



Part 2A of Form ADV

801-64239

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Cary Street Partners is the trade name used by two separate limited liability companies, Cary Street Partners LLC - Member FINRA/SIPC; and Cary Street Partners Investment Advisory LLC a registered investment advisor.

This brochure provides information about the qualifications and business practices of Cary Street Partners Investment Advisory LLC. If you have any questions about the content of this brochure, please contact us at 804-340-8100.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Cary Street Partners Investment Advisory LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

The advisory services described in this brochure are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involve risk, including the possible loss of principal.

Item 2 Material Changes

Cary Street Partners, as required, will provide on an annual basis within 120 days of our fiscal year end a summary of any material changes to this brochure. As specific material changes are made (in Response to Item 9) to this brochure throughout the year, you will be provided with a summary of that change.

Material Changes

This brochure has been updated to reflect the most recent year end Assets Under Management in Item 4.

The address has been updated to reflect the new office location.

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Item 4 Advisory Business

Cary Street Partners Investment Advisory LLC (“Cary Street Partners”) is registered with the Securities and Exchange Commission as a federally registered investment adviser. The use of the term “registered” does not imply a certain level of skill or training. Cary Street Partners was established on September 9, 2003 and is 100% owned by Luxon Financial LLC.

The terms “client,” “you,” and “yours” are used throughout this document to refer to the person(s) or organization(s) who contract with us for the services described within this brochure. “Cary Street Partners,” “we,” “our,” and “us” refer to Cary Street Partners Investment Advisory LLC.

Cary Street Partners provides individualized non-discretionary and discretionary consulting services to various categories of institutional and individual clients that wish to participate in financial planning, separately managed accounts (“SMA”), mutual funds, closed end funds, exchange traded funds, annuities, or want to invest in hedge funds, private equity funds, or other alternative investment vehicles.

All of the services described in this brochure begin with a consultation with you by a Cary Street Partners’ Financial Advisor (“FA”) to review your investment objectives, financial situation, and risk tolerance. You are asked to complete a Client Profile/Investment Policy questionnaire (“client profile”) to document the results of this assessment. After review of your client profile, working with the FA, you will determine which program would fit your needs.

The sub-adviser, if applicable, will forward to the investment manager a copy of your account profile, as well as any restrictions you want to impose on your account.

You may contact an investment manager directly, although it is generally expected that you will direct all questions to Cary Street Partners or your FA concerning your account.

The amount of client assets managed as of December 31, 2017, on a discretionary basis, is \$799,735,310 and the amount of client assets managed on a non-discretionary basis is \$976,956,980.

This brochure covers the following types of services: Asset Management, Financial Planning and Consulting, and Referrals to Third Party Money Managers. We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services.

Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and can include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the

portfolio as necessary and if appropriate, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Financial Planning and Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting can encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations are made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

Referrals to Third Party Money Managers:

We provide clients with a list of investment advisory services of third party professional Portfolio Management firms for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third-party money manager. We provide initial due diligence on third party money managers and ongoing reviews of their management of your account.

In order to assist clients in the selection of a third-party money manager, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third-party money managers to clients.

We periodically review third party money managers' reports provided to the client, but no less often than on an annual basis. Our associates contact the clients from time to time, as agreed to with the client, in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third-party money manager. The client will be expected to notify us of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. The client is also able to directly contact the third-party money manager managing the account or sponsoring the program.

Tailored Relationships

We offer individualized investment advice to clients utilizing the following services offered by our firm: Asset Management. Additionally, we offer general investment advice to clients utilizing the following services offered by our firm: Financial Planning and Consulting, and Referrals to Third Party Money Managers.

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to the following services: Asset Management.

Wrap Fee Programs

We recommend wrap fee programs to our clients. Please refer to each program's Form ADV Part 2A Appendix 1.

Item 5 Fees and Compensation

We are required to describe our brokerage, custody, fees, and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. For all accounts custodied at Raymond James, a negotiable fee of between 0.00% and 2.00% is charged by Cary Street Partners Investment Advisory. This fee does not include commissions and transaction fees charged by Raymond James.

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the first day of the quarter. Fees will generally be automatically deducted from your managed account if you authorize us to do so.

