

Item 1 – Cover Page

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Form ADV Part 2A “Brochure”

March 30, 2011

This Form ADV Part 2A brochure provides information about the qualifications and business practices of UnionBanc Investment Services LLC. If you have any questions about the contents of this brochure, please contact us at (800) 634-1100. 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.

UnionBanc Investment Services LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about UnionBanc Investment Services LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the requirements for the disclosure document that investment advisers must provide to their clients as required by SEC Rules. This UnionBanc Investment Services LLC (“UBIS”) disclosure document or “Brochure” dated March 30, 2011, is a new document prepared in accordance with the SEC’s new requirements and rules. As such, this Brochure differs in structure and includes certain new information that the last annual update of our previous disclosure document dated March 9, 2010 did not require.

In the future, this Item 2, “Material Changes,” will be used to provide a summary of material changes to the Brochure since its last annual update.

Our Brochure may be requested by contacting your Senior Financial Advisor or the UBIS Help Desk at 800.634.1100. Our Brochure is also available on our web site at www.unionbank.com/invest.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	4
Item 6 – Performance-Based Fees and Side-By-Side Management.....	9
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9 – Disciplinary Information	12
Item 10 – Other Financial Industry Activities and Affiliations	12
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Item 12 – Brokerage Practices	15
Item 13 – Review of Accounts	15
Item 14 – Client Referrals and Other Compensation.....	16
Item 15 – Custody	17
Item 16 – Investment Discretion	17
Item 17 – Voting Client Securities	17
Item 18 – Financial Information	18

Item 4 – Advisory Business

UBIS is an investment adviser registered with the SEC and is a wholly-owned subsidiary of Union Bank, N.A. ("Union Bank"), a national bank regulated by the Office of the Comptroller of the Currency. UBIS' and Union Bank's ultimate parent company is Mitsubishi UFJ Financial Group, Inc. ("MUFG"), a Japanese-based financial institution. Please refer to Item 10, Other Financial Industries and Affiliations, for additional information regarding UBIS' affiliates.

UBIS provides investment advisory services to clients through two programs for which UBIS has retained sub-advisers to manage client assets in the programs. These are the Managed Account Solutions Program ("MAS Program") and the HighMark Managed Solutions Program ("HighMark Program"). Envestnet Asset Management, Inc. ("Envestnet"), an SEC-registered investment adviser that is not affiliated with UBIS, is the sub-adviser and sponsor for the MAS Program. HighMark Capital Management ("HCM"), an SEC-registered investment adviser that is affiliated with UBIS, manages the HighMark Program. The MAS Program is a wrap fee program for which clients pay a single fee for both investment advisory services and the associated brokerage transactions and custody. UBIS receives a portion of this fee for its advisory services. Please refer to Envestnet's disclosure document for more information. With the HighMark Program, clients pay separate fees for advisory services and the associated brokerage and custody services. UBIS receives a portion of the advisory fee for its advisory services.

UBIS presents one or both programs to the client for the client's approval. Similarly, with respect to the MAS Program, UBIS presents a selection of investment strategies available through the MAS Program to the client for the client's approval. Once the client's assets are invested in the respective program, the sub-adviser or sub-advisers manage the assets on a discretionary basis without client approval. The MAS Program and the HighMark Program are described in more detail below.

National Financial Services LLC ("NFS"), UBIS' brokerage clearing firm, provides transaction execution, clearance, settlement, custody and related services in connection with the MAS Program. NFS holds an ownership interest of less than five (5) percent in Envestnet. Strategic Advisers, Inc. ("SAI") is an SEC-registered investment adviser that is an affiliate of NFS and manages mutual fund portfolios that are available through the MAS Program. Neither SAI nor NFS is affiliated with UBIS. UBIS' and HCM's parent company, Union Bank, provides trust and custody services in connection with the HighMark Program.

Including its predecessor organizations, UBIS has been in business as a broker-dealer since 1983 and began offering investment advisory services as a registered investment adviser in 1999. As of March 28, 2011, client assets under management in the MAS and HighMark Programs that UBIS offers were \$229,092,421.20.

MANAGED ACCOUNT SOLUTIONS PROGRAM

Overview

UBIS clients may choose one or more investment advisory sub-programs from the following five (5) sub-programs offered under the MAS Program: the Mutual Fund Account Sub-Program; the ETF Account Sub-Program; the Multi-Manager Account Sub-Program; the Separately Managed

Account Sub-Program; and the Unified Managed Account Sub-Program. Each of these sub-programs is described below. With respect to all of these sub-programs, UBIS assists clients in their selection of one or more of the MAS sub-programs through review of certain client investment criteria, including, among others, the client's investment goals, income requirements, time horizon, and risk tolerance. UBIS enters the relevant client-provided criteria information into a proprietary software program that Envestnet maintains. Envestnet analyzes the information and assigns an investor profile for the client (with a corresponding risk tolerance rating) and offers a selection of investment strategies. Utilizing the Envestnet platform tools, UBIS reviews the selection of investment strategies and recommends an investment strategy for the client's approval that allocates the Client's assets among one or more of the different sub-programs, based on the client's investor profile, and subject to reasonable investment restrictions that the client requests and that UBIS approves. UBIS' approval of client-requested restrictions is generally dependent on UBIS', Envestnet's and any applicable sub-adviser's ability to implement the restriction.

The available MAS sub-programs are described below.

