



**Part 2A Appendix 1 of Form ADV**

**Masters Investment Consulting Program  
Diversified Managed Allocation  
Wells Fargo Compass  
FundSource®**

**Cary Street Partners Investment Advisory LLC  
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**April 22, 2011**

**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 804-521-3333. 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](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

The Securities and Exchange Commission amended certain SEC rules in regard to Form ADV Part II disclosure documents that are provided to clients upon opening investment consulting accounts and on an annual basis. This brochure is a revised disclosure document prepared according to the new requirements that the SEC has implemented. As required, this brochure is in a new format and includes new information that our previous disclosure document did not require.

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 to this brochure throughout the year, you will be provided with a summary of that change.

This brochure has been updated from the March 31, 2011 version in order to provide additional information regarding investment discretion within the Cary Street Partners Portfolio Management service.

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## Item 4 Services, Fees and Compensation

All of the services and programs listed below 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 an Account Profile/Investment Policy questionnaire ("account profile") to document the results of this assessment. After a review by the FA of your account profile, the FA will determine which program would fit your needs.

Cary Street Partners investment consulting services include:

Identifying investment goals and priorities. Your FA will thoroughly examine your investment needs, including financial requirements, time horizon, liquidity concerns and risk tolerance. This will provide a clear written description of your goals, which will guide your FA's investment recommendations.

Establishing an asset allocation strategy. Your FA will determine based on your account profile an asset allocation strategy and match it with one of the established programs listed below.

Implementing manager selection. Your FA after establishing your asset allocation strategy will identify an investment manager whose style, philosophy and performance best suit your investment strategy. Your chosen investment manager is then responsible for selecting and monitoring the individual securities in your account.

Monitoring your portfolio. Your FA will track the progress of your account toward your goals. Because market and economic conditions are ever-changing, your FA may suggest changes to your portfolio as necessary. You will receive a single comprehensive quarterly report detailing your portfolio's activity and overall performance.

In addition, Cary Street Partners will provide consulting services that relate to matters such as allocation of assets among different classes, portfolio diversification, managing portfolio risk, portfolio monitoring evaluation, investment policy statement development, manager search and recommendation, and other general economic and financial topics. Account supervision is guided by the stated objectives of the client (*e.g.*, maximum capital appreciation, growth, etc.), and all managed accounts will be maintained with an independent custodian broker-dealer.

These investment consulting services are provided to you through the following services and established programs:

Individual and Institutional Consulting Services  
Personal Financial Planning Services

Cary Street Partners Portfolio Management  
Retirement Plan Participant Investment Education Services

Established Programs:

Asset Advisor (“Asset Advisor”)  
CustomChoice<sup>SM</sup> Consulting Service (“CustomChoice”)  
Diversified Managed Allocation (“DMA”)  
FundSource® Consulting Service (“FundSource”)  
Masters Investment Consulting Program (“Masters”)  
Private Advisor Network (“Network”)  
Private Investment Management (“PIM”)  
Wells Fargo Compass (“Compass Advisory”)  
Managed Account Access®  
Managed Account Marketplace®  
Managed Account Select®  
Schwab Charitable Fund™

Cary Street Partners has entered into an agreement with Wells Fargo Advisors, LLC (“Wells Fargo”) in which Wells Fargo provides advisory and/or other services with respect to the programs described in this brochure. The advisory accounts described within this brochure are clients of Cary Street Partners and not Wells Fargo. Cary Street Partners is not related to or affiliated with Wells Fargo or Wells Fargo’s affiliated broker dealer, First Clearing, LLC (“First Clearing”). Unless you otherwise specify, First Clearing is the qualified custodian that will maintain custody of your assets. Please refer to Item 12 Brokerage Practice in Cary Street Partners’ Form ADV Part 2A for more information in regards to First Clearing’s custody and execution services.