If you wish to terminate our services, you need to contact us in writing and state that you wish to cancel the Agreement. Upon receipt of your letter of termination, we will proceed to close out your account and refund you a pro-rata advisory fee(s) for services rendered up to the point of termination.

Cary Street Partners does not expect that you will pay fees to qualified custodians that the investment manager recommends that are higher than those obtainable from other qualified

custodians for comparable client services. However, there can be no assurance that you will pay the lowest fees available. See Item 12 Brokerage Practice for more information in regards to the firm's relationship with qualified custodians and related costs.

You should be aware that program fees charged may be higher or lower than those otherwise available if an investment manager or you were to select a separate qualified custodian and negotiate fees in the absence of the extra consulting service provided. Our investment consulting standard fee schedules and commissions described herein are subject to negotiation depending upon a range of factors including, but not limited to, account size and overall range of services provided.

Each investment manager retained by you will act solely as agent for you and not for Cary Street Partners. Cary Street Partners will not accept any compensation from the investment manager on behalf of the client.

In addition to investment consulting services fees paid by you, you will bear a proportionate share of the fund's expense as a shareholder of the money market fund, including the investment management fees that are paid to the fund's investment adviser. Cary Street Partners and/or your FA are able to recommend, or program investment managers are able to select, mutual funds and closed end funds for you, and you will bear their proportionate share of these funds' fees and expenses. Cary Street Partners or the investment managers receive fees from these mutual funds or closed-end funds.

You are advised and understand that overall fees charged on account values may include "sweep" money market funds, to the extent permitted by law. You should also be aware that your choice of investment of cash balances may be limited by the program or by law, as applicable.

You are often assessed a redemption fee by mutual fund companies for short-term trading activity as stated in each fund company's prospectus. The specific holding periods and the imposed fees vary by the mutual fund company and their related distributor. Cary Street Partners, in conjunction with the fund companies, reserves the right to reject inappropriate trades and/or terminate your agreement, as appropriate.

Subject to restrictions imposed by applicable laws, you authorize our clearing agent to grant a general lien and security interest in your mutual fund securities, or any series or class ("mutual fund shares") that have not been settled by Cary Street Partners with its clearing agent, together with any and all payments, dividends, distributions and proceeds of the foregoing, to secure any amounts owed by Cary Street Partners to clearing agent in payment for any such mutual fund shares purchased by Cary Street Partners for you.

Financial Planning and Consulting:

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$250 for financial advisors and \$75 for administrative time. Flat fees generally range from \$750 to \$7,500.

We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

Wrap Fee Programs:

Wrap fee clients will receive the sponsor's Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in the sponsor's separate Wrap Fee Program Brochure.

Non-Wrap fee Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Brokerage Commissions

We sell securities for a commission. In order to sell securities for a commission, our supervised persons are registered representatives of Cary Street Partners LLC, member FINRA/SIPC. Our supervised persons accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. You should be aware that the practice of accepting commissions for the sale of securities:

- 1) Presents a conflict of interest and gives our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received, rather than on your needs. We generally address commissionable sales conflicts that arise:
 - a) when explaining to clients that commissionable securities sales creates an incentive to recommend products based on the compensation we and/or our supervised persons earn and is not necessarily be in the best interests of the client;
 - b) when recommending commissionable mutual funds, explaining that "no-load" funds are available through our firm if the client wishes to become an investment advisory client.

- 2) In no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated.

If the investment consulting service Cary Street Partners provides to you is terminated, but you still maintain a brokerage account with Cary Street Partners LLC, the money market fund used in a “sweep” arrangement is changed and/or your shares are exchanged for shares of another series of the same fund. You will bear your proportionate share of the money market fund’s fees and expenses.

Item 6 Performance-Based Fees and Side-By-Side Management

Our advisory services in the Individual and Institutional Consulting Services do not impose performance fees. Fees are based on the value of the assets in your account, and Cary Street Partners shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of client (i.e., performance fee).

Item 7 Types of Clients

We provide services to the following types of clients: individuals, high net-worth individuals, charities, corporations and pension and profit-sharing plans.

We feel that the services covered by this brochure are best-suited to account sizes of at least \$100,000. However, we reserve the right to make exceptions to this policy when it fits the interest of our clients.

