following:

- brokerage commissions on transactions effected through any broker or dealer other than the Program Custodian;

- dealer mark-ups, mark-downs and “spreads” (whether charged by BBVA Securities Inc., Program Custodian or any other broker-dealer for acting as principal); and
- any brokerage commissions or other charges, including any contingent deferred sales charges (“CDSC”), imposed upon the liquidation of “in-kind” assets that are transferred into client’s Program account and which we (in our discretion) determine to liquidate.

Fund and Similar Commissions and Expenses. Typically, we will be able to purchase and sell U.S. Funds and similar Offshore Funds for your Program accounts without the payment of a front end load or sales charge or a contingent load or sales charge, including CDSC. However, in the event we determine that it is appropriate and desirable in the management of your Program assets to invest in one or more Funds that impose a front-end load or sales charge or a CDSC or other contingent load or sales charge, such loads or sales charges will be borne by your Program account. Since ETFs (including offshore ETFs) are priced continuously by the market, there is a potential for trading to occur at prices other than the ETF’s net asset value of “NAV.” Although it is anticipated that ETFs purchased for your Program account will not have front-end or deferred sales charges, a commission typically will be incurred by in connection with the purchase or sale of ETFs (either U.S. or Offshore), those commissions will be paid out of the Program Fee without additional cost to you. All or a portion of the ETF commission may be paid to one or more of our affiliates, including BBVA Securities Inc.

In some instances, Funds may impose other fees in connection with the exchange of fund shares or in connection with the redemption of Fund shares prior to the Fund’s designated minimum holding period (“short-term redemption fees”). Any such exchange fees or short-term redemption fees will be borne by you and will be paid out of the assets of your Program account. Exchange fees and redemption fees may be incurred in connection with the periodic, routine reallocation and rebalancing of the assets of your Program account.

Also, all Funds (including load mutual funds purchased at NAV, without front-end or contingent loads or sales charges to the client’s Program account and money market mutual funds used for investment of cash balances) will have ongoing expenses that will be paid out of Fund assets and will impact the return received by your account. Specifically, Funds will be subject to various fees,

charges and expenses of the fund/investment vehicle or their sponsors, managers or distributors, including management fees, distribution expenses, custody fees, transfer agency fees, administration fees and similar fees and expenses. All such Fund fees, charges and expenses will be incurred by your Program account and will not be paid out of the Program Fee. A detailed explanation of these Fund fees and expenses is contained in each Fund's prospectus or other disclosure document. We will provide clients a copy of applicable Fund prospectus or other disclosure document upon request.

Fund Investments Included in Calculation of Program Fees

Assets of your Program account that are invested in shares of Funds, including money market mutual funds and/or other short-term investment vehicles, will be included in calculating the value of the assets of your Program account for purposes of computing the Program Fee. The same assets also will be subject to advisory fees, other charges and operating expenses applicable to such Funds.

Additional Compensation We or Our Affiliates Will Receive

One or more of our affiliates, including BBVA Securities Inc. and BBVA, will receive the following types of fees in connection with the investment of Program accounts assets into Funds (collectively, "Fund-Related Compensation"):

- Ongoing periodic (monthly, quarterly or annually) "trail" commissions and other fees payable by the Fund or by the sponsor, manager, distributor, transfer agent or other Fund service provider in recognition of the investment of Program assets in the Fund or in consideration of various services provided to the Fund or the sponsor, manager, distributor, transfer agent or other Fund service provider (including, without limitation, 12b-1 fees (in the case of U.S. Funds) or similar fees, finders fees, distribution fees, account maintenance fees, administrative service fees, shareholder servicing and liaison fees and the like) (collectively referred to below as "Fund Service Fee/Trail Compensation"); and
- Other compensation, including without limitation ongoing revenue-sharing payments, sales, marketing and administrative support payments, processing support payments, cost reimbursement payments and promotional items, and other forms of payments and benefits, designed to provide incentives to BBVA Securities Inc. or its affiliates (including us) to

invest client assets into one or more Funds (collectively referred to below as “Fund Revenue-Sharing Compensation”).

To the extent permitted by applicable law, BBVA Securities Inc. or BBVA may, directly or indirectly, pay to or otherwise share with us or other of our affiliates all or a portion of the Fund-Related Compensation they receive. The amount and type of Fund-Related Compensation and other benefits received by BBVA Securities Inc., by BBVA, by us or by any of our other affiliates will vary based on type of Fund purchased (for example, whether the Fund invests principally in fixed income securities or instead invests principally in equity securities), the applicable fund family or sponsor and the share class purchased. These arrangements create conflicts of interest that may influence the investment decisions and recommendations made by us or our representative. All Fund-Related Compensation will be in addition to the Program Fee payable to us.

For additional information regarding applicable Fund-Related Compensation under the Program, please see below under “**Additional Information – Conflicts of Interest – Compensation From Funds.**”

Disclosures Regarding Fee Rates

You should be aware that the fees we charge for your participation in the Program may be higher or lower than those charged by others in the industry. You may be able to obtain the same or similar services from other advisers at lower or higher rates. In addition, you may be able to obtain some or all of the types of services available through us on an unbundled basis through other firms and, depending on the circumstances, the total amount of the separately paid fees may be lower or higher than the our annual fees under the Program. Also note the Program Fee will be applicable to securities transferred into your Program account, even if you previously paid a commission or fee when purchasing those securities. Accordingly, you should consider whether it is appropriate to transfer such securities into your Program account.

The Compensation Our Representatives Receive

Our representatives who recommend the Program to you will receive compensation as a result of your participation in the Program. See below under “Additional Information – Client Referrals and Other Compensation.” This compensation may be more than our representative would receive in the event you did not participate in the Program and instead obtained other services

offered by us or with other advisers. As a result, our representatives have a financial incentive to recommend the Program over other programs and services offered by us or others.

Changes in Our Fee Schedules

We may modify the Fee Schedule applicable to the Program at any time upon written notice to clients who will be impacted by the change.