Wells Fargo provides advisory and other services to Cary Street Partners with respect to the following programs:

1. Masters
2. DMA
3. Compass Advisory
4. FundSource®

Many of the services listed above can be combined under the Cary Street Partners Portfolio Management service. This service provides discretionary investment advice and investment management to the various accounts that make up your portfolio. In certain investment consulting programs, Cary Street Partners and its employees may accept discretionary authority 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 may be purchased for certain investment advisory clients. However, certain clients may be precluded from participating in such offering if the

client is designated as a restricted person. Furthermore, from time to time, Cary Street Partners may agree 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.

In addition to the discretionary authority described above, the client may grant discretionary authority to Cary Street Partners under the Private Investment Management Program, the Master's Program, the Private Advisor Network Program, the Schwab One accounts, the Schwab Access or Select Program, the Schwab Marketplace program or other accounts, where Cary Street Partners may take discretion. Upon signing the Cary Street Partners Discretionary 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.

Please review the appropriate Wells Fargo Wrap Fee brochure for a complete description of each program. Cary Street Partners offers these programs in accordance with the following fee schedules:

## **MASTERS**

Below are Cary Street Partner's standard fees for this program, which are negotiable and may differ from those described in the Wells Fargo Wrap Fee brochure.

Fees for Masters' accounts are only offered on a wrap fee basis covering all execution, consulting and custodial services as well as each Masters Managers' management fee for their services.

The following standard fees are charged for the Masters accounts:

<b>Total Account Value</b>	<b>Equity &amp; Balanced Accounts Annualized Fee</b>	<b>Fixed Income Accounts Annualized Fee</b>
First \$250,000	3.00%	1.75%
Next \$250,000	2.50%	1.25%
Next \$500,000	2.50%	1.25%
Over \$1,000,000	2.00%	1.00%

We compensate Masters Managers from .15% to .80% annually based on your total aggregate dollars with each Masters Manager. Breakpoints will lower the advisory fee as aggregate assets increase. Therefore, we have a potential conflict of interest to recommend selections of management style and Masters Managers that would result in a lower percentage of advisory fees. We intend, however, to make all recommendations independent of such fee consideration

and based solely on our obligations to consider your objectives and needs.

## **DMA**

Below are Cary Street Partner's standard fees for this program, which are negotiable and may differ from those described in the Wells Fargo Wrap Fee brochure.

Fees for DMA accounts are only offered on a wrap fee basis covering all of our execution, consulting and custodial services as well as each DMA investment manager's management fee for their services.

The following standard fees are charged for the DMA accounts:

<b>Total Account Value</b>	<b>Annualized Fee</b>
First \$250,000	3.00%
Next \$250,000	2.50%
Next \$500,000	2.50%
Over \$1,000,000	Negotiable

We compensate the DMA investment managers from .20% to .60% annually based on your total aggregate dollars with each DMA investment manager. Breakpoints will lower the advisory fee as aggregate assets increase. Therefore, we have a potential conflict of interest to recommend selections of management styles and DMA investment managers that would result in a lower percentage of advisory fees. We intend, however to make all recommendations independent of such fee consideration and based solely on our obligations to consider your objectives and needs.

## **COMPASS ADVISORY**

Below are Cary Street Partner's standard fees for this program, which are negotiable and may differ from those described in the Wells Fargo Wrap Fee brochure.

Compass Advisory accounts are charged an all-inclusive "wrap fee" that is both for investment advice and brokerage commissions. The standard Compass Advisory fee schedule, which is negotiable, is based on account size and an assumed active equity portfolio.

The following standard fees are charged for Compass Advisory accounts:

<b>Total Account Value</b>	<b>Equity and Strategic Allocation Portfolios Annualized Fee</b>	<b>Income Advantage Portfolios Annualized Fee</b>
First \$250,000	2.5%	2.0%
Next \$500,000	2.0%	1.5%
Next \$1,000,000	1.5%	1.0%

Over \$2,000,000

Negotiable

Negotiable

We compensate Compass Advisory portfolio managers from \_\_\_\_\_

## **FUNDSOURCE®**

Below are Cary Street Partner's standard fees for this program, which are negotiable and may differ from those described in the Wells Fargo Wrap Fee brochure.