We generally charge a minimum fee of \$750 for written financial plans.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Methods of Analysis:

- Charting;
- Fundamental;
- Technical;
- Cyclical.

Investment Strategies we use:

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year);
- Trading (securities sold within 30 days);
- Short sales;

- Margin transactions;
- Option writing, including covered options, uncovered options or spreading strategies.

Material Risks

Please note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market increases and your account(s) could enjoy a gain, it is also possible that the stock market decreases and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you have.

Capital Risk

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

Credit Risk

Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

Currency Risk

Fluctuations in the value of the currency in which your investment is denominated affect the value of your investment and thus, your investment is worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, Euro, Japanese yen, etc.).

Economic Risk

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Higher Trading Costs

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction related costs can negatively affect overall investment performance.

Inflation Risk

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

Interest Rate Risk

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

Legal/Regulatory Risk

Certain investments or the issuers of investments are affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

Liquidity Risk

Certain assets are not readily converted into cash or have a very limited market in which they trade. Thus, you experience the risk that your investment or assets within your investment is not able to be liquidated quickly, thus, extending the period of time by which you receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting a particular investment (i.e. not being able to quickly get out of an investment before the price drops significantly) and therefore, can have a negative impact on investment returns.

Market Risk

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk affects a single issuer, industry or sector of the economy or can affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

Operational Risk

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

Past Performance

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

Strategy Risk

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

Methods of Analysis

In regards to the established programs managed by sub-advisers and where the investment managers are selected by you, the investment managers employ similar methods of analysis that are described to you by the program brochure and the sub-adviser's brochure related to the established program you have chosen.

The investment managers employ a variety of investment strategies, depending on your investment objectives. Investing in securities involves risk of loss that you should be prepared to bear. Such strategies ordinarily include long or short-term purchase of securities and, depending on your objectives and investment managers' style, supplemental covered option writing. However, in special circumstances the strategies may also include margin transactions, other option strategies and trading or short sale transactions.

The Cary Street Partners Portfolio Advisory Group facilitates the process by which managers and funds are recommended and made available to Financial Advisors (FA) to be used in a client's customized portfolio.

The Portfolio Advisory Group works with outside consultants and our clearing agents to assess the products which are made available to clients. Such consultants include Wells Fargo Clearing Services, LLC ("WFCS"), Wells Fargo Advisors, LLC and Rogerscasey. While many of the products offered are "ranked" by one of these consultants, Cary Street Partners, on occasion, conducts or causes to be conducted its own "due diligence" to determine the merits of a product. All such "rankings" and opinions are made available to Financial Advisors for their use in determining the products to offer a client.

Through its consultants and their ranking and due diligence, Cary Street Partners seeks to offer FAs a wide variety of investment asset and sub-asset classes, styles, and vehicle types, including managers/funds in both traditional long-only marketable securities and alternative assets (directional and absolute return hedge funds and fund of funds). Such asset classes and styles include growth, value and core equities; large, mid, small, micro and all cap stocks; government, corporate, municipal, mortgage-backed, convertible, floating rate and other short-term fixed income instruments; U.S., developed, emerging and global market mandates; commodities and precious metals; MLPs and REITs; preferreds; region, country and sector specific strategies; and asset allocator and sector rotation funds.

On the Raymond James platform, Raymond James Financial Services makes recommendation and provides research on individual mutual products.

Our consultants recommend and monitor unaffiliated third-party investment managers and focus on those that have demonstrated a high degree of proficiency in a particular strategy or asset class. In evaluating a manager, both quantitative and qualitative factors are used. Quantitative factors include (1) historical performance and consistency of returns, (2) risk-return profile, (3) use of leverage, and (4) market/peer group correlation. Qualitative factors are also very important and include (1) the experience and integrity of the portfolio managers, analysts and traders, (2) the quality of the manager's infrastructure, (3) the soundness and capacity of the investment strategy, and (4) the manager's risk management controls.

Managers are identified through the professional network of contacts of individual Portfolio Advisory Group members, FAs, and other firm personnel; commercially available databases; referrals from existing or prospective managers; and unsolicited meetings with managers. A manager, product or strategy not previously considered is reviewed by one of our consultants and a determination is made on its merits. For those managers, products and strategies not followed by one of our consultants, the firm conducts its own review. The manager, product or strategy is then presented to the Commitment Committee, who determines the suitability of the product for Cary Street Partners' clients.

