



1900 NW Loop 410  
San Antonio, TX 78213

Brent Given  
210-807-5500  
Brent.Given@Thebankofsawealthadvisors.com

[www.thebankofsawealthadvisors.com](http://www.thebankofsawealthadvisors.com)

### Part 2A of Form ADV – August 2016

This brochure provides information about the qualifications and business practices of The Bank of San Antonio Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact Brent Given at 210-807-5500 or by email at [Brent.Given@thebankofsawealthadvisors.com](mailto:Brent.Given@thebankofsawealthadvisors.com) or Regina Gonzales, the Chief Compliance Officer at 210-424-8705 or by email at [Gina.Gonzales@thebankofsawealthadvisors.com](mailto:Gina.Gonzales@thebankofsawealthadvisors.com). 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 The Bank of San Antonio Wealth Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). References to The Bank of San Antonio Wealth Advisors, LLC as a "registered investment adviser" or descriptions of being "registered" does not imply a certain level of skill or training.

Investment Advisory products and services are:  
NOT FDIC insured - Not a Deposit of the Bank - Not Bank Guaranteed - May Lose Value.

## **Item 2 - Material Changes**

Other material changes – as of August 2016 our new address is 1900 NW Loop 410, San Antonio, TX 78213 and as of September 2016 our new Chief Compliance Officer is Regina Gonzales.

Material changes which occurred since our last ADV update in March 2015.

- Effective in November 2015, our name changed to The Bank of San Antonio Wealth Advisors, LLC
- Effective in December 2015, we began offering the Managed Account Solutions Program through Envestnet Asset Management, Inc. It is a wrap fee program.
- We have rewritten the Custody section because we have custody of our clients' assets and securities.
- We have included a description of the conflict of interest which exists when one of our employees is also registered with a non-affiliated broker-dealer.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information. Our brochure may be requested at any time, without charge, by contacting us at 210-424-8710 or on our website [www.thebankofsawwealthadvisors.com](http://www.thebankofsawwealthadvisors.com).

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## **Item 4 - Firm Description and Advisory Services**

The Bank of San Antonio Wealth Advisors, LLC ("Wealth Advisors") (formerly San Antonio Capital Management) is a registered investment adviser with the United States Securities and Exchange Commission which began operations in 2009.

Wealth Advisors is a subsidiary of Southwest Bancshares, Inc. Southwest Bancshares, Inc. is the parent company of The Bank of San Antonio and The Bank of San Antonio Insurance Group, The Bank of San Antonio Wealth Advisors and San Antonio Trust Company, LTA. These are our related companies.

We offer equity and fixed income management using taxable and non-taxable US domestic equity, International equity, and fixed income securities. We manage broad-based asset allocation strategies and can also create a customized portfolio to meet a specific purpose.

### **Managed Account Solutions Program**

Additionally, we offer our investment advisory services through the Managed Account Solutions Program sponsored by Envestnet Asset Management, Inc. (Envestnet) and utilizing Fidelity Brokerage Services LLC, as broker and custodian (Fidelity). Envestnet and Fidelity are not affiliated with Wealth Advisors.

The Managed Account Solutions Program is a wrap fee program for which clients pay a single fee for investment advisory services and the associated brokerage transactions and custody. Wealth Advisors receives a portion of this fee for its investment advisory services.

Wealth Advisors tailors its services to its clients. We discuss with each client or prospective client their investment objectives, goals and income needs; time horizon; risk tolerances and other pertinent information to create an investor profile. Wealth Advisors will utilize the Envestnet platform tools to create for the client's approval, an investment strategy/asset allocation. Based upon the client's needs and circumstance an investment program will be recommended. Managed Account Services Program offers a number of different investment programs (sub-program(s)) including but not limited to: Separately Managed Accounts, Unified Managed Accounts, Multi-Manager Accounts, and Third-Party Allocations Strategist

Portfolios.

For all sub-programs, the client directly owns the underlying securities, mutual funds, or exchange traded funds in each of the sub-programs investment strategies.