Performance-Based Fees and Side-By-Side Management

We do not charge so-called “performance-based fees,” which are advisory fees that are based on a share of capital gains on, or capital appreciation of, the funds or securities in the client’s account. Instead, our advisory fee compensation for management of your Program account is based on a percentage of the assets of your Program account. Fees based upon a percentage of assets managed in an account are not considered to be “performance-based fees.”

Account Requirements and Types of Clients

This section contains information regarding, among other things, the TYPES OF CLIENTS that are eligible for the Program and our ACCOUNT REQUIREMENTS (what you have to do to establish a Program account.

Types of Clients

We provide services to, among others:

- Individuals, including high net worth individuals
- Trusts
- Corporations or other business entities

The Program is only available, however, to otherwise eligible clients who are not “U.S. persons” under applicable U.S. securities laws and regulations. The Program is not available to U.S. pension or employee benefit plans or to individual retirement accounts under the U.S. Internal Revenue Code or to any person who is seeking to acquire investments through the Program on behalf of or for the benefit of any such pension or employee benefit plan or individual retirement account.

Requirements and Conditions to Establish an Account With Us

Minimum Investment

The minimum investment amount to establish a SmartPath Diversified International Portfolios account is \$50,000 per Model Portfolio. The minimum investment amount will be negotiable in our discretion. The minimum investment must be in a form acceptable to us and Program Custodian.

Required Account Documentation

In order to participate in the Program, you must establish one or more accounts with the Program Custodian and appoint us as investment manager and grant us limited trading authority over the assets in your Program account for purposes of the Program. A client’s assets that are invested in a single Model Portfolio will open a single Program account. Clients with assets invested in

more than one Model Portfolio must establish separate Program accounts for each Model Portfolio.

As a condition to participating in the Program, you will be required to execute, in addition to other documents, an Investment Management Agreement appointing us as discretionary investment adviser and complete an Investor Profile. A single Investment Management Agreement will cover each of your Program accounts. BBVA Securities Inc., through its BBVA Compass Investment Solutions division, acts as introducing broker for the Program Custodian (Pershing LLC) in connection with the Program. You also will need to execute the typical account opening documents required by BBVA Securities Inc. for new accounts. In addition, you will need to execute a document notifying the Program Custodian of the limited trading authority granted to us in connection with your Program accounts and agreeing to indemnify the Program Custodian for actions it takes in reliance on our trading instructions. The Investment Management Agreement, Investor Profile and other documents required to be executed, completed or delivered by the client in connection with the Program are referred to below as the "Program Documentation."

Portfolio Manager Selection and Evaluation

This section contains information regarding, among other things, METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS associated with Program accounts.

Methods of Analysis and Sources of Information

Our advice to client participating in the Program focuses on the potential for long-term and short-term growth and/or income associated with a variety of securities including equity securities.

Our Diversified International Model Portfolios Team will have responsibility for day-to-day oversight and securities selection. The overall investment policies of the Program and the activities of the Diversified International Model Portfolios Team will be overseen and supervised by our Investment Policy Committee (the “IPC”).

We are solely responsible for the selection of the Funds for the Model Portfolios and for the asset allocation among Funds and asset classifications within each of the Model Portfolios/investment objectives. However, each of the Funds comprising the Model Portfolios is managed by a third-party adviser or manager (collectively, the “Fund Managers”) that is not affiliated with us.

The Diversified International Model Portfolios Team uses a four-step process in constructing and maintaining the Model Portfolios consisting of (a) strategic asset allocation, (b) tactical model selections, (c) Fund selection and implementation, and (d) ongoing monitoring and reallocation within the Model Portfolios.

Asset Allocation. The Diversified Portfolios Team uses a variety of internal and external information sources to form a strategic view on economic, financial, and political conditions that could affect the domestic and global investment landscape. Factors taken into account include growth prospects, business cycle analysis, real estate analysis and inflation analysis.

Model Selections. The Diversified International Model Portfolios Team creates objective-based portfolios with unique asset allocation characteristics and volatility parameters unique to the Model Portfolio’s benchmark index or indices. Because portfolio risk is driven by the correlation of the underlying

assets of the portfolio, risk management is executed mainly at the portfolio level. Volatility is managed within the Model Portfolios through diversification. Factors that are taken into account in assessing the equity markets include economic influences, industry influences and relative valuations, while factors taken into account in assessing the fixed income markets include interest rates, credit spreads, cash flows and relative valuations.

Fund Selections. The Diversified International Portfolios Team selects Funds based on its assessment of the combination of Funds that will most effectively and efficiently held achieve the Model Portfolio's objective. The selection of Funds employs a research methodology consisting of analysis of statistical data related to the risk/return tradeoff, taking into the Fund's behavior through various market cycles. The process is complemented by a review of the Fund company, Fund managers/management teams and their philosophies.

Monitoring and Reallocation. The Diversified International Model Portfolios Team monitors the behavior of the Funds comprising the Model Portfolios and considers implementation of changes in the Funds or the allocation among Funds as needed in order to restore the Model Portfolios to their long-term strategic asset allocation and desired risk parameters.

Sources used by the Diversified International Model Portfolios Team include concepts from Modern Portfolio Theory, historical investment performance information calculated by the Funds or provided by other independent sources, Fund prospectuses and periodic reports filed with the SEC, third-party research materials, and general asset allocation risk/reward information.

Risk of Loss

As noted above (see "The Types of Investments We Make"), the investment risks presented by the Model Portfolios include the following:

- Equity investments are highly volatile and are subject to stock market risk, with the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- Bond and interest rates have an inverse relationship. For example, when interest rates rise, bond prices fall.
- Model Portfolios that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. As a result, investment in

junk bonds may expose clients to a higher level of volatility and increased risk of default.

- International investing involves special risks including greater economic and political instability, as well as currency fluctuation risks, which may be even greater in emerging markets.
- Investments in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure and are not as well-established as larger blue chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.
- Investments in real estate have various risks including possible lack of liquidity and devaluation based on adverse economic and regulatory changes.
- The price of commodities, such as gold and currency, is subject to substantial price fluctuations of short periods of time and may be affected by unpredictable international monetary and political policies. The market for commodities is widely unregulated and concentrated investing may lead to higher price volatility.