The standard Fee Schedule is as follows:

<b>Account Asset Value</b>	<b>Annual Fee</b>
First \$250,000	1.75%
Next \$750,000	1.50%
Next \$1,000,000	1.15%
Over \$2,000,000	Negotiable

Unless agreed upon otherwise, you authorize us to deduct quarterly, in advance, from your account(s) the fee at the rate indicated in the fee schedule for that program. For the purposes of calculating the program fees, "value of the account" shall mean the sum of the long and short market value of all securities, mutual funds, if applicable, money market fund, credit balances and cash balances in a related bank demand deposit account.

1. Margin debit balances do not reduce the market value of eligible assets and will increase the asset-based fee you are charged in your account. The increased asset-based fee may provide an incentive for your FA to recommend the use of margin strategies. The use of margin is not suitable for all investors, since it increases leverage in your account and therefore risk.
2. In valuing the account, we will use the closing prices or, if not available, bid prices of the last recorded transaction for listed securities, options and over-the-counter NASDAQ securities.
3. For mutual funds, we use the fund's most current net asset value, as computed by the fund company. In so doing, we will utilize information provided by quotation services believed to be reliable. If any such prices are unavailable or believed to be unreliable, we will determine prices in good faith so as to reflect our understanding of fair market value.
4. The fee does not include certain dealer markups or markdowns, odd lot differentials, transfer taxes, exchange fees (among which SEC fees may be included), and any other fees required by law.
5. Cash balances in the account may be invested in money market mutual funds including, as permitted by law, those with which we have agreements to provide administrative, distribution, and other services and for which we receive compensation for the services rendered. For more information about these funds, refer to their prospectuses.
6. Non-brokerage related fees such as IRA fees are not included in the wrap fee and may be charged to the account separately.



As more fully described in each program description, the fees charged to you may be different, depending on the asset classes invested by the account. Excluded from this value are securities that you may purchase and wish to hold in your brokerage account, but which are not included in the services provided under the program selected by you. In this case-by-case basis, you will separately pay for the execution costs associated with making such separate transactions. The program fee will be applied to eligible cash equivalents (i.e., money market funds) held in your account. The program fee will not be applied to cash.

The initial fee is calculated as of the date that the account is accepted into the FundSource program and covers the remainder of the calendar quarter. Subsequent fees will be determined for calendar quarter periods and shall be calculated on the basis of the market value of the securities and eligible cash held for the particular account of yours on the last business day of the prior calendar quarter. Should cash and/or securities be added between billing periods, a proportionate fee will be charged on the value added as of the date of the addition.

No fee adjustment will be made during any fee period for appreciation or depreciation in the value of the assets in your account during that period. The account will be charged or refunded a prorated quarterly fee on any net additions or net withdrawals in the account during a month. Fees will be charged or refunded if the net addition or net withdrawal would generate a fee or refund of at least \$40 for that quarter. Fees will be assessed in the month following the net addition or net withdrawal. 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).

Whenever there are changes to the fee schedule, the schedule charges previously in effect shall continue until the next billing cycle. Cary Street Partners may modify or change any provision of your agreement after 15 days written notice to you.

### **Account Termination**

Your account agreements may be terminated by either party at any time upon notice. If you terminate your agreement, a pro rata refund will be made, less reasonable start-up costs. You have the right, within five (5) days of execution, to terminate the client agreement without penalty. In the event of cancellation of client agreement, fees previously paid according to the fee schedule will be refunded on a pro-rata basis, as of the date notice of cancellation is received by the non-cancelling party, less reasonable start-up costs.

If you choose to terminate your agreement with any of our programs, we can liquidate your account if you instruct us to do so. If so instructed, we will liquidate your account in an orderly and efficient manner. We do not charge for such redemption; however, you should be aware that certain mutual funds impose redemption fees as stated in their fund prospectus. You should also keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with your tax advisor.

We will not be responsible for market fluctuations in your account from the time of notice until

complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that may affect the orderly and efficient liquidation of an account might be size and types of issues, liquidity of markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate an advisory account, termination orders cannot be considered market orders. It may take several business days under normal market conditions to process your request.