For those managers and/or products covered by our consultants, ongoing monitoring is conducted by the consulting firm in a disciplined, scheduled process, depending on the type of

strategy, vehicle, whether returns are within expectations, and whether there are newsworthy events about the manager. For those managers and/or products recommended through the Commitment Committee and for which Cary Street Partners, itself, has conducted the due diligence, similar monitoring is conducted by the Investment Banking team.

Schwab determines the investment managers and investment strategies for Managed Account Marketplace®, Managed Account Select® and Managed Account Access®. You can find Schwab's review process and evaluation procedures in their disclosure brochure that your FA will give you at the time of opening an account.

Wells Fargo LLC determines the investment managers and/or investment strategies for FundSource, Allocation Advisors, DMA, Wells Fargo Compass, Masters, Private Advisor Network and Customized Portfolios. You can find Wells Fargo's review process and evaluation procedures in their disclosure brochure that your FA will give you at the time of opening an account.

Raymond James Financial Services, Inc. determines the investment managers and/or investment strategies for RJCS and the Outside Manager Program. You can find Raymond James' review process and evaluation procedures in their disclosure brochure that your FA will give you at the time of opening an account on the Raymond James platform.

Item 9 Disciplinary Information

Cary Street Partners Investment Advisory LLC or its management personnel are not involved and have not been involved in any legal or disciplinary events that are considered material.

Item 10 Other Financial Industry Activities and Affiliations

Cary Street Partners Investment Advisory LLC is registered with the Securities and Exchange Commission as a federally registered investment adviser. The management personnel of Cary Street Partners are registered as investment adviser representatives within their state jurisdiction.

Cary Street Partners Investment Advisory LLC is not registered as a broker-dealer. The management personnel are registered representatives with Cary Street Partners LLC, the broker-dealer affiliate of Cary Street Partners.

Currently, there is not a pending application for registration as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person for Cary Street Partners, the broker-dealer affiliate or any management person.

Cary Street Partners Investment Advisory LLC and Cary Street Partners LLC are 100% owned by Luxon Financial LLC. Cary Street Partners LLC is a registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"). Cary Street Partners LLC provides

investment banking, wealth management and brokerage services to its clients. Client accounts of Cary Street Partners LLC are custodied at WFCS. Please see Item 12 Brokerage Practice for more information about Cary Street Partners' relationship with Cary Street Partners LLC and WFCS.

Our affiliate, Cary Street Partners LLC, a registered broker-dealer and member of FINRA and SIPC, will serve from time to time as a private placement agent for issuers of equity and debt securities. In that capacity, certain advisory clients who are accredited investors and qualified advisory clients for which the private placement is suitable are shown transactions represented by Cary Street Partners LLC. If they elect to do so and are acceptable to the issuer and its counsel, these clients purchase securities in some of those offerings.

In addition, Luxon Financial LLC has completed private placements of securities and some of our qualified advisory clients invested in those offerings. The firm could offer similar investments to our investment advisory clients in the future.

Luxon Financial LLC is 100% owner of RiverStone Business Advisory Services, Inc. ("RBAS"), a subsidiary. Through this entity, certain Financial Advisors provide business consulting, bookkeeping services and tax services. Only a limited number of FAs participate in this entity, however other FAs receive a referral fee for referring clients for consulting and tax services. You should inquire if your FA will be compensated if such a referral is made.

Luxon Financial LLC is 100% owner of Luxon Insurance Services, LLC ("Luxon Insurance"), a subsidiary. Through this entity, certain Financial Advisors provide business insurance services to clients and corporate entities. Only a limited number of FAs participate in this entity, however other FAs receive a referral fee for referring clients for consulting and tax services. You should inquire if your FA will be compensated if such a referral is made.

Cary Street Partners provides a broader scope of service other than just investment advisory services. Engagements often include comprehensive analysis of cash flow and retirement models, company stock option detail and benefit analysis, estate planning functions, and risk assessment. Additional business activity is not limited to these services but would fall within the general parameters of clients' financial needs that are relevant on a client by client basis and fall within Cary Street Partners' areas of expertise.