Performance Calculation and Information

We obtain Fund performance from readily available databases maintained by the Funds or by independent sources. We do not calculate Fund performance or guarantee its accuracy.

In the case of the Model Portfolios, we (or a vendor selected by us) use historical performance information obtained from the Funds purchased for the Model Portfolios or from independent sources and our records to calculate time-weighted total returns for each of the Model Portfolios. Where permitted by law, the historical returns of the respective Model Portfolios may be provided to clients and qualifying prospective clients. The performance of an individual client's Program account also will be impacted by any restrictions which the client imposes on the management of the client's Program account. **Past performance is not indicative of or a guarantee of future results.**

In some cases we may provide, in one-on-one presentations, illustrations of hypothetical performance of the Model Portfolios over certain historical periods to sophisticated investors who are considering participation in the Program. The

hypothetical performance of the Model Portfolios does not reflect actual trading of client assets and does not take into account the Program Fee and other charges and expenses associated with the Program. The performance of an individual client's Program account also will be impacted by any restrictions which the client imposes on the management of the client's Program account. Actual performance will vary and cannot be predicted from hypothetical results.

The actual performance of each client's Program account is reported to the client quarterly on a time-weighted return basis. **Past performance is not indicative of or a guarantee of future results.**

Client Information Provided to Portfolio Managers

We do not utilize the services of outside portfolio managers under the Program. Therefore, we do not provide information regarding our clients to outside portfolio managers. We invest our clients' assets into Funds, but we do not provide any information concerning our clients to the managers of Funds.

Client Contact With Portfolio Managers

We do not utilize the services of outside portfolio managers under the Program. Therefore, our clients will not have contact with outside portfolio managers pursuant to the Program. We invest our clients' assets into various Funds, but our clients generally will not have direct contact with the managers of such Funds. We do not restrict such access, however.

In connection with our investment management services, our clients have access to our Financial Advisors and other representatives at any time on reasonable notice.

Additional Information

This section provides you with information concerning our DISCIPLINARY HISTORY, our OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATES, our CODE OF ETHICS, our BROKERAGE PRACTICES, our procedures regarding REVIEW OF ACCOUNTS, CLIENT REFERRAL AND OTHER COMPENSATION practices, CUSTODY practices, the INVESTMENT DISCRETION you will grant us if you participate in the Program, our practices regarding VOTING CLIENT SECURITIES (I.E., PROXY VOTING), whether we are required to provide FINANCIAL INFORMATION as part of this Brochure, various CONFLICTS OF INTEREST that are presented by our relationships, compensation structure and other factors, and whether REQUIREMENTS FOR STATE-REGISTERED ADVISERS are applicable to us.

Disciplinary Information

Registered investment advisers are required to disclose in their disclosure brochures all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the advisory firm or the integrity of its management. We have no such material events to disclose.

Other Financial Industry Activities and Affiliations

BBVA Securities Inc. is a registered broker dealer with the Securities and Exchange Commission and is a member of FINRA. BBVA Securities Inc., through its BBVA Compass Investment Solutions division, acts as introducing broker for, and maintains clearing arrangements with, Pershing, LLC, a BNY Securities Group company which is not affiliated with us, whereby Pershing clears securities transactions on a fully disclosed basis. As described above, BBVA Securities Inc. will serve as introducing broker, through its BBVA Compass Investment Solutions division, and Pershing will serve as clearing broker and custodian, for the Program accounts. We have entered into a service agreement with BBVA Securities Inc. to address various operational issues and relative responsibilities in connection with the Program. Under the service agreement, we and BBVA Securities Inc., respectively, agree to indemnify the other party for certain losses, liabilities, claims and expenses. The service agreement may be terminated by either BBVA Securities Inc. or us at any time upon notice to the other.

Based upon the similarity of investments among client accounts having similar investment objectives and the fact that we may purchase securities for more than one account simultaneously, and the possible appearance of similarity in the treatment of clients, the accounts of all Program clients are handled under the following basic conditions designed to prevent pooling of assets and or the management of accounts on a de facto pooled basis resulting in the existence of an investment company. Each client's securities are held in nominee name only for ministerial purposes and each client's account is maintained as a separate account. The client's beneficial interest in a security does not represent an undivided interest in all the securities held by a clearing broker, but rather represents a direct and beneficial interest in the securities in the account.

Further, each client retains any and all rights afforded under the federal securities laws to proceed directly against the issuer of any underlying security in the client's Program account. Further, each client under a Program may withdraw, hypothecate, vote, or pledge securities in the client's account upon written notice to us, and each client has the authority to impose reasonable restrictions on the management of the client's Program account. We have the right to reject any restrictions that we determine are unreasonable, including any restrictions that are inconsistent with the requirements and purposes of the applicable Program.

Code of Ethics

As required by law, we have adopted a Code of Ethics establishing policies and procedures to handle potential conflicts of interest that may arise from providing advisory services to you.

Our Code of Ethics recognizes that we are a fiduciary and is designed so that we meet our fiduciary obligation to you by setting forth standards of conduct for our directors, officers and employees and requiring compliance with federal securities laws.

Our Code of Ethics is based upon the principle that our employees owe a duty to you to conduct their affairs, including their personal securities transactions, in such a manner as to avoid 1) serving their own personal interests ahead of your interests, 2) taking inappropriate advantage of their position as an employee, and 3) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Our Code of Ethics:

- Requires that we maintain the confidentiality of your information;
- Prohibits:
 - Insider trading (if we are in possession of material, non-public information);
 - Rumor mongering;
 - The acceptance of gifts and entertainment that exceed our policy standards;
- Requires the reporting of gifts and business entertainment by certain of our employees;
- Requires that certain employees pre-clear their personal securities transactions;
- Requires that certain of our employees report (on an on-going and quarterly basis) all of their personal securities transactions (what we call “reportable securities” as mandated by regulation); and,
- Requires that covered officers, directors and employees re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (that is, they “own” the account or have “authority” over the account), and identify securities held in certificate form and all securities.