We permit clients to impose reasonable written restrictions on investments in certain securities or types of securities. We will consider the restriction reasonable if, in our judgment, the restriction does not impair, in any material or other significant manner, our ability to manage a client's assets in accordance with the investment strategy and guidelines for that client's account. We may further accept client requests to purchase securities, as long as the requests are reasonable as defined above.

Each client will be provided with Envestnet's Form ADV part 2b and Appendix 1, which provides greater detail regarding the program sponsor and the sub-programs.

### **Non-Discretionary Accounts**

For the convenience of our clients, we also offer Non-Discretionary Accounts.

### **Reporting Services**

For the convenience of our clients, we offer reporting services for accounts not managed by Wealth Advisors. This allows accounts managed by us to be reported together with accounts held elsewhere.

### **Private Fund Management**

Wealth Advisors is the General Partner and Manager for SACM Biotech Ventures, LLC, which was formed for the specific purpose of acquiring limited partnership interests in InCube Ventures II, L.P., a Delaware limited partnership. The Manager (Wealth Advisors), its principals and affiliates and family members reserve the right to purchase ownership interests in this entity. Managing funds of this type is not Wealth Advisors' primary focus. Less than 5% of Wealth Advisors clients are invested in this Fund.

### **Client Assets Under Management**

As of March 31, 2016, Wealth Advisors had total assets under management of approximately \$125,834,000 in 213 accounts. Of this total, \$115,947,000 was managed on a discretionary basis and \$9,887,000 was managed on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

We calculate fees on accounts as a percentage of the assets under management. As specified in each client's agreement, we bill in arrears for advisory fees incurred on a monthly or quarterly basis (the billing period). Clients are charged a single, asset-based fee for our advisory services. The fee is 35 basis points annually for fixed income asset class accounts. For accounts invested in multiple asset classes, fees range from 65 to 125 basis points, annually.

Advisory fees are calculated based on the market value of account assets under management as of the close of business each billing period, plus accrued interest. The advisory fees for the initial billing period is prorated, based upon the number of calendar days in the period that the advisory agreement is in effect.

We have reserved the right to change any or all of our fee schedules pursuant to notice to the client as provided in the contract. Advisory fees are negotiable. Comparable services for lower fees could be available from other sources. There is a minimum annual fee of \$2,500 per family relationship. A family relationship consists of immediate family members within a family line. Spouses, children and their spouses, grandchildren will be deemed "family" for relationship level consolidated pricing.

The fees discussed above include payment solely for the investment advisory services provided by us. The advisory fee does not include mark-ups, markdowns, or payment of brokerage commissions, other transaction costs, or custody fees.

### **Managed Account Solutions Program**

Clients who participate in the Managed Account Services Program are charged a quarterly fee (the Client Fee) for the combined clearing and custody fee, platform fee and adviser fee. Clients will pay the Client Fee quarterly in advance of the quarter to which the fees apply. The Client Fee is determined at the beginning of each quarter by applying the applicable sub-program fee schedule to the value of the assets on the last business day of the prior calendar quarter and includes accrued interest.

The Client Fee is determined and applied to the value of the

client's assets in each sub-program or account separately and not to all of the client's assets invested in the Managed Account Solutions Program in the aggregate.

Please refer to additional information about fees and related conflict of interest, non-aggregation of client fees for multiple programs or accounts below and to the Managed Account Solutions Program terms and condition for additional information about fees on assets invested in multiple programs and sub-programs.

Envestnet will calculate the initial Client Fee for the first calendar quarter (or part thereof) in which the client participates in the Managed Account Solutions 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 Client Fee will be allocated to Wealth Advisors and Envestnet pursuant to an agreement between them.

Client Fees are deducted from the client's account. For this purpose, clients have authorized Fidelity to deduct the Client Fees from their account as part of the client's investment advisory agreement. Fidelity will deduct the Client Fee from the client's account and pay the fees to Envestnet and Wealth Advisors as applicable.

In the event there is a contribution of \$10,000 or more after the inception of a calendar quarter, the Client Fee for the quarter will be recalculated.