Mutual Fund Account Sub-Program

The Mutual Fund Account Sub-Program is a fully discretionary mutual fund asset allocation program that offers clients a diversified selection of mutual funds using model portfolios. Each model portfolio seeks to achieve a specific investment objective while maintaining a level of risk that is appropriate for the client. The model portfolios are designed and are actively managed by sub-advisers that Envestnet has retained. To implement the client's investment strategy, Envestnet selects one or more of Envestnet's model portfolios based on the client's investor profile. UBIS presents the Envestnet-selected model portfolio to the client for the client's approval. When the allocations in the selected model portfolio change Envestnet rebalances the assets among the asset classes in the client's account as necessary to remain consistent with the client's investor profile. After the client's initial approval of the selected portfolio, Envestnet or the sub-adviser may add, remove or replace mutual funds in the client's portfolio at its discretion, without prior client approval.

ETF Account Sub-Program

The ETF Account Sub-Program is a fully discretionary exchange traded funds (each fund an "ETF") asset allocation program that offers clients a diversified portfolio predominantly of ETFs using model portfolios. Each model portfolio seeks to achieve a specific investment objective while maintaining a level of risk that is appropriate for the client. To implement the client's investment strategy, Envestnet selects one or more of Envestnet's model portfolios of ETFs based on the client's investor profile. The model portfolios are designed and are actively managed by Envestnet or a sub-adviser that Envestnet has retained. Envestnet or its designated sub-adviser develops and implements the client's investment strategy using mathematical models, statistical data and/or qualitative research that seek to control risk and identify return opportunities. Sub-advisers may also use mutual funds, leveraged ETFs and inverse ETFs in the portfolios as appropriate, and in a manner that is consistent with the client's risk profile and investment strategy. Leverage and inverse ETFs use investment techniques and derivatives (*i.e.* futures contracts, swap agreements and similar instruments) that can result in higher volatility and decreased or increased performance. UBIS presents the Envestnet-selected portfolio to the client for the client's approval. Envestnet and/or the sub-adviser rebalances the assets among the asset classes in each client portfolio periodically to remain

consistent with the client's investor profile, and as the sub-adviser identifies investment risks and opportunities. After the client's initial approval of the selected portfolio, Envestnet and/or the sub-adviser manage the portfolio on a discretionary basis, without prior client approval.

Multi-Manager Account Sub-Program

The Multi-Manager Account Sub-Program offers clients a single investment portfolio in which the client directly owns the underlying securities. To implement the client's investment strategy, Envestnet selects two or more sub-advisers who provide advice and direction to Envestnet for managing each corresponding asset class in the client's portfolio. Envestnet may also invest assets within the portfolio in mutual funds or other securities, including the PMC Funds. Envestnet selects the sub-advisers in accordance with Envestnet's ongoing due diligence process. UBIS presents the Envestnet-recommended investment portfolio to the client for the client's approval and subject to any reasonable investment restrictions that the client requests that UBIS approves. After the client's initial approval of the recommended portfolio, Envestnet manages the account on a discretionary basis, without prior client approval. Envestnet periodically rebalances the assets in the client's portfolio among the asset classes in the client's account.

Separately Managed Account Sub-Program

The Separately Managed Account Sub-Program offers clients an investment portfolio that consists of separate accounts that correspond to specific asset classes that are each managed by an investment manager ("Separate Account Manager"). Separate Account Managers serve as sub-adviser to Envestnet. Envestnet may use mutual funds and/or ETFs in lieu of Separate Account Managers. Envestnet selects the Separate Account Managers, including any mutual funds or ETFs, following Envestnet's ongoing due diligence process for the respective Separate Account Manager, mutual fund and/or ETF. UBIS presents the client with the Envestnet-selected investment portfolio consisting of the selected Separate Account Manager, mutual fund and/or ETF for each asset class for the client's approval and subject to any reasonable investment restrictions the client requests and that UBIS approves. Envestnet and the Separate Account Managers manage the portfolio or each respective separate account on a discretionary basis without prior client approval. Clients directly own the underlying securities in the portfolio. Since each Separate Account Manager manages the individual asset classes in the client's portfolio as separate account, each Separate Account Manager does not coordinate management of the account with any other separate account manager for the client's assets or rebalance assets in the client's accounts in the aggregate with other assets. Instead, UBIS reviews all of the client's separate accounts in the aggregate, and UBIS may recommend a rebalanced selection of investments in the client's accounts for the client's prior approval.

Unified Managed Account Sub-Program

The Unified Managed Account Sub-Program offers clients an investment portfolio that accesses Separate Account Managers, mutual funds and/or ETFs within one integrated managed account. To implement the client's investment strategy, Envestnet will recommend a suitable asset allocation model for the client and a selection of Separate Account Managers, mutual funds, and ETFs from which UBIS can select and recommend to the client for each asset class within the model. Subject to client's investor profile and risk tolerance, UBIS may make changes to the Envestnet-recommended asset allocation model. UBIS presents the recommended investment portfolio to the client for approval, subject to reasonable investment restrictions that

the client requests and that UBIS approves. Envestnet and/or the sub-adviser rebalances the assets among the asset classes in each client portfolio periodically to remain consistent with the client's investor profile, and as the sub-adviser identifies investment risks and opportunities. After the client's initial approval of the selected portfolio, Envestnet and/or the sub-adviser manage the portfolio on a discretionary basis, without prior client approval.

HIGHMARK MANAGED SOLUTIONS PROGRAM

Pursuant to a sub-advisory agreement between UBIS and HCM, UBIS' affiliate, HCM provides investment advisory services for certain of UBIS client accounts. UBIS assists the client in reviewing the client's investment criteria, including the client's stated financial position, investment objectives, risk tolerance, time horizon and unique needs and circumstance. UBIS reviews the information before submission to HCM. Based on HCM's analysis of certain investment criteria, including the client's investment goals, income requirements, time horizon and risk tolerance, HCM will propose one or more of the following investment strategies for the client's overall investment strategy:

Total Portfolio (Customized Portfolio Management): With HCM's Total Portfolio strategy, HCM invests client assets in a diversified portfolio of securities that generally consist of equity and fixed income securities.