Also, our Code of Ethics provides that no director, officer or employee may trade securities, either personally or on behalf of others, while in possession of material, non-public information with respect to any such securities, or may communicate material, non-public information to others, other than as required and allowed by the Code of Ethics. The personal securities transaction reporting requirements of our Code of Ethics do not apply to persons whose primary responsibilities are as employees of our parent company, Compass Bank, and whose activities as our employees are limited to soliciting clients on our behalf.

Our management may impose a number of sanctions which it feels is most appropriate for violations of the Code of Ethics.

To receive a copy of our Code of Ethics, you should contact your account representative or call us at 832-204-1683 or 904-493-2779.

Personal Trading

Certain of our directors, officers and employees are considered “Access Persons” under our Code of Ethics. Access Persons must pre-clear all personal securities transactions except 1) transactions effected pursuant to an automatic

investment plan, 2) securities transactions for accounts over which the Access Person has no direct or indirect influence or control, and 3) trades in U.S. Government Securities, U.S. Agency Securities, mutual funds and money market funds.

The following persons are considered “Access Persons”:

- All of our directors and certain officers, and
- Other employees and other advisory personnel who:
 - o Have access to nonpublic information regarding any clients’ purchases and sales of securities, or
 - o Are involved in making securities recommendations to clients, or who have access to such recommendations that are nonpublic.

Generally, Financial Advisors who act as the client liaison for clients participating in a Program do not have access to nonpublic information regarding client purchases and sales of securities, make recommendations concerning the securities that are purchased or sold for the client’s Program account, or have access to nonpublic information concerning such recommendations. As a result, our Financial Advisors generally will not be Access Persons and, therefore, are not required to pre-clear their personal securities transactions.

Our Chief Compliance Officer, Lauren Jordan, serves as preclearance officer. Ms. Jordan is not an Access Person and, therefore, her personal trades are not subject to preclearance. If the Chief Compliance Officer is unavailable for more than 48 hours, a member of the Compass Bank Investment Compliance Team designated by the Chief Compliance Officer may act as preclearance officer in the Chief Compliance Officer’s absence.

Brokerage Practices

Pursuant to the Program Documentation, clients participating in the Program will appoint BBVA Securities Inc., through its BBVA Compass Investment Solutions division, as introducing broker for purposes of the Program and the Program Custodian as the custodian for the client's Program assets and as the clearing broker for transactions within the client's Program account. The client's Program account will be carried by Program Custodian. Under the Program Documentation, the client will direct BBVA Securities Inc. and us to execute all securities transactions within the client's Program account through the Program Custodian, as clearing broker. The Program Custodian will act exclusively as agent in securities transactions for the client's account and, by directing securities transactions for the client's Program account to the Program Custodian, the client may be forgoing better execution of client's securities transactions from other broker-dealers that are not participating in the Program. Notwithstanding the foregoing, we reserve the right to choose to effect transactions through broker-dealers other than the Program Custodian when the transaction cannot be effected through the Program Custodian due to regulatory or other constraints.

Fund Trades

Funds purchased for a client's Program account generally will not have front-end or deferred sales charges (or, if the Funds have such sales charges they will be purchased for the client's Program account at net asset value (NAV), without front-end or contingent sales charges).

Since ETFs (including offshore ETFs) are priced continuously by the market, there is a potential for trading to occur at prices other than the ETF's net asset value of "NAV." Although it is anticipated that ETFs purchased for your Program account will not have front-end or deferred sales charges, a commission typically will be incurred by in connection with the purchase or sale of ETFs (either U.S. or Offshore), those commissions will be paid out of the Program Fee without additional cost to you. All or a portion of the ETF commission may be paid to one or more of our affiliates, including BCIS.

Funds are subject to additional fees, charges and expenses. See above under "Services, Fees and Compensation."

Securities Transaction Confirmations

Confirmations for transactions will be provided to us as your discretionary investment manager. Pursuant to the program documentation, you appoint us as your agent for purposes of receipt and review of such confirmations, request that the Program Custodian not furnish you with contemporaneous written trade confirmations related to transactions within the program account and agree that the periodic statements provided by the Program Custodian will be in lieu of individual trade confirmations. Clients may withdraw the waiver of contemporaneous written trade confirmations upon reasonable advance written notice to us, BBVA Securities Inc. and the Program Custodian and, in addition, may receive copies of past confirmations upon written request at any time without charge. The client will not pay a different fee based upon the decision to waive contemporaneous written trade confirmations and agreeing to such waiver is not a condition to entering into, or participation in, the Program.

Review of Accounts

Frequency of Reviews

We will review all information relating to the performance of our clients' Program accounts on an as needed basis and will determine compliance with the clients' written investment policy and attributes of Program performance. To ensure the account's investments are in keeping with the client's investment objectives, we will contact the client at least annually to determine whether the client's financial situation and investment objectives have changed and to give the client the opportunity to impose reasonable restrictions on the management of the client's Program account.

Account Valuation Methods

The value of securities owned by the client will be determined by the Program Custodian in accordance with the Program Custodian's typical procedures. There is no guarantee that any valuations provided by the Program Custodian, or obtained by the Program Custodian from other sources, will be accurate. We and BBVA Securities Inc. are not responsible for the valuation of assets of the client's Program account or for any errors by the Program Custodian in the calculation of the values of the assets of the client's Program account, for any inaccuracy in any values obtained by the Program Custodian from other sources, or for the unavailability of values for some assets.

Client Reports

The Program Custodian will provide you periodic statements showing all transactions occurring in your Program account during the period covered by the account statement, any fees paid by the account during the period and a list identifying all assets in the account at the end of the period. Periodic statements will be provided by the Program Custodian on a quarterly basis, and also for any month in which transactions occur in the client's Program account. In the Program Documentation, you will authorize and direct the Program Custodian to provide us copies of all periodic statements and other reports that the Program Custodian sends to the client.

In the Program Documentation, the client agrees to waive the receipt of contemporaneous written trade confirmations related to transactions within the client's Program account and agrees that the periodic statements provided by Program Custodian will be in lieu of individual trade confirmations.