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

You should consider the value of these consulting services when making such comparisons. The combination of custodial, consulting and brokerage services may not be available separately or may require multiple accounts, documentation and fees. In addition, certain investment managers may not be available to you outside the consulting relationship either because of minimum account sizes, fee schedules, geographic availability, or other factors.

You should also consider the amount of anticipated trading activity when selecting among the programs when assessing the overall cost. Fee-based programs typically assume a normal amount of trading activity and, therefore, under particular circumstances, prolonged periods of inactivity or asset allocations with significant fixed income or cash weightings may result in higher compensation than if commissions were paid separately for each transaction.

A portion of the fees or commissions charged for the separately managed account programs described herein may be paid to our Financial Advisors in connection with the introduction of accounts as well as for providing client-related services within the separately managed account programs. This compensation may be more or less than a Financial Advisor would receive if you paid separately for, where applicable, investment advice, brokerage, and other services. Therefore, Financial Advisors may have a financial incentive to recommend these separately managed account programs over other programs and services.

Cary Street Partners' broker-dealer affiliate, Cary Street Partners LLC, has a clearing arrangement with First Clearing. First Clearing is an affiliate of the bank holding company Wells Fargo & Company. This relationship is described in our Individual and Institutional Consulting Services brochure under Item 12 Brokerage Practice. Cary Street Partners requires our clearing firm's execution services to be used for the purchase and sale of securities involved in the described programs. On occasion, you may designate, or the law may require, the use of other broker-dealers. Costs and transaction fees arising out of transactions effected by entities other than Cary Street Partners, including transactions effected through our affiliates' Financial Advisors or otherwise attributable to dealer mark-ups, markdowns or "spreads" (in transactions where Cary Street Partners or another entity acts as principal for its own account) will be separately charged to you.

The following may be used for your cash balances as the sweep vehicle in program accounts:

1. a FDIC insured depository product ("Depository Product") provided by banking affiliates of Wells Fargo & Company, or
2. money market mutual funds managed and/or administered by Federated, and its affiliates.

You are advised and understand that overall fees charged on account values will not include these money market sweep balances in these described programs. You should also be aware that their choice of investment of cash balances may be limited by each program or by law, as applicable. Additional information about these funds is found in their prospectuses.

Wells Fargo and its affiliates may benefit financially from investments in the Depository Product. Wells Fargo and its affiliates earn net income from the difference between the interest it pays on the Depository Product and the income it earns on loans, investments and other assets using the monies in the Depository Product. The Depository Product may be more profitable than money market mutual funds. ERISA or IRA program accounts may also invest cash balances in these money market sweep vehicles as permitted by law.

As a shareholder of a money market fund, in addition to fees paid by you to Cary Street Partners under the program, you will bear a proportionate share of a money market fund's expenses, including the investment management fees that are paid to the money market fund's investment manager.

Upon enrollment or at the point of termination of the program services, the money market fund used in a "sweep" arrangement may be changed and/or your shares may be exchanged for shares of another series of the same fund, as permitted by law.

We utilize money market funds and bank deposit sweeps as investment vehicles for the cash balances in all of your program accounts. You are advised and understand that overall fees charged on account values will include these money market fund balances. We have agreements to provide administrative, distribution, and other services for these money market funds and we, where permitted by law, may receive compensation for the services rendered. For more information about these funds, refer to their prospectuses.

The sub-adviser (Wells Fargo) may recommend closed end funds for your portfolio for which there are similar fund expenses as described above, in addition to the fees paid to Cary Street Partners or the investment manager.

The securities that are traded for you may be traded in more than one marketplace. Consistent with the overriding principle of best execution and subject to applicable regulatory requirements, we may rely on First Clearing's discretion in selecting the market in which to enter your orders. They route customer orders for over-the counter and listed equity securities to exchange venues, as appropriate, with best execution being the highest priority. They will receive compensation in the form of a per-share cash payment for directing order flow to these market makers. They consider a number of factors when determining where to send customer's orders, including execution speed and price, price improvement opportunities, the availability of efficient and reliable order handling systems,

the level of service provided, and the cost of executing orders. All orders are executed at prices equal to or better than the displayed national bid/offer price, up to the displayed size, at the time of execution.