If the client account does not have sufficient cash balance to pay the Client Fees or other expenses, securities positions in the account may be liquidated to pay for Client Fees without client consent. Clients may incur transaction costs and there may be tax consequences when securities positions in the account are liquidated to pay for Client Fees or other expenses. Clients are solely responsible for any resulting tax liabilities and are encouraged to consult with their tax professionals regarding these types of events.

The Client Fees in the schedules below do not cover other charges, including commissions, dealer mark-ups or fees for

portfolio transactions executed away from Fidelity, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in Envestnet's disclosure document, that would apply separately.

Please refer to item 12 - Brokerage Practices section for additional information.

If the value of the client's account in a sub-program falls below a certain dollar amount, a Minimum Annual Account Fee may apply, which could result in a fee that is higher than the Standard Annual Fees noted below. The Minimum Annual Account Fee, which is typically charged to the client for any applicable minimum clearing and custody fee and/or any minimum platform fee, is in addition to the adviser fee. The Minimum Annual Account Fee noted in the schedules below may be lower depending on the specific sub-manager used within each subprogram or account.

The Client Fee for the Managed Account Solutions Program is specified below.

	Program Fee	Advisor Fee	Client Fee
up to \$500K	0.14%	1.25%	1.39%
\$500K-1M	0.12%	1.25%	1.37%
\$1M-2	0.11%	1.00%	1.11%
\$2M-5	0.10%	0.85%	0.95%
above \$5M	0.09%	0.75%	0.84%

Client Fee, Max = 3.00%

Note: a minimum annual Custody Fee of \$750 will be applied if threshold is not met. Custody fees shown are charged only on holdings that are NOT NTF funds transaction fees not included. Program Fee shown do not include additional fees that will apply

The Client Fee for the Managed Account Solutions program Fixed Income Managed Account is specified below.

	Program Fee	Advisor Fee	Client Fee
up to \$500K	0.30%	0.35%	0.65%
\$500K-1M	0.28%	0.35%	0.63%
\$1M-2	0.27%	0.35%	0.62%
\$2M-5	0.26%	0.35%	0.61%
above \$5M	0.25%	0.35%	0.60%

Client Fee, Max = 100.00%

Note: a minimum annual Platform Fee of \$150 will be applied if threshold is not met. Custody fees shown are charged only on holdings that are NOT NTF funds transaction fees not included.

## ADDITIONAL INFORMATION ABOUT FEES AND RELATED CONFLICTS OF INTEREST

### Fee Refunds - Termination Managed Account Solutions Program

If the client, Wealth Advisor or Envestnet terminates the client's account, a refund of any prepaid, unearned Client Fees and other fees will be made to the client, and any unpaid, earned Client 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 Wealth Advisor's receipt of the client's written notice of termination.

### Non-Aggregation of Client Fees for Multiple Programs or Accounts

Because Client Fees are assessed on assets invested in each Managed Account Solutions Program or account separately and assets are generally 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 Managed Account Solutions Program or account than if a client invested all of their assets in a single program or account. This also means that Wealth Advisor's compensation may be greater when clients invest in more than one type of program or account than if a client invested in a single program or account.

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

Managed Account Solutions Program assets may be invested in mutual funds or ETFs that may also charge fees (such as operating expenses, management fees, redemption fees, distribution and shareholder servicing fees or "12b1" fees and other fees and expenses) as described in each applicable prospectus or in the related disclosure document. These fees and expenses are in addition to the Client Fee and other applicable fees described in this section.

### Non-discretionary Accounts

Each Non-discretionary account will be charged \$250 per year with a cap of 150 basis points, annually and a minimum of \$100/year; but are not included in any relationship pricing.

### Reporting Fees

Fees for Reporting Services range from 5 to 11 basis points annually depending upon the complexity of the information and the amount of manual data input required.

Also see Item 10 - Other Financial Industry Activities and Affiliations, as some of our supervisory personnel have a relationship with an unaffiliated broker / dealer.

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

Wealth Advisors does not charge performance-based fees or perform side-by-side management for our retail investment advisory clients.