Cary Street Partners, from time to time, enters into arrangements with other investment advisers whereby Cary Street Partners agrees to provide certain services to clients of the investment adviser in exchange for a portion of the investment advisory fee paid to the investment advisers by the clients.

Cary Street Partners Investment Advisory LLC associates accept payment for reasonable travel and lodging expenses from money managers when performing due diligence reviews or educational meetings related to those money managers' investment management activities. These payments are to compensate Cary Street Partners Investment Advisory LLC for

travel related expenses incurred on these business trips. Any payments received in these situations are monitored and reviewed and are considered immaterial in relation to the firm's income.

Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Cary Street Partners' policy is that your interests take precedence over our interests, and the interest of our affiliates, employees and representatives. Accordingly, our personnel will disclose any material relationships that they have with respect to any investment recommended to you. In addition, Cary Street Partners will make recommendations based upon your suitability and objectives without regard to the firm's benefit.

Our personnel will not purchase or sell securities for their own account if the transaction will disadvantage you in any way. Cary Street Partners maintains transaction records for all employee securities transactions. Cary Street Partners also prohibits insider trading and complies with applicable provisions of state and federal law.

Our code of ethics specifically outlines the process by which employees of Cary Street Partners and affiliate firms purchase investments recommended to you. A copy of our code of ethics is available upon request. The important determinant by which we ensure your interests come before our own is our trading policy that deters employees and affiliated members from purchasing managers/mutual funds for a period of 24 hours after Commitment Committee approval and/or a period of 24 hours after significant recommended asset allocation adjustments are determined.

Our portfolio managers purchase for their own accounts securities that are purchased for you. Cary Street Partners has certain restrictions, internal procedures and client disclosures regarding conflicts of interest that we have with respect to our participation or interest in your transactions. Cary Street Partners communicates its policies and procedures related to participation in your transactions to its associates through its compliance policies and procedure manuals and program-specific policy guidelines.

Personal trading by Cary Street Partners employees must be conducted in compliance with all applicable laws and procedures adopted by Cary Street Partners. We place restrictions upon certain of our personnel in connection with the purchase or sale of securities recommended to you. It is Cary Street Partners' internal policy that certain management personnel not recommend the purchase of a security that they have purchased for their own account or the account of a closely related party within an established number of days, unless such shares are sold prior to issuance of a buy recommendation. Portfolio Advisory Analysts are prohibited from purchasing securities that an analyst has recommended for 24 hours following the official release of the recommendation. All trades in accounts of personnel in these departments and of

FAs and their immediate relatives are subject to supervisory review. Cary Street Partners' policies include:

1. an express prohibition against front running client accounts,
2. observing black-out periods,
3. maintaining restricted lists to prevent investment personnel from unfairly benefiting from unreleased research reports and recommendations, and
4. "Chinese-Wall" procedures designed to control the flow of inside or other confidential information.

Such policies and procedures are designed to prevent, among other things, any improper conduct wherever any potential conflict of interest exists with respect to any client.

Cary Street Partners and its investment personnel recommend securities or investment managers in which they directly or indirectly have a financial interest or control relationship and buy and sell securities that they recommend to you for purchase and sale. They also give advice and take action in the performance of their duties to you that differ from advice given, or the timing and nature of action taken with respect to other clients' accounts.

Item 12 Brokerage Practice

Research and Other Soft Dollar Benefits

We do not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in "Directed Brokerage – Other Economic Benefits".

Brokerage for Client Referrals

We do not receive client referrals from broker/dealers.

Directed Brokerage

Our firm could recommend clients establish brokerage accounts with Raymond James Financial Services, Inc. (RJFS), a FINRA/SIPC member, in order to facilitate the trading activity in these advisory programs. RJFS provides us with access to its institutional trading and operations services, which typically are not available to RJFS retail customers. These services are generally available, without cost, to financial advisory firms who maintain a minimum threshold of client assets with RJFS.