Non-brokerage related fees such as IRA fees are not included in the wrap fee and may be charged to the account separately.

We utilize money market funds and bank deposit sweeps as investment vehicles for the cash balances in all of our separately managed account program accounts. You are advised and understand that overall fees charged on account values will include these money market fund balances. We have agreements to provide administrative, distribution, and other services for these money market funds and we, where permitted by law, may receive compensation for the services rendered. For more information about these funds, refer to their prospectuses. Investment managers may recommend closed end funds, open end mutual funds, exchange traded funds for your portfolio for which there are similar fund expenses, in addition to fees paid to Cary Street Partners or the investment managers.

## **Retirement Services**

From time to time, through the services and programs offered by our investment personnel, our FAs will assist our retirement plan clients with various aspects of the plans, including:

1. the selection of investment companies for review as investment options,
2. education and enrollment of participants with respect to retirement investing in general fund investment options,
3. and assisting the plan's evaluation and monitoring of the performance of fund investments, or any combination of these or similar services.

In those cases where the Plan determines to utilize funds in connection with a Third-Party Administrator (TPA) and where advisory fees are paid on the investment, we and our FA will receive a share only of the fee as compensation for the services provided. The specific fee arrangement will typically be disclosed to the Plan pursuant to the TPA's contract with the Plan. For these arrangements with TPA's, the transactions in the subject investment company shares are not effected through us, but rather directly with the fund through its distributor. All shares of investment companies are subject to fluctuation of principal and yield depending on market and/or interest rate risk. We do not provide and are not responsible for any aspect of plan administration, selection of the administrator or related services.

## **Other Account Fees**

The fee does not include certain dealer markups and markdowns, odd lot differentials, transfer taxes, exchange fees, execution fees (foreign and/or domestic) when applicable, and any other fees required by law. Cash balances in an account may be invested in money market mutual funds including, as permitted by law, those with which we have agreements to provide advisory, administrative, distribution, and other services and for which we receive compensation for the services rendered. In a low interest rate environment, the yield that you earn on cash and cash

alternatives, including cash sweep funds, CDs and money market funds may not offset advisory fees. In some instances, the effective yield of the investment may in fact be negative.

Non-brokerage related fees, such as IRA fees, are not included in the wrap fee and may be charged to your account separately. As more fully described in the fee schedules above, the fees you are charged may be different, depending on the asset type invested in your account.

Your FA may suggest that you use other products and services that Cary Street Partners offers, but are not available through the program you selected (“excluded assets”). Excluded assets are not charged a program fee and are not considered a part of the program or program services. We generally recommend that you hold these excluded assets in a separate brokerage account. If an excluded fund purchased for or transferred into your account later becomes eligible for the program, program fees will apply to that fund and it may become subject to the rebalance trading system. You will incur any usual and customary brokerage charges and fees imposed on transactions in excluded assets which may include:

- i. any dealer markups and odd lot differentials and transfer taxes;
- ii. charges imposed by broker-dealers and custodians other than Wells Fargo and its affiliates and fees for other products and services that we and our affiliates may offer;
- iii. offering discounts, commissions and related fees in connection with underwritten public offerings of securities;
- iv. margin interest and operational fees and charges;
- v. IRA fees;
- vi. and any redemption fees, exchange fees and or similar fees (among which SEC fees are included) imposed in connection with mutual fund transactions whereby Cary Street Partners or your FA may receive additional compensation on these excluded assets.

### **Costs of Investing in Mutual Funds**

In addition to program fees, as a shareholder of a money market, mutual fund or closed-end fund, you will bear a proportionate share of the fund’s expenses, including investment management fees that are paid to the fund’s investment adviser, who may be an affiliate of the sub-adviser (Wells Fargo). Cary Street Partners may receive fees from these mutual funds or closed-end funds. For more information about these funds, refer to their prospectus.

You should be aware that you may invest in money market funds or mutual funds directly without incurring the fee charged for participation in a program. In addition, certain institutional investors may directly purchase a class of shares of certain money market funds or funds that do not charge shareholder services, sub-accounting or other related fees. If you do, however, you will not receive the various program services provided under the program and some mutual funds may impose a sales load on direct investments. You will receive a prospectus for each money market and mutual fund purchased, as required by securities regulation.