In addition to the periodic statements provided by the Program Custodian, we will provide each client participating in a Program with quarterly written statements of the assets in the client's Program account, each security owned (together with its cost and current market value), and performance data for the period covered by the statement.

You should promptly and carefully review the statements you receive from the Program Custodian and, in addition, you should compare the statements you receive from the Program Custodian with the statements you receive from us and promptly notify us or the Program Custodian if you notice any discrepancies.

You will be given the opportunity to authorize the Program Custodian to deliver periodic statements and other communications relating to your Program account by electronic means, in which case you will not receive paper copies of any periodic statements or other communications that are provided electronically. You will have the right to withdraw your consent to electronic delivery at any time.

Client Referrals and Other Compensation

Solicitor and Referral Arrangements

We maintain certain arrangements with affiliated persons under which such persons are paid cash referral compensation in connection with the referral of

clients who open Program accounts. In addition, from time to time we may maintain arrangements with various persons and entities that are not affiliated with us under which such persons or entities will be paid cash referral compensation in connection with the referral of clients who open Program accounts. These solicitation arrangements, which will be maintained by us in compliance with Rule 206(4)-3 of the Investment Advisers Act (the “Cash Solicitation Rule”), are described briefly below. We have the sole discretion in accepting or declining potential clients.

Any persons or entities serving as solicitor for us, other than our investment adviser representatives, are prohibited from making investment recommendations or giving investment advice to prospective clients while acting on our behalf.

The amount of the referral compensation paid to a solicitor who is not our employee, officer or director (or an employee, officer or director of one of our affiliates) will be disclosed to affected clients. Under no circumstances will the compensation be paid to such solicitors for providing referrals result in any additional fees or charges to the client being referred.

Compensation of Our Investment Adviser Representatives

Our investment adviser representatives, including persons who are also registered representatives of BBVA Securities Inc. and employees of Compass Bank, will receive compensation in connection with the opening and maintenance of Program accounts, including a portion of the Program Fee. In addition, it should be noted that:

- Our investment adviser representatives may also be registered representatives of BBVA Securities Inc. and/or employees of Compass Bank and may receive referral or other compensation in connection with services provided to our clients by BBVA Securities Inc., Compass Bank or other affiliates.
- Our investment adviser representatives may recommend to their clients the services of BBVA Securities Inc., an affiliated broker-dealer. BBVA Securities Inc., through its BBVA Compass Investment Solutions division, provides securities brokerage services on a retail basis and BBVA Securities Inc. and our investment adviser representatives, in their capacity as registered representatives of BBVA Securities Inc., will receive compensation in connection with securities transactions effected on behalf of our clients.

Others

We maintain solicitation arrangements under the Cash Solicitation Rule with certain affiliated persons who are not our investment adviser representatives and with certain unaffiliated third parties. Persons and entities serving as solicitors for us under these solicitation arrangements are eligible, subject to certain conditions and requirements, to receive referral compensation in connection with the referral of certain accounts, but those solicitation arrangements are not applicable to the Program or to wrap account programs offered by us.

Custody

Program Custodian and Clearing Broker

Pursuant to the Program Documentation, clients participating in the Program will appoint BBVA Securities Inc., through its BBVA Compass Investment Solutions division, as introducing broker for purposes of the Program and the Program Custodian (Pershing LLC) as the custodian for the client's Program assets and as the clearing broker for transactions within the client's Program account. Custody of client's Program account assets will be maintained with the Program Custodian and in no event will we or BBVA Securities Inc. have custody of any assets of the account. Under the client's Investment Management Agreement, the client will authorize BBVA Securities Inc. and us to give the Program Custodian instructions for the purchase, sale, conversion, exchange or retention of any asset in the client's Program account, but solely in connection with the conduct by us of trading in securities in accordance with the provisions of the client's Investment Management Agreement.

The client's Program account will be carried by Program Custodian. Under the Program Documentation, the client will direct BBVA Securities Inc. and us to execute all securities transactions within the client's Program account through the Program Custodian, as clearing broker. The Program Custodian will act exclusively as agent in securities transactions for the client's account and, by directing securities transactions for the client's Program account to the Program Custodian, the client may be forgoing better execution of client's securities transactions from other broker-dealers that are not participating in the Program. Notwithstanding the foregoing, we reserve the right to choose to effect transactions through broker-dealers other than the Program Custodian when the transaction cannot be effected through the Program Custodian due to regulatory or other constraints.

Investment Discretion

You will grant us full investment discretion consistent with the objectives of the Program and your Program account. This will give us full authority, without your prior approval and without prior notice, to change the target allocations and the Funds and other assets comprising the respective Model Portfolios and to buy and sell assets within your account to correspond to changes in the Model Portfolios. However, the Model Portfolio or Portfolios in which your assets are invested will not be changed without your prior approval.

We also will have the discretionary authority to purchase, sell or exchange assets in order to rebalance the investments within your account to the extent necessary to maintain the target allocation of the Model Portfolios, taking into account changes in the market value of the securities or other investments, income, realized or unrealized gains and other factors and any minimum “tolerances” established by us from time to time for the Model Portfolios (“Target Allocation Tolerances”). We will not be obligated to rebalance the investments within your account more frequently than quarterly or, in any event, unless the variance between the current allocation and the target allocations established for the Program exceed the applicable Target Allocation Tolerances.

See also above under “Services, Fees and Compensation – The Advisory Services We Provide Under the Program.”

Voting Client Securities (i.e., Proxy Voting)

We will not vote, or give any advice about how to vote, proxies for securities your Program account and, in the event of any matter in which the holder of any security or other interest held in your Program account is permitted to vote or grant proxies, you will be solely responsible for determining whether or not to vote or grant and regarding the manner in which to vote such securities or other interests.

If the Program Custodian receives notice of a lawsuit or related matter affecting a security held in your Program account, the Program Custodian will forward such notice to you. You will be responsible to determine eligibility to submit a claim with respect to all lawsuits and otherwise to determine all actions to be taken or not taken in connection with any such lawsuits, and we, the Program Custodian and BCIS will have no obligation to take any such actions or to advise you concerning such actions.