Wealth Advisors is the General Partner and Manager for SACM Biotech Ventures, LLC. Pursuant to the management agreement with SACM Biotech Ventures, LLC, once all members are made whole, Wealth Advisors will receive a 2.5% profits interest in any gain above the capital committed. Wealth Advisors also received a 1% upfront closing fee on committed capital. Wealth Advisors has structured this incentive fee arrangement subject to Section 205(a) (1) of the Investment Advisers Act of 1940. Each investor in the Fund is required to meet certain suitability qualifications, such as being a “qualified client” within the meaning set forth under the SEC’s Rule 203-5.

## **Item 7 - Types of Clients**

Wealth Advisors provides investment management services for individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, corporations, partnerships, trusts, retirement accounts and foundations.

The minimum account dollar value with Wealth Advisors is \$500,000. This minimum may be waived at Wealth Advisors’ discretion.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

After working with our clients to create an investor profile, Wealth Advisors will utilize the Envestnet platform tools to create for the client’s approval, an investment

strategy/asset allocation. Based upon the client’s needs and circumstance an investment program will be recommended. Managed Account Services Program offers a number of different investment programs (sub-program(s)) including but not limited to: Separately Managed Accounts, Unified Managed Accounts, Multi-Manager Accounts, and Third-Party Allocations Strategist Portfolios.

Envestnet uses a number of proprietary analytical tools and commercially available optimization software applications in developing its asset allocation strategies. Among the factors considered in designing these strategies are historical rates of risk and return for various asset classes, correlation across asset classes and risk premiums. For all Programs, client directly owns the underlying securities, mutual funds or ETFs in each of the Program’s investment strategies. The Envestnet platform tool is not an interactive technology tool utilized by investors, but rather it is an interactive tool utilized by Wealth Advisors to generate for the client’s consideration a proposed Statement of Investment Selection (SIS) report based upon investor profile data provided by the client. The purpose of the SIS is to establish an understanding between the client, Wealth Advisors, and the manager of the sub-program (“Platform Manager”) regarding the investment objectives, goals, and guidelines for the client’s managed program, and to recommend, subject to client acceptance, a sub-manager, third party model program in which the client selects a recommended program.

The Envestnet platform tool’s investment methodology utilizes core fundamentals to recommend asset allocation models, sub-manager selection, index products (typically Exchange Traded Products) and/or mutual funds which provide advanced portfolio solutions and applied research utilizing an established methodology. The methodology is based on deeply rooted investment principles including asset allocation, vehicle and investment selection and monitoring, and portfolio construction and rebalancing. Envestnet’s process incorporates qualitative and quantitative analysis, including capital market assumptions and quantitative ranking models. Envestnet’s full range of investment approaches includes strategic, dynamic, tactical, style-specific, and overlays. Clients should be aware that investment analysis tools and programs are subject to the investment analysis tool’s limitation and assumptions and



may vary with each use, a modified investor profile, and over time.

IMPORTANT: Projections or other information generated by the Envestnet platform tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

See Envestnet's Form ADV part 2b and Appendix 1, which provides greater detail regarding the program sponsor and the sub-programs.

#### Risks By Security Type And / Or Product

The primary security types and/or products utilized by the firm are ETFs, Mutual Funds and Third-Party Managers - below you will find a description of some of the risks associated with these investments.

Exchange Traded Funds (ETFs) may be used as an efficient means of carrying out an investment strategy. As with traditional mutual funds, ETFs charge asset-based fees, although these fees tend to be relatively low. ETFs are traded on stock exchanges or on the over-the-counter market. ETFs generally do not charge initial sales charges or redemption fees and investors typically pay only customary brokerage fees to buy and sell ETF shares. An investment in an ETF generally presents the same primary risks as an investment in a conventional fund (i.e. one that is not exchange traded) that has the same investment objectives, strategies, and policies. The price of an ETF can fluctuate up or down, and a client account could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs may be subject to the following risks that do not apply to conventional funds:

- The market price of an ETF's shares may trade above or below their net asset value;
- An active trading market for an ETF's shares may not develop or be maintained; or
- Trading of ETFs shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Mutual Funds are managed independently of a client's account and incur additional fees and/or expenses which are borne indirectly by the client's account in connection with any such investment. There is also a risk that a fund manager may deviate from the stated investment strategy of the fund making it less suitable. Additionally, these investments are subject to the same risks as the underlying investments.