Cary Street Partners or Wells Fargo service providers may collect such fees directly or indirectly from some or all of the mutual funds in which you invest, and Wells Fargo may pay any such

fees to Cary Street Partners' FAs. The amount of the fees Wells Fargo or your FA receive will vary, depending on the percentage paid according to a fund's Rule 12b-1 plan.

Certain funds make multiple no-load, institutional, advisory or load-waived share classes available for purchase through investment consulting programs. These share classes may be available only through Cary Street Partners investment consulting programs and have different and lower shareholder servicing, sub-accounting, investment management and 12b-1 fees and charges from other share classes offered by those funds. As a result, some clients may have purchased these lower-cost institutional share classes, while others may have purchased a non-institutional share class.

A portion of the fees or commissions charged for the separately managed account programs described herein may be paid to our FAs in connection with the introduction of accounts as well as for providing client-related services within the separately managed account programs. This compensation may be more or less than a FA would receive if you paid separately for, where applicable, investment advice, brokerage, and other services. Therefore, an FA may have a financial incentive to recommend these separately managed account programs over other programs and services.

From time to time, we will compensate our other employees for referrals of possible clients to the separately managed account programs. Actual presentation and solicitation of these services are made by our FAs, not the referring employee. The referral compensation takes the form of a payment to the employee as a percentage of the fees described in the separately managed account program's contracts and results in no additional fees to you.

We and our FAs may effect brokerage transactions and receive commissions from the investment managers for accounts other than those of the clients in the particular separately managed account program; such commissions may be for other Masters, DMA, or Network accounts or as otherwise directed by the particular investment manager in connection with its responsibilities and obligations to you.

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

The separately managed account programs are provided to individuals, pension or profit sharing plans, trusts, estates or non-profit organizations, corporations or other business entities and governmental entities, educational institutions, as well as banks or thrift institutions.

### **MASTERS**

The minimum account size for Masters is \$100,000, and may be subject to manager minimums.

### **DMA**

The minimum account size for DMA is \$250,000, and may be subject to portfolio minimums, depending on your asset level.

## **COMPASS ADVISORY**

The minimum account size for Compass Advisory ranges from \$50,000 to \$250,000, depending on the portfolio.

## **FUNDSOURCE®**

The minimum account size for FundSource® is \$25,000.

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

For a description of the portfolio manager selection and evaluation for the programs described in this brochure, please see the Wells Fargo Wrap Fee brochure.

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

You must complete an account profile with the assistance of your FA. The account profile outlines your investment objectives, financial circumstances, risk tolerance and any restrictions you may wish to impose on your investment activities. We will notify you in writing at least annually to update your account profile and indicate if there have been any changes in your financial situation, investment objectives or instructions. 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. Your FA will be reasonably available to you for consultation on these matters, and will act on any changes in your profile deemed to be material or appropriate as soon as practical after we become aware of the change.

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

Your contact for information and consultation regarding your program account is your FA. In certain instances, your FA may coordinate a response with the portfolio manager (if applicable) or arrange for you to consult directly with the portfolio manager.

## **Item 9 Additional Information**

### **Disciplinary Information**

There are no legal or disciplinary events that are considered material.

## **Other Financial 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 is not registered as a broker-dealer. The management personnel, with the exception of one associate, 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 Cary Street Partners Holdings 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 First Clearing. Please see Item 12 Brokerage Practice for more information about Cary Street Partners' relationship with Cary Street Partners LLC and First Clearing.

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 may be shown transactions represented by Cary Street Partners LLC and may, if they elect to do so and are acceptable to the issuer and its counsel, purchase securities in some in those offerings.

In addition, Cary Street Partners Holdings, LLC, the 100% owner of Cary Street Partners LLC and Cary Street Partners Investment Advisory LLC, completed a private placement of securities and some of our qualified advisory clients invested in that offering.

Cary Street Partners will provide 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 may, 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 clients.