Our firm generally utilizes RJFS for custody of customer assets and execution of customer transactions. RJA, a corporate affiliate of RJFS and member of the NYSE and SIPC, acts as the clearing agent in the execution of securities transactions placed through RJFS. Our firm, subject to its best execution obligations, could trade outside of RJFS. In the selection of broker-dealers, we consider all relevant factors, including the commission rate, the value of research provided, execution capability, speed, efficiency, confidentiality, familiarity with potential purchasers and sellers, financial responsibility, responsiveness, and other relevant factors. We have retained

and will compensate RJFS and/or RJA to provide various administrative services which include determining the fair market value of assets held in the account at least quarterly and producing a brokerage statement and performance reporting for client detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received, and account gain or loss by security as well as for the total account.

Additional Compensation

Services provided by RJFS to financial advisory firms include research (including mutual fund research, third-party research, and RJA's proprietary research), brokerage, custody, and access to mutual funds and other investments that are available only to institutional investors or would require a significantly higher minimum initial investment. In addition, RJFS makes available software and other technologies that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information, quotation services, and other market data, assist with contact management, facilitate payment of fees to our firm from client accounts, assist with performance reporting, facilitate trade allocation, and assist with back-office support, record-keeping, and client reporting. RJFS also provides access to financial planning software, practice management consulting support, test execution assistance, consolidated statements assistance, educational and industry conferences, marketing and educational materials, technological and information technology support, and RJFS corporate discounts. Many of these services are used to service all or a substantial number of our accounts, including accounts not maintained at RJFS.

Our firm has an arrangement with Raymond James Financial Services, Inc. ("RJFS"). Under the arrangement with RJFS we receive services which include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm.

RJFS also makes certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by RJFS directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by RJFS to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by RJFS to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

RJFS charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). RJFS enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. RJFS's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by RJFS may be higher or lower than those charged by other custodians and broker-dealers.

We do not pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits, as we only use RJFS.

Although the investment research products and services that are obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client's sometimes used to pay for research that is not used in managing that specific client's account. Our firm does not receive brokerage for client referrals.

Directed Brokerage- Economic Benefits

We or any of our firm's related persons do not have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

Trade Aggregation

We perform investment management services for various clients. There are occasions on which portfolio transactions are executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently nonarbitrary methods of allocation.

Item 13 Review of Accounts

Cary Street Partners associates will review your account on a periodic basis (typically quarterly, but sometimes more or less frequently, if the client desires) to evaluate performance, concentration, style drift, cash flows, adherence to investment guidelines or restrictions, investment selection, and asset quality and other metrics of the investment vehicle.

Cary Street Partners, if requested, will show you how the investment compares to its peers and/or relevant benchmark and provide other assessments.

Upon the opening of each account, your investment objectives and strategy are reviewed for approval and consistency. Thereafter, accounts are reviewed on a transaction, monthly, quarterly or annual basis, as applicable, to monitor the account's performance, the individual mutual funds for appropriateness, and certain restrictions that apply.

We provide you, through the services of our sub-advisers, with periodic portfolio monitoring services which include a statistical presentation of the performance of your account(s) (if requested), based on such information as is reflected on our records and outgoing comparisons of such performance with selected industry indices. Normally, the periodic portfolio monitoring report is calculated based on the activity of the account since its inception in our program. As an additional service, we are able to include supplemental historical information as provided by you, your previous qualified custodian or investment adviser related to your account when it was held outside of our program. At your direction, where feasible, we will incorporate this information in a consolidated periodic portfolio monitoring report. We have not reviewed or audited any of this supplemental historical information and do not in any way certify, guarantee, or provide any assurance as to the reliability of the information. In addition, we do not guarantee the accuracy of the calculations performed on such information nor offer any assurance that the portfolio monitoring report was calculated in accordance with accounting or industry standards. The additional time necessary to obtain, input, and report on the historical information can cause a delay in producing the portfolio monitoring reports for accounts new to our program.

In addition, your custodian will transmit to you (and where appropriate the investment manager) the following:

- a. trade confirmations reflecting all transactions in securities; provided, however, that we furnish periodic statements of account activity in lieu of transaction-by-transaction confirmations to the extent and in the manner permitted by Rule 10b-10 under the Exchange Act; and
- b. a statement of account activity at least quarterly.

Program services provided by our personnel and facilities include a review and monitoring of your account(s).

You agree to inform us in writing of any material change in your financial circumstances that might affect the manner in which your assets should be invested. Those changes deemed material or appropriate will be forwarded to any applicable investment manager under the particular program as soon as practicable after we become aware of the change. In addition, those responsible for making investment decisions for you will be reasonably available to you for consultation.