Third-Party Managers who have been successful in the past may not be able to reproduce that success in the future. Wealth Advisors does not control the underlying investments in a money manager's portfolio; there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio making it less suitable. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Equity Securities represent a share of an issuer's earnings and assets, after the issuer pays its liabilities. The income an account will receive from equity securities cannot be predicted because issuers generally have discretion as to the payment of any dividends or distributions. However, equity securities offer greater potential for appreciation than many other types of securities, because their value increases directly with the value of the issuer's business. Types of equity securities include for example, common stocks, preferred stocks, and interests in limited liability companies, real estate investment trusts, and warrants. Equity securities may be subject to, for example, stock market risks, sector risks, liquidity risks, risks related to company size, currency risks, risks specific to investing in a particular country or region, risks of foreign investing, risks of investing in emerging market countries, leverage risks, credit risks, exchange traded fund risk, risks related to custodial services and related investment costs and share ownership concentration risk.

Fixed Income securities are obligations of the issuer to make payments of principal and/or interest on future dates and include among other securities: bonds, notes and debentures issued by corporations, debt securities issued or guaranteed by the U.S. government or one of its agencies or

instrumentalities or by a foreign government; and municipalities. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer's or guarantor's inability to meet principal and interest payments on its obligations (i.e. credit risk) and are subject to price volatility due to factors such as interest rate sensitivity, market perception of creditworthiness of the issuer, and general market liquidity (i.e. market risk).

Foreign Securities are securities of issuers based outside of the United States. We generally consider an issuer to be based outside of the United States if:

- It is organized under the laws of, or has a principal office located in, another country;
- The principal trading market for its securities is in another country; or
- It (directly or through its consolidated subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed, or sales made in another country.

Foreign securities are primarily denominated in foreign currencies. Types of foreign securities include, for example, depository receipts, American depository receipts, domestically traded securities of foreign issuers, foreign exchange contracts, and foreign government securities. Along with the risks normally associated with domestic securities of the same type, foreign securities are subject to currency risks and risks of foreign investing. Trading in certain foreign markets is also subject to liquidity risks.

#### Multiple Levels of Expense

We will impose advisory fees. In addition, many outside managers may also impose advisory fees and/or performance-based fees or allocations on realized and unrealized appreciation in the value of client assets. If a client (other than an individual retirement account) invests through an outside manager, it will be required to pay to the outside manager, in addition to the advisory fees otherwise applicable to the account, the management fees and carried interest distributions charged by the outside manager. This results in greater expense and less return on investment than if such fees and expenses were not

charged. In addition, performance-based allocations or fees could give an outside manager an incentive to make investment decisions that are more risky or speculative than they might otherwise have made without such arrangements. The multiple levels of fees and expenses will reduce overall profitability.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH OUR INVESTMENT PROGRAM. CLIENTS SHOULD READ THIS BROCHURE AND ANY OTHER APPLICABLE ACCOUNT DOCUMENTS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.**

#### Item 9 - Disciplinary Information

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

#### Item 10 - Other Financial Industry Activities and Affiliations

Southwest Bancshares, Inc. is the parent company of The Bank of San Antonio, The Bank of San Antonio Insurance Group, San Antonio Trust Company, LTA, as well as Wealth Advisors. Wealth Advisors, The Bank of San Antonio, The Bank of San Antonio Insurance Group and San Antonio Trust Company, LTA have clients in common and refer clients to one another. Wealth Advisors does not pay referral fees to these companies or their employees. These referrals have no effect on the fees you, as a client, pay Wealth Advisors.

San Antonio Trust Company, LTA provides trustee services to Wealth Advisors clients. San Antonio Trust Company, LTA and The Bank of San Antonio can provide custody services to Wealth Advisors. There may also be indirect benefits received by us or these companies as a result of transactions with these companies, even if there is no direct compensation paid. Clients are informed of our relationship with these companies; but are not required to utilize them.