Certain investment managers have agreed to participate with us in cooperative advertising for the applicable program by compensating us in the form of cash payments from the investment manager. This compensation will be used to help pay for program advertising and FA education. Therefore, we have a potential conflict of interest to recommend investment managers that might participate in such joint arrangements. We intend, however, to make all recommendations independent of such fee considerations and based solely on our obligations to consider your objectives and needs. These investment managers are under no obligation to enter into a cooperative advertising arrangement with respect to these programs.

### **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 may 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 may 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 investment committee approval and/or a period of 24 hours after significant asset allocation adjustments are determined.

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 our policies and procedures related to participation in your transactions to its associates through our 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. It is Cary Street Partners' internal policy that certain management personnel may 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. Research Analysts and Financial Advisors are prohibited from purchasing securities that an analyst has recommended for 24 hours following the official release of the recommendation. Cary Street Partners' policies include an express prohibition against;

1. 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,
4. and “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 may exist with respect to any client.

Cary Street Partners and its investment personnel may 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 may 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.

Our portfolio managers may 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 may 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.

We place restrictions upon certain of our personnel in connection with the purchase or sale of securities recommended to you. Generally, Research personnel or the Investment Committee may 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 the issuance of a buy recommendation. Research analysts and FAs are prohibited from purchasing securities that a research 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.

## **Review of Accounts**

Separately managed account program services provided by our personnel and facilities include a review and monitoring of your accounts. For Masters and DMA, our Portfolio Management Group compares your performance to the “reported number” that the applicable investment manager reports to the various consulting and database services.

At least annually, your FA will contact you to determine whether there have been any changes in your financial situation, investment objectives, or instructions. 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 separately managed account 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.

In addition to reviews that may be conducted by your FA, the FA’s Branch Office Manager or other designated supervisor will review account activity as it relates to their broker-dealer

supervisory responsibilities. Cary Street Partners uses system controls and identification to restrict fee-based accounts from being charged commissions. We also regularly review reports to determine if you have been charged commissions in error and correct your accounts where appropriate.

Cary Street Partners reviews trading activity, the vendors, and systems Cary Street Partners uses to process transactions, among other things.

## **DMA**

The target allocation among the selected DMA investment managers applies at the time the account is established in the DMA program. Additions to and withdrawals from the account will generally be allocated based on the target allocation. Fluctuations in the market value of assets, as well as other factors, will affect the actual allocation in the sub-accounts at any given time. In order to maintain your overall account with us in conformance with your target allocation among sub-accounts, we will automatically rebalance, or direct the rebalancing of, the account periodically if the levels of the sub-accounts vary by more than certain established percentages from the target allocation. If your account is managed pursuant to a Customized Blend, you may opt out of rebalancing. We may also rebalance or direct the rebalancing of your account when requested by you.

We provide you with periodic portfolio monitoring services which may include a statistical presentation of the performance of your account(s), based on such information that is reflected on our records and ongoing 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 separately managed account program.

As an additional service, we may include supplemental historical information as provided by you, your previous custodian or investment manager related to your account when it was held outside of our separately managed account 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 may cause a delay in producing the portfolio monitoring reports for accounts new to our separately managed account program.

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

- (a) trade confirmations reflecting all transactions in securities; provided, however, that we may 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;
- (b) and a statement of account activity at least quarterly.

## **Client Referrals and Other Compensation**

Through DMA, Masters, or Compass Advisory, we recommend investment managers for selection and retention in the context of our investment consulting services. Cary Street Partners may enter into arrangements with unaffiliated broker-dealers, investment advisers, or other persons pursuant to which referral compensation is paid for referrals of clients or potential clients to Cary Street Partner's investment consulting programs. This compensation may be in the form of transactional commissions or a percentage of the fees described in the program contracts. The details of such arrangements and the amount of compensation will be described in a separate disclosure provided to you at the time of such referrals.

Cary Street Partners or its affiliates may 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 may from time to time enter 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, may 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 may pay a portion, or all, of the cost of the activities, which payment may at times take the form of reimbursement to Cary Street Partners or Cary Street Partners LLC.

Cary Street Partners may 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 may 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.

## **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.