Financial Information

We do not serve as a custodian of client funds or securities, and do not require or solicit prepayment of fees six months or more in advance. Accordingly, a balance sheet is not required to be provided with this Disclosure Brochure.

We do not have any financial impairment that will preclude us from meeting our contractual commitments to clients.

We have not been the subject of any bankruptcy petition at any time, including any time during the past ten years.

Conflicts of Interest

Overview

We, BBVA Securities Inc. and our affiliates perform, among other activities, research, brokerage and investment advisory services for clients other than those participating in the Program. We may give advice and take action in the performance of our duties to our clients (including those who may also be participants in the Program) which may differ from advice given, or in the timing and nature of action taken, with respect to a client participating in a Program. In addition, we may give advice and take action in the performance of our duties to one or more of its clients that differs from advice given or action taken for another client at or about the same time.

We, our affiliates and any officer, director, stockholder, employee or any member of their families may have an interest in the securities purchased for a client's Program accounts from time to time.

Certain of our principal executive officers are also principal executive officers of our parent company, Compass Bank. Our employees who are our investment adviser representatives and act as financial advisors to clients under a Program are, in many instances, also registered representatives of BBVA Securities Inc.

Trading Conflicts of Interest

The Funds comprising the Model Portfolios are available both to clients who participate in the Program and to other of our clients and also to BBVA Securities Inc. brokerage clients. It is anticipated that all trades of U.S. mutual fund and similar offshore funds will be executed at the applicable fund's NAV at

the time of execution of the purchase or sale transaction. However, a conflict of interest exists to the extent that U.S. mutual fund or trades in similar offshore funds arising from changes in Model Portfolios may be executed at different times or at different prices in the case of clients maintaining certain Program accounts and in the case of our investment advisory clients and/or BBVA Securities Inc. brokerage clients whose portfolios contain the same funds outside the Program. In addition, ETFs are priced continuously by the market and trades in ETFs may not occur at the ETF's NAV. Accordingly, a conflict of interest also exists to the extent that ETF trades arising from changes in the Model Portfolios may be executed at different times or at different prices in the case of clients maintaining certain Program accounts and in the case of our investment advisory clients and/or BBVA Securities Inc. brokerage clients whose portfolios contain the same ETFs. It is our policy to allocate, to the extent operationally and otherwise practical, investment opportunities to each client over a period of time on a fair and equitable basis relative to our other clients.

Participation or Interest in Client Transactions

Our Financial Advisor will also be a registered representative of our affiliate, BBVA Securities Inc., a registered broker-dealer, and may be a licensed insurance representative of our affiliate, BCIA, a licensed insurance agency. In some cases, the Financial Advisor, in his or her capacity as a registered representative of BBVA Securities Inc., may recommend mutual funds, variable annuities or other securities products other than those available through the Program. In addition, in some cases, the Financial Advisor, in his or her capacity as a licensed insurance agent of BCIA, may recommend fixed annuities or other insurance products. The Financial Advisor will receive compensation in connection with such recommendations.

At times, our interest or the interest of our related persons may not coincide with the interest of a client's account; however, at no time will we or any related person receive an added benefit or advantage over the clients with respect to these transactions. We will maintain a record of personal securities transactions. We have adopted policies and procedures reasonably designed to detect and deter insider trading. In addition, we have adopted a "Code of Ethics," which is available to clients or prospective clients upon request. See above under "Additional Information - - Code of Ethics."

We are a wholly owned, direct subsidiary of Compass Bank, the lead bank subsidiary of BBVA Compass Bancshares, Inc., a Texas bank holding company. We also are an indirect subsidiary of Banco Bilbao Vizcaya Argentaria, S.A.

("BBVA"), a bank organized under the laws of Spain qualified to engage in business in the United States as a bank holding company and foreign banking organization. BBVA, Compass Bank and their affiliates may have a variety of banking, financial or service relationships with corporations or other business enterprises the securities of which may be purchased or sold by us for its clients' accounts. BBVA, Compass Bank or their affiliates may receive compensation from such corporations or other business enterprises in the ordinary course of their business. Because of internal controls maintained by BBVA, Compass Bank and us in order to minimize any potential conflict of interest created by these relationships, recommendations to our advisory clients typically will be made without knowledge of other banking, financial or services relationships between BBVA, Compass Bank or their affiliates and the issuers of securities recommended by us.

BBVA Compass Wealth Management, a division of Compass Bank (our parent company), may purchase or sell for trust, fiduciary, and investment management clients or recommend that such accounts purchase or sell securities of the same type as those purchased or sold by us for our clients' accounts.

While we do not act as a principal in the purchase or sale of any securities, with a client or otherwise, our parent company (Compass Bank) is a municipal securities dealer and may be involved, as principal, in the underwriting, placement and distribution of municipal securities. It is possible that we may recommend or purchase municipal securities underwritten, placed or distributed by Compass Bank. In addition, our affiliate, BBVA Securities Inc., is a registered broker-dealer that also engages in a wide range of investment banking activities, including underwriting, placement and distribution of corporate and municipal securities. It is possible that we may recommend or purchase a corporate security or municipal security underwritten, placed or distributed by BBVA Securities Inc. It is possible that we may recommend or purchase a corporate security or municipal security underwritten, placed or distributed by BBVA Securities Inc. On May 16, 2013, our affiliated broker-dealer, BBVA Compass Investment Solutions, Inc., merged with and into another affiliated broker-dealer, BBVA Securities Inc. The surviving entity resulting from the merger is BBVA Securities Inc., a Delaware corporation, and BBVA Compass Investment Solutions will operate as a division of BBVA Securities Inc.

We, BBVA, Compass Bank and their affiliates (including BBVA Securities Inc.) maintain policies and procedures for ensuring that any material, non-public

information regarding publicly traded securities that we or our employees may obtain, including by virtue of banking and other relationships any such issuer may have with us, BBVA, Compass Bank or their affiliates (including BBVA Securities Inc.) is not misused in violation of applicable law.