The Bank of San Antonio has a relationship with Dominion (Dominion) Investor Services, Inc. Certain employees of Wealth Advisors and The Bank of San Antonio are also registered representatives of Dominion. Dominion is a



registered broker-dealer and member FINRA, SIPC. Clients are not obligated or required to use Dominion. In this separate capacity, The Bank of San Antonio and the representative will receive commissions when clients do utilize Dominion.

Additionally, Wealth Advisors is the General Partner and Manager for SACM Biotech Ventures, LLC, a company which was formed for the specific purpose of acquiring limited partnership interests in InCube Ventures II, L.P., a Delaware limited partnership. The Manager (Wealth Advisors), its principals and their affiliates and family members reserve the right to purchase ownership interests in this entity. The Chairman of Southwest Bancshares is a limited partner in SACM Biotech Ventures, LLC and has committed capital to it. At this time Wealth Advisors does not hold an ownership interest in SACM Biotech Ventures. Once all members are made whole, Wealth Advisors will receive a 2.5% profits interest in any gain above the capital committed. Wealth Advisors also received a 1% upfront closing fee on committed capital.

## **Item 11 - Code of Ethics, Participation of Interest in Client Transactions and Personal Trading**

We have adopted a Code of Ethics (the "Code") to address staff conduct. The Code focuses on misuse of nonpublic information, personal securities trading and outside business activities.

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

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

are confidential and should be kept secure; and

- That independence in the investment decision-making process is important.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud;
- Making any untrue statement of a material fact;
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading;
- Engaging in any fraudulent or deceitful act, practice or course of business;
- Engaging in any manipulative practices;
- Participating in or having interest in Client accounts unless they are a family member; and
- Use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or client securities trades.

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

### Personal Securities Trading

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

- Pre-clear certain personal securities transactions;
- Report personal securities transactions on at least a quarterly basis; and
- Provide Wealth Advisors with a detailed summary of holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.

These are reviewed as directed by the Chief Compliance Officer for compliance with the Code of Ethics. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the

reasons for the exceptions, will be maintained with our records as required.

## Outside Business Activities

Employees of Wealth Advisors are required to report any outside business activities especially those that generate revenue or income. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease such activity.

The Bank of San Antonio has a relationship with Dominion (Dominion) Investor Services, Inc. Certain employees of Wealth Advisors and The Bank of San Antonio are also registered representatives of Dominion. Dominion is a registered broker-dealer and member FINRA, SIPC. Clients are not obligated or required to use Dominion. In this separate capacity, The Bank of San Antonio and the representative will receive commissions when clients do utilize Dominion.

Additionally, employees of The Bank of San Antonio provide management, compliance, support and administrative services for Wealth Advisors. Wealth Advisors pays a fee to The Bank of San Antonio for these services.

## Privacy Policy

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available on our web site and is provided to you annually.

## **Item 12 - Brokerage Practices**

Wealth Advisors suggests that its investment management clients select brokerage services offered by Fidelity, which sends clients complete custodial statements on at least a quarterly basis and also provides web access to client accounts.

In making its decisions regarding selecting a custodian which may also act as broker/dealer for clients, Wealth Advisors

seeks to obtain best trade execution, taking into account the following factors:

- The ability to effect prompt and reliable executions at favorable prices;
- The operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution;
- The financial strength, integrity and stability of the broker-dealer;
- The quality, comprehensiveness and frequency of available research services considered to be of value to Wealth Advisors and its clients;
- The value of brokerage services over and above trade execution provided to Wealth Advisors and its clients; and
- The competitiveness of commission rates in comparison with other broker-dealers satisfying Wealth Advisors' other selection criteria.

Although Wealth Advisors generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent, particularly since Wealth Advisors enacts all of its trades through Fidelity. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

## Research and Other Soft-Dollar Benefits

"Soft dollars" is a term applied to commission revenue generated by client trades which is then used to pay for services provided to an investment advisor. These services must benefit clients and include research and other related services as defined by the Securities and Exchange Act of 1934.

The availability of these benefits creates a conflict of interest and may influence Wealth Advisors to select one broker rather than another to execute trades for the client's account. Wealth Advisors does not have any formal soft dollar arrangements. However, we do receive products and services from our custodian/broker, Fidelity, at little to no cost because Fidelity is our custodian. These products and services help us to run our business and serve our clients, they include but are not limited to software and other

technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Other services may include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Wealth Advisors may contract directly.