Total Equity Solution: With HCM's Total Equity strategy HCM invests client assets in a diversified portfolio of individual large cap stocks and institutional-class (or load-waived) mutual funds and/or ETFs to gain exposure to small cap, international, emerging markets, or other areas of the market.

Taxable and Tax-exempt Fixed Income Management: With HCM's Taxable and Tax-exempt Fixed Income strategy, HCM invests client assets in a diversified portfolio of taxable or tax-exempt fixed income securities, depending on the client's specific investment objective.

The HCM-recommended investment strategy(s) is subject to the client's approval and to any reasonable investment restrictions that the client requests and that UBIS approves.

Transition management services are also available as part of an HCM investment strategy. Transition management allows clients to transfer their existing securities over a period of time to one or more of HCM's investment management strategies while seeking to minimize the costs and tax impact of the transfer. HCM generally provides this service to clients who own low cost basis securities or concentrated positions.

Item 5 – Fees and Compensation

MAS PROGRAM FEE SCHEDULE

Clients who participate in the MAS Program are charged a quarterly fee for the combined investment advisory, brokerage and other services provided under the MAS Program ("Program Fee"). Clients must pay the quarterly Program Fee in advance of the quarter to which the fees apply. Envestnet determines the Program Fee at the beginning of each quarter by applying the applicable sub-program fee schedule to the value of such assets on the last business day of the prior calendar quarter. Envestnet determines the value of client assets invested in each sub-

program using readily available values from a nationally recognized pricing service. Envestnet determines and applies the applicable sub-program fee schedule to the value of the client's assets in each sub-program separately and not to all of client's assets invested in the MAS Program in the aggregate. Please refer to ADDITIONAL INFORMATION ABOUT FEES AND RELATED CONFLICTS OF INTEREST, Client Fee Aggregation for Accounts in Multiple Programs or Sub-Programs, below and to the Managed Account Solutions Program Terms and Conditions for additional information about fees for assets invested in multiple programs and sub-programs.

Envestnet will calculate the initial Program Fee for the first calendar quarter (or part thereof) in which the client participates in the MAS Program on a pro-rated basis based on the number of calendar days in the partial quarter and depending on when in the calendar quarter the account is opened. The Program Fee will be allocated to UBIS, Envestnet and NFS pursuant to an agreement between them.

In certain circumstances, at UBIS' discretion, fees may be negotiated. The client's Program Fee for the MAS Program is described in the client's agreement with UBIS and Envestnet.

The Program Fees in the schedules below do not include other fees, such as brokerage commissions imposed by broker-dealers other than NFS, certain redemption fees and other fees described in Envestnet's disclosure document, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, and outgoing transfers, which apply separately. (Please refer to Item 12, Brokerage Practices, for additional information.) If the value of the client's account in a sub-program falls below the minimum requirements for that sub-program, the Minimum Annual Account Fee, which is typically greater than the Annual Fee on an annual percentage basis, will be applied.

Mutual Fund Account Sub-Program

Account Size	Annual Fee (billed quarterly in advance)
First \$250,000	1.5%
Next \$250,000	1.25%
Next \$500,000	1.00%
Next \$1,000,000+	0.75%
Minimum Annual Account Fee - \$500	

ETF Account Sub-Program

Account Size	Annual Fee (billed quarterly in advance)
First \$250,000	2.5%
Next \$250,000	2.25%
Next \$500,000	2.00%
Next \$1,000,000+	1.75%
Minimum Annual Account Fee - \$500	

Multi Manager Account Sub-Program

Account Size	Annual Fee (billed quarterly in advance)
First \$250,000	2.5%
Next \$250,000	2.25%
Next \$500,000	2.00%
Next \$1,000,000+	1.75%
Minimum Annual Account Fee - \$5,500	

Separately Managed Account Sub-Program

Equity/Balanced Portfolios and ETF Account Strategies

Account Size	Annual Fee (billed quarterly in advance)
First \$250,000	2.5%
Next \$250,000	2.25%
Next \$500,000	2.00%
Next \$1,000,000+	1.75%
Minimum Annual Account Fee - \$2,250	

Fixed Income Portfolios and Mutual Funds

Account Size	Annual Fee (billed quarterly in advance)
First \$250,000	1.5%
Next \$250,000	1.25%
Next \$500,000	1.00%
Next \$1,000,000+	0.75%
Minimum Annual Account Fee - \$1,250	

Unified Managed Account Sub-Program

Account Size	Annual Fee (billed quarterly in advance)
First \$250,000	2.5%
Next \$250,000	2.25%
Next \$500,000	2.00%
Next \$1,000,000+	1.75%
Minimum Annual Account Fee - \$1,500	

Clients are required to pay MAS Program Fees by deductions to their account. For this purpose, clients must authorize NFS to deduct the Program Fees from their account as part of the client's investment advisory agreement. NFS will deduct the Program Fee from the client's account and pay the fees to Envestnet and UBIS as applicable upon NFS' receipt of instructions from Envestnet to do so.

Reporting Services

Clients may elect to receive reporting services with respect to their assets held in securities accounts outside of the MAS Program, and which are maintained with certain custodians with whom Envestnet has established interfaces for reporting purposes. This service allows clients to receive a single statement that includes their assets that are invested through the MAS Program and assets held elsewhere for which advice through the MAS Program is not provided. Fee rates for this service are listed below. UBIS has no obligation to provide, and does not provide, any investment advice, asset allocation or rebalancing services with regard to assets covered by the separate reporting services feature. Clients have no obligation to choose the reporting services to participate in the MAS Program.