The services provided, if elected, include quarterly progress reviews for the client's account. The reports include a review and evaluation of the client's portfolio with respect to the client's

investment goals and objectives. Such reports contain our investment recommendations for the client's account.

Item 14 Client Referrals and Other Compensation

Cary Street Partners or its affiliates from time to time enter into solicitation agreements providing cash compensation to solicitors who secure clients for its investment advisory programs. Cary Street Partners also from time to time enters into solicitation agreements under which it receives cash compensation for referring clients to other investment managers, including one or more of its affiliates. These agreements are fully disclosed to the client.

Cary Street Partners, or its affiliates, will from time to time enter into joint marketing activities with investment managers and/or sponsors of mutual funds in the investment advisory programs it offers. These managers and/or sponsors pay a portion, or all, of the cost of the activities, which payment at times takes the form of reimbursement to Cary Street Partners or Cary Street Partners LLC.

Cary Street Partners will from time to time enter into arrangements with other investment advisers whereby Cary Street Partners agrees to provide certain services to clients of the investment adviser in exchange for a portion of the investment advisory fee paid to the investment advisers by the client.

Clients who have investment advisory accounts with Cary Street Partners also have other accounts with the firm or its affiliates in which management fees are not charged. The payment of commissions in these non-managed accounts is negotiated on an entirely separate basis from the payment of fees and commissions, if any, in the investment advisory accounts.

Item 15 Custody

Cary Street Partners does not maintain custody of your assets that we manage or which we advise, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account for example, to pay your advisory fees on your instructions. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank.

Your broker-dealer, bank or qualified custodian will send you directly, at least quarterly, account statements reflecting the activity in your account. You should always carefully review these statements. You should also always compare the account statements you receive from your broker-dealer, bank or qualified custodian to any statements you receive from Cary Street Partners Investment Advisory LLC.

Item 16 Investment Discretion

The client is able to grant discretionary authority to Cary Street Partners under the Private Investment Management Program. Upon signing the Cary Street Partners Advisory Account Agreement, we will have full discretionary power to supervise and direct the investments in these accounts, as long as the accounts have the same client registration, based on your Investment Policy Statement and any other written investment guidelines or restrictions you have provided to us. The discretionary agreement also authorizes the transfer of funds and/or securities between your accounts with like registration.

In the Private Investment Management Program, Cary Street Partners and its employees accept discretionary authority, when granted, over the accounts of investment advisory clients, including authority to determine the identity and amount of securities to be purchased or sold. The breadth and limitations on such discretionary authority are determined by law and by agreement with the client. For example, securities sold in a public offering generally are able to be purchased for certain investment advisory clients. However, certain clients are precluded from participating in such offering if the client is designated as a restricted person. Furthermore, from time to time, Cary Street Partners agrees to comply with the investment guidelines and/or limitations set forth in negotiated client agreements, including asset allocations and restrictions. Guidelines and/or limitations necessarily vary from client to client based upon client objectives and other factors.

Item 17 Voting Client Securities

Cary Street Partners has the right to exercise proxy-voting authority for certain accounts as authorized in the client service agreement. Cary Street Partners will retain a third-party vendor to provide independent proxy voting based on objective research in order to avoid any potential conflicts of interest between the client and those of the Firm. The service votes proxies on behalf of clients. The proxy voting strategy seeks to maximize shareholder value and attempts to vote the proxies in their best interests. Cary Street Partners reserves the right to recommend a different voting strategy on behalf of the client that is consistent with the client's needs and constraints.

In certain investment consulting programs, such as the Masters and Network Programs, the client has authorized the third-party investment manager to vote proxies on his or her behalf. In those instances, Cary Street Partners will forward the proxy materials to the client's investment manager. To the extent we have contracted to do so, Cary Street Partners will provide this information to clients on behalf of third-party investment managers who vote on behalf of clients. Clients should contact their FA if they have any questions and/or to obtain this information.

Item 18 Financial Information

Cary Street Partners Investment Advisory LLC's financial condition is sufficient to meet its financial commitments to clients and the firm has not been the subject of any bankruptcy proceeding.