Assets of client accounts that are invested in Funds are subject to advisory and other fees and expenses, as set forth in the applicable fund prospectus, and although such fees and expenses typically are paid by the fund, they reduce the overall return realized by the investor. Furthermore, assets of a client's account invested in shares of Funds, including money market mutual funds, or other short-term investment vehicles, will be included in calculating the value of the account for purposes of computing our investment management services fees.

We, our representatives and our affiliates may receive fees and other compensation in addition to the fees we charge to your account for investment management services. The amount of the fees we receive for providing investment management services to your Program accounts will not be reduced or otherwise affected by the receipt by us, our representatives or our affiliates of such additional fees and other compensation. This presents a conflict of interest and gives us or our representatives an incentive to recommend investment products based on the compensation received, rather than on a client's needs.

In addition:

- If BBVA Securities Inc., through its BBVA Compass Investment Solutions division, acted as introducing broker in setting up your account with Pershing, BBVA Securities Inc. will be paid a portion of the fees, commissions and other charges imposed by Pershing.
- If you open your Program account with securities previously purchased through an introducing broker (including BBVA Securities Inc.), or one or our representatives, you may already have paid a commission on the purchase to the introducing broker or to our representative, or both. Similarly, if you open your Program account with cash proceeds from the sale of securities through an introducing broker (including BBVA Securities Inc.) or our representative, the introducing broker or our representative, or both, may have already received commissions on the sale.
- If BBVA Securities Inc., through its BBVA Compass Investment Solutions division, acts as introducing broker in connection with establishing your custody account with Pershing, BBVA Securities Inc. will receive commissions if we determine to purchase or sell ETFs for your account.

Clients participating in the Program have the option to obtain the investment products we recommend through brokers or other agents that are not affiliated with us.

Compensation From Funds

BBVA Securities Inc. has entered into, and from time to time may enter into other, agreements with various Fund families pursuant to which BBVA Securities Inc. will be entitled to receive Fund-Related Compensation in connection with the investment of client assets into shares of one or more Funds sponsored/distributed by such Fund families (the “Applicable Fund Families”). In addition, under the BBVA Securities Inc. agreements with certain of the Applicable Fund Families, or under separate agreements, BBVA will be entitled to receive Fund-Related Compensation in connection with the investment of assets of its affiliates (including BBVA Securities Inc. and BWS) in shares of various Funds. The BBVA Securities Inc. and BBVA Fund-Related Compensation arrangements will apply to the investment of a client’s Program assets into Funds that are covered by such arrangements and will result in the receipt by us, BBVA Securities Inc., BBVA or other of our affiliates of additional compensation in the form of Fund-Related Compensation. Fund-Related Compensation generally will consist of one or more of the following types of compensation payments:

- **Fund Service Fee/Trail Compensation:** Ongoing periodic (monthly, quarterly or annually) “trail” commissions and other fees payable by the Fund or by the sponsor, manager, distributor, transfer agent or other Fund service provider in recognition of the investment of Program assets in the Fund or in consideration of various services provided to the Fund or the sponsor, manager, distributor, transfer agent or other Fund service provider (including, without limitation, 12b-1 fees (in the case of U.S. Funds) or similar fees, finders fees, distribution fees, account maintenance fees, administrative service fees, shareholder servicing and liaison fees and the like); and
- **Fund Revenue-Sharing Compensation:** Other types of compensation, including without limitation ongoing revenue-sharing payments, sales, marketing and administrative support payments, processing support payments, cost reimbursement payments and promotional items, and other forms of payments and benefits, designed to provide incentives to BBVA Securities Inc. or its affiliates (including us) to invest client assets into one

or more Funds (collectively referred to below as “Fund Revenue-Sharing Compensation”).

To the extent permitted by applicable law, BBVA Securities Inc., BBVA or other of our affiliates may, directly or indirectly, pay to or otherwise share with us or other of our affiliates all or a portion of the Fund-Related Compensation. In some cases, Fund-Related Compensation may be shared with us in the form of internal earnings credit.

Currently, we anticipate purchasing funds for Program accounts from Applicable Fund Families who agree to pay BBVA Securities Inc., BBVA or another of our affiliates Fund-Related Compensation. The amount and type of Fund-Related Compensation and other benefits received by BBVA Securities Inc., by BBVA, by us or by any of our other affiliates will vary based on type of Fund purchased (for example, whether the Fund invests principally in fixed income securities or instead invests principally in equity securities), the applicable fund family or sponsor and the share class purchased. These arrangements create conflicts of interest that may influence the investment decisions and recommendations made by us or our representative. All Fund-Related Compensation will be in addition to the Program Fee payable to us.

Currently, we anticipate utilizing Funds from the following fund families in the Model Portfolios:

Franklin-Templeton
MFS Meridian
Schroders
AIM/Invesco

In the case of each of these fund families, set forth below is information concerning the Fund Service Fee/Trial Compensation and Revenue-Sharing Payments currently payable to BBVA Securities Inc. under arrangements with such fund families:

[see chart on next page]

Fund Family/Fund Type		Fund Service Fee/ Trail Commission Compensation	Revenue-Sharing Payments
Franklin Templeton Funds (see Note 1)			
	Equity Funds	0.50%*	0.20% - 0.30%*
	Fixed Income Funds	0.30%*	0.10 – 0.20%*
	Liquid Reserve Funds	0.10%*	Not applicable
	Emerging Markets Funds	0.50%*	0.20% - 30%*
	High Yield Funds	0.40%*	0.10% - 0.20%*
MFS Meridian Funds (see Note 2)			
	Equity Funds	0.75%*	0.20% - 0.25%*
	Fixed Income Funds	0.50%*	0.10 – 0.15%*
Schroders Funds			
	See Note 3	BBVA Securities Inc. receives a portion of the management fees and distribution fees provided for under the fund's prospectus (see Note 3)	Not applicable
AIM/Invesco Funds			
	Global US Dollar Liquidity Portfolio	0.00% - 0.40%%* (See Note 4)	Not applicable

* Percentage of the assets invested in the respective fund.