Fees for reporting on non-managed assets:

Separate Account Assets in Account(s)	Fee (billed quarterly in advance)
First \$500,000	0.10%
Next \$500,000	0.07%
Next \$2,500,000	0.03%
Minimum quarterly fee - \$30	
Miscellaneous Fees	
Manual entry of cost basis data at set up \$1 / tax lot	
Manual entry of historical data \$100 / hour	
Minimum Annual Account Fee - \$120	

Fee Refunds upon Termination of Client Participation in MAS Program

If the client, UBIS or Envestnet terminates the client's account, a refund of any prepaid, unearned Program Fees and other fees will be made to the client, and any unpaid, earned Program Fees and other fees will be due and payable by the client. The client is responsible for paying fees associated with any transactions that are executed before UBIS' receipt of the client's written notice of cancellation.

HIGHMARK PROGRAM FEE SCHEDULE

Fees for the Highmark Program are charged as a percentage of assets under management in each strategy in the program according to the schedule below. The method of fee calculations is disclosed in the Advisory Services Agreement entered into between UBIS and the client.

Total Portfolio (Customized Portfolio Management)

Account Size	Annual Advisory Fee (billed quarterly in arrears)
First \$750,000	1.75%
Next \$250,000	1.65%
Next \$1,000,000	1.60%
Next \$1,000,000+	1.50%
Minimum Annual Advisory Fee: \$12,375	

Total Equity Portfolio

Account Size	Annual Advisory Fee (billed quarterly in arrears)
First \$750,000	2.00%
Next \$250,000	1.95%
Next \$1,000,000	1.90%
Next \$1,000,000+	1.80%
Minimum Annual Advisory Fee: \$13,875	

Fixed Income Portfolio (Taxable and Tax-exempt)

Account Size	Annual Advisory Fee (billed quarterly in arrears)
First \$750,000	1.10%
Next \$250,000	1.05%
Next \$1,000,000	1.00%
Next \$1,000,000+	0.90%
Minimum Annual Advisory Fee: \$7,500	

Clients may authorize the custodian, Union Bank, to deduct the Highmark Program Fees from their account pursuant to their custody agreement with Union Bank. If a client elects to pay their Highmark Program Fee this way, after Union Bank receives the client's authorization, Union Bank will deduct the HighMark Program Fee from the client's account in accordance with the fee schedule and pay the fees to UBIS and HighMark, as applicable. If a client does not elect to have Union Bank automatically deduct their HighMark Program Fees from their account, Union Bank will send an invoice to the client for the HighMark Program Fees, and the client will be obligated to pay the fees as directed in the invoice.

In certain circumstances, at UBIS' discretion, fees may be negotiated. If the account size falls below the minimum requirements, the Minimum Annual Advisory Fee, which is typically greater than the Annual Advisory Fee on an annual percentage basis, may be applied.

The Annual Advisory Fee for the HighMark Program is inclusive of advisory and sub-advisory fees and does not include custody fees (including fees for non-standard custody services), commissions to brokers on trades (typically approximately \$.03-\$.08/share), fixed income mark-ups and markdowns by brokers, or any embedded mutual fund and/or exchange-traded fund expense ratios. (Please refer to Item 12, Brokerage, for additional information on brokerage practices.)

ADDITIONAL INFORMATION ABOUT FEES AND RELATED CONFLICTS OF INTEREST

Client Fee Aggregation for Accounts in Multiple Programs or Sub-Programs

Because advisory fees are assessed on assets invested in each MAS sub-program or HighMark Program strategy separately and assets generally are not aggregated for fee assessment purposes, it is possible that a client's total fees may be greater and a client's overall return less, when a client invests in more than one type of MAS sub-program and/or HighMark Program strategy than if a client invested all of their assets in a single MAS sub-program or HighMark Program strategy. This also means that UBIS' compensation may be greater when clients invest in more than one type of MAS sub-program or HighMark Program strategy than if a client invested in a single MAS sub-program and/or HighMark Program strategy.

Additional Client Fees Related to Mutual Funds, ETFs, and Bundled Services

MAS and HighMark Program assets may be invested in mutual funds or ETFs that may also charge fees, as described in each applicable prospectus or in the related disclosure document for the related mutual fund and ETF. These fees and expenses are in addition to the fees paid under the MAS Program and HighMark Program fee schedules. Please refer to the discussion below under Client Fee Waivers for Investments in the HighMark Funds regarding the implications of these fees on investments in the Highmark Funds.

Envestnet may also invest assets within a client's portfolio in mutual funds or other securities, including Envestnet's proprietary mutual funds, the PMC Funds. To address the economic incentive that Envestnet may have in investing assets in the PMC Funds, Envestnet makes a corresponding fee reduction to the fee that Envestnet charges on the Multi-Manager Sub-Program invested in the PMC Funds. Please refer to Envestnet's and the respective sub-adviser's disclosure document for information regarding fee adjustments, if any, when investments are made in Envestnet's and the sub-adviser's proprietary products. Envestnet may still recognize other benefits from the investment of client assets in the PMC Funds.

It is possible that UBIS will have greater financial incentives and will receive higher fees where a UBIS representative recommends that a client invest through the MAS Program or HighMark Program rather than through the purchase(s) of a security, investment product or investment service on a separate and 'unbundled' basis, or rather than through an alternative investment advisory program, either through UBIS as a broker-dealer or another financial services firm.