#### Brokerage for Client Referrals

Wealth Advisors does not receive any compensation or incentive for referring you to broker-dealers for brokerage trades.

However, The Bank of San Antonio has a relationship with Dominion (Dominion) Investor Services, Inc. Certain employees of Wealth Advisors and The Bank of San Antonio are also registered representatives of Dominion. Dominion is a registered broker-dealer and member FINRA, SIPC. Clients are not obligated or required to use Dominion. In this separate capacity, The Bank of San Antonio and the representative will receive commissions when clients do utilize Dominion.

#### Order Aggregation

Orders for the same security entered on behalf of more than one client will generally not be aggregated (bunched). If an order is aggregated it is subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and, if applicable, pay a pro-rata portion of commissions. Accounts which are beneficially owned by Wealth Advisors or its employees or access persons may participate in aggregated

orders under the same conditions as set forth above. Transactions are usually aggregated to seek a lower commission, lower costs or a more advantageous net price. Transactions placed through a custodian other than Fidelity may not be bunched for order aggregation purposes.

Transactions placed in an asset management account by a third party manager will be executed through their broker-dealer or custodian. In determining best execution for these transactions, the third party manager is looking at whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. While they look for competitive commission rates, they may not obtain the lowest possible commission rates for account transactions. The aggregation and allocation practices of mutual funds and third party managers that we recommend to you are disclosed in the respective mutual fund prospectuses and third party manager disclosure documents which will be provided to you.

### **Item 13 - Review of Accounts**

We review your accounts periodically for compliance with your stated objectives. This review is performed at least annually by your investment adviser. Your accounts are reviewed in relation to your investment policy statement, performance and material changes in the markets, and political or economic environment.

### **Item 14 - Client Referrals and Other Compensation**

We do not compensate employees of Wealth Advisors or employees of our related companies who refer clients to us for investment advisory services.

### **Item 15 - Custody**

We have custody of client assets for a variety of reasons. So, safeguards have been put in place pursuant to SEC rule 206(4)-2. These include but are not limited to the use of a qualified custodian who will send you account statements quarterly which you should carefully review. If you also receive reports from us, you should compare these to the account statements from your custodian.

Additionally, the firm undergoes an annual surprise examination by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB). When our affiliates are qualified custodians for a client's assets, we will secure an internal control report for the affiliate from an independent public accountant that is registered with the PCAOB.

SACM Biotech Ventures, LLC undergoes an annual audit by an independent public accountant registered with PCAOB. The audited financial statements are prepared in accordance with generally accepted accounting principles and are distributed to all limited partners within 120 days of the end of the fund's fiscal year.

### **Item 16 - Investment Discretion**

We manage most of our advisory accounts on a discretionary basis. The type and amount of securities to be bought and sold in these accounts does not require advance approval from you. This discretion includes the authority to place securities transactions without prior consent from you. We also have the authority to choose the broker-dealer used for each trade, as well as to negotiate commissions on your behalf. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account. When making selections to purchase or sell assets, we observe the investment policies, limitations and restrictions you have set. We require that any investment guidelines and/or restrictions be provided to us in writing.

For accounts on the platform, Envestnet and sub-managers manage the portfolios in the respective sub-program(s) on a fully discretionary basis and are not required to seek client approval. Wealth Advisors may exercise its discretionary authority, pursuant to the Managed Account Solutions Programs Terms and Conditions.

For nondiscretionary accounts, we have no authority from you to select the type of securities and amount of securities to be bought or sold without your prior express consent.

### **Item 17 - Voting Client Securities**

Clients receive proxy material directly from their account custodian by either email or U.S. mail. Wealth Advisors will

not vote (by proxy or otherwise) in any matter for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held in the client's account.

### **Item 18 - Financial Information**

We are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual and fiduciary commitments to you.

Investment Advisory products and services are:

NOT FDIC insured - Not a Deposit of the Bank - Not Bank Guaranteed - May Lose Value.