Note 1: The level of Revenue-Sharing Payments payable to BBVA Securities Inc. varies based on the aggregate level of assets of BBVA Securities Inc. brokerage customers (including clients participating in the Program) invested in the particular classification of Franklin-Templeton Funds. For example, if the aggregate assets invested in equity funds is below \$25 million, the rate of the Revenue-Sharing Payments will be 0.20%, if the aggregate assets invested is between \$25 million and \$50 million, the rate of the Revenue-Sharing Payments will be 0.25%, and if the aggregate assets invested is above \$50 million, the rate of the Revenue-Sharing Payments will be 0.30%.

Note 2: The level of Revenue-Sharing Payments payable to BBVA Securities Inc. varies based on the aggregate level of assets of BBVA Securities Inc. brokerage customers (including clients participating in the Program) invested in the particular classification of MFS Meridian Funds. For example, if the aggregate assets invested in equity funds is below \$25 million, the rate of the Revenue-Sharing Payments will be 0.20%, if the aggregate assets invested is between \$25 million and \$50 million, the rate of the Revenue-Sharing Payments will be 0.25%, and if the aggregate assets invested is above \$50 million, the rate of the Revenue-Sharing Payments will be negotiated by MFS Meridian and BBVA Securities Inc. (with the expectation that it will exceed 0.25%).

Note 3: The Fund Service Fee/Trail Compensation payable is in the form of a "Rebate to Distributor" that is calculated as a percentage of the management fees and distribution fees payable to Schroders

under the applicable fund's prospectus. BBVA also is entitled to receive a "Rebate to Distributor" from Schroders. The level of Fund Service Fee/Trail Compensation payable to BBVA Securities Inc. and BBVA varies based on the aggregate level of assets of customers of BBVA and its affiliates (including BBVA Securities Inc. brokerage customers and including clients participating in the Program) invested in Schroders Funds worldwide.

<u>Level of Investment in Schroders Funds by BBVA and its Affiliates Worldwide</u>	<u>Percentage of Management Fees and Distribution Fees Payable to BBVA</u>	<u>Percentage of Management Fees and Distribution Fees Payable to BBVA Securities Inc.</u>
800 million Euros or less	0.075%	0.425%
More than 800 million Euros	0.0825%	0.4675%

The aggregate investment by BBVA and its affiliates (including BBVA Securities Inc. and us) in the Schroders Funds is less than 800 million Euros and, therefore, currently BBVA Securities Inc. is entitled to receive Fund Service Fee/Trail Compensation equal to 0.425% of Schroders' management and distribution fees and BBVA is entitled to receive Fund Service Fee/Trail Compensation equal to 0.075% of Schroders' management and distribution fees. Since Schroders' management and distribution fees also vary based on the type of fund (for example, equity funds currently pay Schroders a combined 2.00% in management/distribution fees and fixed income funds currently pay Schroders a combined 1.25% in management/distribution fees), the Fund Service Fee/Trail Compensation payable to BBVA Securities Inc. and BBVA also will vary based on the type of fund used for Program accounts. The current maximum rate of the management fees and distribution fees payable to Schroders is 2.00%, so the maximum level of Fund Service Fee/Trail Compensation payable to BBVA Securities Inc. and BBVA as a percentage of fund assets is 0.85% and 0.15%, respectively. If the aggregate investment by BBVA and its affiliates (including BBVA Securities Inc. and us) in the Schroders Funds were to exceed 800 million Euros and the maximum rate of the management fees and distribution fees payable to Schroders remained unchanged, the maximum level of Fund Service Fee/Trail Compensation payable to BBVA Securities Inc. and BBVA as a percentage of fund assets would be 0.935% and 0.165%, respectively.

Note 4: The Model Portfolios will be invested in the Investor Share class of the AIM/Invesco US Dollar Liquidity Portfolio. A shareholder servicing fee at a maximum annual rate of 0.90% will be payable to the Program Custodian out of fund assets. The Program Custodian will share a portion of its shareholder servicing fee with BBVA Securities Inc. that varies based on the average fund balances maintained by BBVA Securities Inc. clients in an identified group of funds that includes the AIM/Invesco US Dollar Liquidity Portfolio as follows:

<u>Average Fund Balances in Fund Group</u>	<u>Fund Service Fee/Trail Commission Compensation Payable to BBVA Securities Inc. (stated as % of assets invested in the AIM/Invesco US Dollar Liquidity Portfolio)</u>
\$0 - \$999,999	0.00%
\$1 million - \$4,999,999	0.25%
\$5 million - \$9,999,999	0.30%
\$10 million - \$49,999,999	0.35%
\$50 million - \$99,999,999	0.40%

The current rate of Fund Service Fees/Trail Commission Compensation payable to BBVA Securities Inc. in connection with investment of Program assets in the AIM/Invesco US Dollar Liquidity Portfolio is 0.00%.

We may also use BlackRock Global Funds in the Model Portfolios. The distributor of the BlackRock Global Funds has agreed to pay BBVA Securities Inc. Fund Service Fee/Trail Commission Compensation in the form of a “Distributor’s Remuneration” in connection with the investment of customer assets (including the assets of clients participating in the Program). Currently, the “Distributor’s Remuneration” is an amount equal to 50% of the applicable fund management fees. In addition to the “Distributor’s Remuneration” payable to BCIS, additional payments are made by BlackRock to the BBVA Global Platform pursuant to a separate master agreement.

The Revenue-Sharing Payments to BBVA Securities Inc.’s predecessor, BBVA Compass Investment Solutions, Inc., in respect of investments in the Franklin-Templeton Funds and the MFS Meridian Funds totaled \$500,878.94 and \$92,016.37, respectively, during 2011 and \$375,126.49 and \$111,718.46, respectively, during 2012. The Fund Service Fee/Trail Commission Compensation in respect of investments in the Schroders Funds totaled \$372,524.74 during 2011 and \$237,882.75 during 2012 and in respect of investments in the BlackRock Global Funds totaled \$ \$65,950.00 during 2011 and \$20,056.86 during 2012. Information concerning the total Fund-Related Compensation received by BCIS from each of the Applicable Fund Families, including during years prior to 2011 or after 2012, is available upon request.

Requirements for State-Registered Advisers

We are an SEC-Registered Adviser, not a State-Registered Adviser. As a result, this item is not applicable to us.