UBIS Compensation and Incentives from Other Parties

UBIS, and its related persons, have arrangements with mutual funds and other product sponsors or their affiliates pursuant to which UBIS or its related persons may receive one or more of the following types of compensation: sales commissions, shared revenue for sales of certain investment products and/or fees for selling mutual funds or providing services to mutual funds shareholders. UBIS, HighMark or Envestnet may recommend some of these mutual funds or securities products to an advisory client or include them in a client's MAS Program or HighMark Program account. These financial incentives may create a conflict between the interests of UBIS, Envestnet and/or HighMark and the interests of the client. UBIS makes investment recommendations independently and not based on the interest of any related person. Clients may be able to purchase some of the investment products that UBIS recommends through other brokers or agents that are not affiliated with UBIS.

NFS charges UBIS fees to provide transaction execution, clearance, settlement, custody and other related services for UBIS' advisory clients. NFS may reduce the amount of these fees when the collective amount of UBIS client's assets under management increases and reaches pre-determined dollar amounts. There would be modest financial benefits to UBIS as the amount of assets under management increase to the pre-determined amounts. This financial benefit may create a conflict of interest.

Client Fee Waivers for investments in the Highmark Funds

Client assets that are managed through the MAS Program and the HighMark Program may be invested in the HighMark Funds. The HighMark Funds and its investment advisers are considered related persons of UBIS. HCM will be paid an advisory fee by the Fund with respect to those assets, and therefore the clients' advisory fee may be waived or reduced accordingly so that the client is not charged two advisory fees. UBIS will waive, offset, or refund to the client an amount equal to the client's advisory fee payable to UBIS on those client assets that are invested in the HighMark Funds.

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

UBIS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

UBIS generally provides advisory services to individuals, high net worth individuals, businesses, and corporate pension and profit-sharing plans.

For clients that invest through the MAS Program, UBIS requires a minimum account size of \$100,000 for the Separately Managed Account Sub-Program, \$150,000 for the Unified Managed Account Sub-Program, \$250,000 for the Multi-Manager Account Sub-Program, and \$50,000 for the Mutual Fund Account Sub-Program and the ETF Account Sub-Program. Underlying investments in Separately Managed Accounts and Unified Managed Accounts may also have specific investment minimums that would require greater account sizes, depending on the nature of the investment.

For clients that invest through the HighMark Program, HCM requires a minimum account size of \$750,000 for each investment strategy.

In certain circumstances, at UBIS' discretion and with the applicable sub-adviser's approval, account minimums may be negotiated.

If the market value of the client's assets in an account falls below the applicable minimum, UBIS may require the client to provide additional money or securities for the account. If a client does not meet the account minimum, UBIS may terminate the advisory relationship and close the account or convert it to a commission-based brokerage account.

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

For both the MAS Program and the HighMark Program, UBIS interviews each prospective client and reviews information provided by the client, such as the client's investment objectives, goals and income needs; time horizon; risk tolerances and other client information to create a Client Profile that UBIS uses to assist the client in selecting an investment advisory program and implementation strategy within the respective program that is suitable to the client's investment needs. On a periodic basis UBIS also reviews the overall performance of client's investments and the ongoing appropriateness of the client's selected program by reviewing the client's Investor Profile, including updated information provided by the client.

On a periodic basis, UBIS also reviews the investment advisory programs of HCM, Envestnet and other sub-advisers that UBIS retains directly. This includes UBIS' review of aspects of their respective programs such as investment management processes and performance of HCM, Envestnet, and sub-advisers that UBIS hires directly. UBIS also reviews the disciplinary history and compliance policies and practices of HCM, Envestnet and other sub-advisers that UBIS retains directly. The sub-advisers that UBIS hires directly perform their own investment analyses, research, implementation strategies, and other portfolio management activities for UBIS client accounts sub-program or investment strategy. Please refer to the sub-adviser's disclosure document for more information.

For MAS Program accounts, Envestnet or the specific sub-adviser(s) for the client's account selects and/or recommends the specific investments in the MAS Program based on the particular method of analysis described in the respective Envestnet or sub-adviser disclosure document and other materials. In general, the types of investments available under the MAS Program include, but are not limited to ETFs (including inverse and leveraged ETFs), mutual funds or equities (both domestic and foreign), warrants, corporate debt, commercial paper, certificates of deposit, municipal securities, real estate investment trusts, government securities, and options.

For HighMark Program accounts, HCM selects the types of investments to implement the client's investment strategy(ies) based on the particular method of analysis described in HCM's disclosure document and other materials. In general, the types of investments available under the HighMark Program include, but are not limited to; ETFs, domestic and foreign mutual funds and equities, warrants, corporate debt, commercial paper certificates of deposit; municipal securities, government securities, options, and futures.

The types of investments that are generally available through the MAS and HighMark Programs may involve risks to the investor that include, but are not limited to, the following:

Market Risk: The risk that a security's market value may decline, especially rapidly and unpredictably for short or extended periods. These fluctuations may cause a security to be worth less than the price the investor originally paid for it. Market risk may affect a single issuer, industrial sector or the market as a whole.

Liquidity Risk: The risk that a security may be difficult or impossible to sell at the time and price the seller wishes. The seller may have to accept a lower price for the security, sell other securities instead, or forego a more attractive investment opportunity.

Credit Risk: The risk that the issuer of a security, or the counterparty to a contract, will default or otherwise become unable to honor a financial obligation. Generally speaking, the lower a security's credit rating, the higher its credit risk. If a security's credit rating is downgraded, its price tends to decline sharply, especially as it becomes more probable that the issuer will default.

Interest Risk: The risk that debt prices overall will decline over short or even long periods due to rising interest rates. Interest rate risk usually is modest for shorter-term securities, moderate for intermediate-term securities, and high for longer-term securities.

Reinvestment Risk: The risk that the proceeds, dividends, or interest that may be generated from an investment are reinvested in a security that offers a lower rate of return compared to the returns generated by the original investment.

Counterparty Risk: The risk that the counterparty to a repurchase agreement or reverse repurchase agreement may not fulfill its obligation which may cause the income and the value of the investment to decline.

Diversification Risk: The risk involved with excessive exposure to securities in any one, issuer industry or sector.

Foreign Risk: Compared with investing in the United States, investing in foreign markets involves a greater degree and variety of risk including the possibility of delayed settlements, currency controls, adverse economic developments, and higher overall transaction costs. In addition, fluctuations in the U.S. dollar's value may erode or reverse gains from investments denominated in foreign currencies or widen losses.

Leverage/Inverse ETF Risk: Leverage and Inverse ETFs use investment techniques and derivatives (i.e. futures contracts, swap agreements and similar instruments) that can result in higher volatility and increased or decreased performance. The correlation or

performance characteristics of the ETF will likely vary in relation to the intended inverse or multiple return and the index tracked by the ETF, therefore the objectives of the ETF may not be achieved from time to time.

Investments in MAS and HighMark Program accounts are not bank deposits, are not guaranteed by any agency of the U.S. government, and involve risks, including the possible loss of principal, a risk that clients should be prepared to bear.

There is a possibility that the clients account will not successfully achieve its objectives or expectations notwithstanding the financial assumptions, investment strategies, securities selection and due diligence research that UBIS, Envestnet, HCM, or other sub-adviser, as applicable, implement.

Item 9 – Disciplinary Information

UBIS has not been involved in legal or disciplinary events that are material to its advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

UBIS is also registered as a broker-dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. As a broker-dealer, UBIS may buy or sell for its clients a variety of securities and securities products, including common stocks, bonds, and mutual funds. Certain registered representatives of UBIS may also sell fixed annuities and variable annuities through an affiliated insurance agency, UnionBanc Insurance Services, which is a division of Union Bank. UBIS does not believe that its dual registration as a registered investment adviser and broker-dealer creates a material conflict of interest with clients.

Related Persons and Material Arrangements

As noted in Item 4, Advisory Business, UBIS is a wholly owned subsidiary of Union Bank. UBIS is a limited liability company of which Union Bank is the sole member. Union Bank is the principal subsidiary of UnionBanCal Corporation ("UNBC"), a bank holding company regulated by the Federal Reserve Board. UNBC is wholly owned by The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") headquartered in Japan. BTMU is a wholly owned subsidiary of MUFG.

UBIS' ultimate parent, MUFG, owns approximately 20 percent common stock of Morgan Stanley, the parent company of Morgan Stanley & Co. Incorporated, a registered broker-dealer ("MS&Co."). MUFG has one member of Morgan Stanley's board of directors and may have an additional "observer" present at the meetings of Morgan Stanley's board. UBIS does not consider MUFG's investment in MS&Co.'s parent company an arrangement that is material to its advisory business or clients, and UBIS does not believe that the relationship creates a material conflict of interest with UBIS investment advisory clients. UBIS may recommend mutual funds or other investment products of MS&Co. or its affiliates if such securities or products meet applicable investment criteria; UBIS does not give preference to such investments. Sub-advisers may use MS&Co. or one of its related persons as the broker-dealer for securities trades in seeking best execution or when they otherwise deem it appropriate.

HCM is the investment adviser of the HighMark Program. HCM is an investment adviser registered with the SEC. HCM is a wholly owned subsidiary of Union Bank, and as such is under common control with UBIS. Under HCM's Advisory Services agreement with clients, HCM may use UBIS in its role as broker-dealer and in compliance with federal laws, however, currently HCM has no arrangements with UBIS to do so. HCM may pay UBIS in its capacity as a broker-dealer for marketing support, sale, distribution or servicing of shares on the HighMark Funds.

UBIS' Board of Managers is comprised of UBIS employees and it manages the business affairs of UBIS and exercises all of its powers. The managers are also employees of Union Bank. Union Bank provides a variety of administrative services to UBIS, such as human resources and corporate accounting functions. Union Bank serves as the custodian for certain UBIS brokerage accounts, MAS Program retirement accounts and all HighMark Program accounts. Union Bank also provides safekeeping services with respect to UBIS' institutional broker-dealer business. Union Bank may also make general client referrals to UBIS and UBIS may refer clients to Union Bank for banking-related services.

Union Bank is licensed to sell certain types of insurance through its UnionBanc Insurance Services division. This activity by UnionBanc Insurance Services is not connected to UBIS' advisory business.

UBIS does not, as principal, broker, or agent, effect securities transactions for MAS Program or HighMark Program accounts. MAS Program and HighMark Program clients may also be broker-dealer clients of UBIS, and UBIS may effect securities transactions as principal, broker, or agent for such broker-dealer clients with respect to assets that are outside of MAS Program or HighMark Program accounts. In addition, certain related persons of UBIS, such as BTMU, MUS and Union Bank may, from time to time, buy securities from or sell securities to mutual clients pursuant to the separate relationships that the related persons may have with such clients. The related persons engage in these activities in a manner that is consistent with customary commercial practice and applicable federal and state regulations. These activities of UBIS' related persons are not connected to UBIS' investment advisory business.

General Partner of Investment Partnership

UBIS does not generally serve as a general partner of any investment related partnership, and UBIS does not solicit clients to invest in any partnership in which it may serve as a general partner. UBIS also does not solicit its clients to invest in any partnership in which a related person, such as Union Bank or BTMU, is a general partner. The related person could, however, solicit someone, who may also be a client of UBIS, to invest in one of these partnerships due to the separate relationship that the related person may have with the client.

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

UBIS employees' personal securities transactions and certain activities may raise potential conflicts with the interests of UBIS clients. In compliance with the Investment Advisers Act of 1940, UBIS has adopted a Code of Ethics to mitigate such potential conflicts of interest. The

Code of Ethics establishes rules of conduct for all employees of UBIS and is designed to, among other things, govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that UBIS and its employees owe a fiduciary duty to UBIS' clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm, and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. All of UBIS' officers, directors and employees are subject to UBIS' Code of Ethics provisions requiring that they place the interests of UBIS' clients before their own personal interests. UBIS will provide a copy of the UBIS Code of Ethics to clients who request it. Clients may request a copy of UBIS' Code of Ethics by contacting their Senior Financial Advisor or the UBIS Help Desk at 800.634.1100.

Interest in Client Transactions and Personal Trading

It is possible that UBIS, its related persons and/or its employees will have a material financial interest in the securities and securities products that are recommended for clients' accounts. Similarly, it is possible that UBIS, its related persons and/or its employees will purchase and sell securities and securities products that may be recommended to clients under the MAS or HighMark Programs. These securities products may include mutual funds such as the HighMark Funds that, along with HighMark Funds' advisers, are affiliated with UBIS. In addition, some of UBIS' related persons such as Union Bank are service providers to the HighMark Funds, and thus receive fees from the HighMark Funds. UBIS and its related persons thus may benefit from the recommendation and purchase of the HighMark Funds in MAS Program or HighMark Program accounts. UBIS does not believe that transactions by UBIS, its related persons and/or by UBIS employees for their personal accounts in securities in which UBIS its related persons and/or its employees have a material interest or that are recommended to UBIS clients present material conflicts of interest between UBIS and its clients, because the individual securities or securities products investments for UBIS clients within MAS Program or HighMark Program accounts are primarily selected and executed by Envestnet and HCM, respectively, or the applicable sub-adviser, and not by UBIS. In the Unified Managed Account Sub-Program, however, UBIS representatives choose the specific investment managers and/or investments from a list of Separate Account Managers, mutual funds or ETFs that have been preselected by Envestnet to be appropriate for each corresponding asset class. UBIS representatives may also consult with Envestnet or HCM to assess and recommend other available securities or securities products suitable for a client portfolio. Therefore, there may be some conflicts of interest.

UBIS' employee's compliance with UBIS' Code of Ethics and UBIS' implementation of policies and procedures help identify and address actual or potential conflicts of interest resulting from securities transactions for UBIS clients. These policies generally require UBIS employees to maintain their brokerage accounts at UBIS so that they can be reviewed by UBIS' compliance personnel. In addition, UBIS' Code of Ethics requires UBIS personnel with access to UBIS' advisory clients' accounts to submit periodic reports of their personal brokerage accounts and those of their family members over which they have control to UBIS' compliance for review of transactions and holdings in their accounts.

Item 12 – Brokerage Practices

UBIS does not itself place securities transactions on behalf of clients in the MAS Program or the HighMark Program. For the MAS Program, clients authorize UBIS and Envestnet to designate NFS to provide custody and trade execution services for MAS Program accounts. By authorizing UBIS and Envestnet and any separate account manager to direct brokerage, the client may not receive best execution for transactions for its accounts. NFS provides a full range of brokerage services that are integrated with existing UBIS back-office systems and account administration processes. While NFS conducts regular reviews of client transactions for purposes of seeking best execution, their execution may not always result in best execution for advisory accounts that may otherwise be available through other custody and brokerage service providers. MAS Program clients additionally authorize UBIS, Envestnet and any separate account manager to effect transactions for MAS Program client accounts with or through another broker if Envestnet, or the separate account manager believes that best execution for such transactions may be obtained through such other broker, dealer or bank, including any affiliated broker-dealer or bank.

For the HighMark Program, HCM selects broker-dealers to effect securities transactions for client accounts pursuant to the general practices HCM discloses in its Form ADV Part 2A disclosure document, Item 12, Brokerage Practices. Please refer to HCM's disclosure document for additional information. UBIS is satisfied that HCM's brokerage selection practices are reasonable. UBIS reviews HCM's brokerage practices on an annual basis in conjunction with UBIS' annual due diligence review of HCM.

UBIS does not receive soft dollar benefits or IPO allocations in connection with client accounts invested through the MAS Program or HighMark Program, although the sub-advisers for such programs may receive these benefits as described in their respective disclosures. Please refer to the respective sub-advisers' disclosure documents for additional information regarding brokerage practices.

Item 13 – Review of Accounts

The UBIS Senior Financial Advisor for the respective client account reviews each MAS Program and HighMark Program client account periodically to confirm that the account's investments are consistent with the client's investment objectives, guidelines, and restrictions. The UBIS Senior Financial Advisor for the client account meets with the client at least annually to confirm, among other things, that the client's investment objectives and restrictions and financial circumstances have not changed and/or to allow the client to place reasonable restrictions as UBIS may approve. More frequent reviews may be triggered by factors such as material changes in the client's circumstances, the securities markets, or the political and economic environments. Envestnet and HCM conduct reviews on MAS Program and HighMark Program accounts, respectively, to verify that the account's investments are consistent with the client's stated investment policy guidelines and objectives and established asset allocation strategies. On a periodic basis, UBIS also reviews HCM, Envestnet and other sub-advisers that UBIS hires directly to confirm that they continue to be appropriate for UBIS' respective investment advisory clients. This includes UBIS' review of these sub-advisers' disciplinary history, compliance policies and practices, and investment management processes and performance. Please refer to Item 8, Methods of Analysis, Investment Strategies and Risk of Loss, for additional information regarding UBIS' review of sub-advisers that it hires directly.

Reports to Clients

NFS and Union Bank, the custodians for client accounts invested through the MAS Program and HighMark Program, respectively, send clients a written custodial account statement at least quarterly. The custodial account statement shows an inventory of securities, including as-of-date market values, cash balances, fees and expenses charged to the client's account and account activities during the most recent quarter or applicable period.

UBIS provides each MAS Program client with a written quarterly performance report with investment commentary and investment performance information.

HCM provides each HighMark Program client with a written quarterly performance report that includes portfolio valuation and performance data. These reports may include information compiled by others including Union Bank.

Item 14 – Client Referrals and Other Compensation

Sales Contests

UBIS may occasionally offer sales contests incentives to its representatives for opening new advisory business. To be eligible for these incentives the UBIS representatives must consider the new advisory relationship suitable for the client and in the client's best interest. In general the representative must also generate a minimum amount of new investment advisory business during a specified period of time to be eligible for incentives. Eligibility for these incentives is not based on requirements that third parties impose on UBIS or with respect to UBIS representatives. UBIS representatives who qualify for these incentives may receive UBIS-sponsored trips, monetary compensation, gifts and other prizes. Certain third parties may pay for permissible non-cash compensation, such as business entertainment, in the course of the UBIS-sponsored trip or event.

Non-Cash Compensation

UBIS employees may occasionally receive gifts of nominal value (limited to less than \$100 each calendar year) from mutual funds, product sponsors or their affiliates. Certain mutual funds, product sponsors or their affiliates may also invite UBIS employees to training/educational events or host reasonable business entertainment that are deemed necessary and/or customary industry practices. These gifts and entertainment may be provided by mutual fund companies or providers of securities products that may be recommended to an advisory client or included in a MAS Program or HighMark Program account.

Compensation for Client Referrals

Union Bank employees who are also employees of UBIS and who have obtained certain securities licenses ("licensed bankers") may receive referral compensation with respect to their referrals of new clients to UBIS for broker-dealer, investment advisory, or other financial services ("Licensed Banker Program"). If a referred client establishes an advisory account, the licensed banker will receive compensation from UBIS based on the amount of the advisory fees paid by the client for a specified period of time. The referral fees paid to the licensed banker do

not entail an additional cost to the client; the same investment advisory fee schedules, as described above, apply to the new client's account as when there is no referral incentive. These referrals are conducted pursuant to a written agreement between UBIS and each licensed banker and in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940. The referral fee incentive may create a conflict between the interests of the licensed banker, UBIS, and the client. UBIS addresses this conflict by reviewing the suitability of the respective advisory program for the client.

Union Bank also maintains a program which compensates bank employees with a one-time fixed nominal fee for their client referrals to UBIS. This referral compensation is paid by Union Bank and is not based on whether a prospective client establishes a relationship with UBIS.

Item 15 – Custody

NFS and Union Bank, the qualified custodians for the MAS Program and the HighMark Program respectively, send clients who participate in the MAS Program and HighMark Program a custodial account statement at least quarterly. The account statements will show an inventory of securities, including as-of-date market values, fees and expenses charged to the account and account activities during the most recent quarter or applicable period.

UBIS or the respective sub-adviser will also provide quarterly performance reports to clients.

UBIS urges advisory clients to carefully review their custodial account statements and to compare the information on the statements from the custodian with the information on the performance reports they receive from the UBIS or the sub-advisers. Differences in investment positions and valuations may be caused by differences in the use of accounting methods, reporting dates, and sources of information. Clients may request additional information and/or assistance by contacting their Senior Financial Advisor or the UBIS Help Desk at 800-634-1100.

Item 16 – Investment Discretion

Clients in the MAS and HighMark Programs grant to UBIS, Envestnet, HCM or any other sub-adviser for their advisory account full discretionary authority with respect to the purchase and sale of securities in their advisory accounts. If clients intend to place limitations on this grant of discretionary authority, such as by placing restrictions on investments for their accounts, clients must do so in writing. In general, UBIS does not exercise discretionary trading or investment authority on behalf of advisory clients.

Item 17 – Voting Client Securities

UBIS or the client generally delegates proxy voting responsibility to the respective sub-adviser for the client account.

In the MAS Program, Envestnet generally delegates proxy voting to the sub-managers to whom it allocates client assets. Envestnet has established policies for voting proxies in the interests of clients. Envestnet's proxy voting policies, including its use of an independent proxy voting service and its policies for addressing conflicts of interest between Envestnet and the client, are described more fully in Envestnet's Form ADV Part 2A, Item 17. Clients can obtain a record of

how a proxy vote was cast by contacting the individuals at Envestnet as specified in Envestnet's Form ADV Part 2A Item 17 for this purpose.

HighMark Program clients determine the proxy voting process to be used for their account. Clients have the option to vote their proxies themselves or authorize HCM to vote their proxies on their behalf. Most clients authorize HCM to vote proxies for securities held in the client's account. HCM has established policies for voting proxies in the interests of clients. HighMark's proxy voting policies, including its use of an independent proxy voting service and conflicts of interest between HighMark and the client, are described more fully in its Form ADV Part 2A, Item 17. Clients may obtain a copy of HCM's proxy voting policies and procedures and/or proxy voting records for their account by calling the number specified in HCM's form ADV Part 2A, Item 17 for this purpose.

A copy of UBIS' proxy voting policy and procedures may be requested by contacting your Senior Financial Advisor or the UBIS Help Desk at 800.634.1100.

Item 18 – Financial Information

UBIS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.