

Item 1 – Cover Page: Firm Brochure (Part 2A of Form ADV)



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March 2016**

This Brochure provides information about the qualifications and business practices of WBI Investments, Inc. (WBI). If you have any questions about the contents of this Brochure, please contact us at (732) 842-4920. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. WBI is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information you can use to help you determine whether or not to hire or retain an Adviser. Additional information about WBI is also available on the SEC's website at www.adviserinfo.sec.gov. Clients and prospective clients can search this site by using the name WBI Investments, Inc., or by an identification number known as a CRD number. The CRD number for WBI is 106336. The SEC's website also provides information about any persons affiliated with WBI who are registered, or are required to be registered, as investment adviser representatives of WBI.



Item 2 – Material Changes

This item contains a summary of material changes that have occurred since the last annual update of the WBI Form ADV (or Brochure) in March 2015. This summary of material changes is designed to make clients aware of information that has changed since the Brochure's last annual update and that may be important to them. There have been no material changes since our last annual updating amendment filed in March 2015. The names of the mutual funds and certain exchange traded funds managed by WBI have changed to reflect changes in the funds' investment strategies of such funds, which are more fully described in the relevant funds' prospectuses. References to these funds have been updated throughout this brochure. In addition, effective March 2016 the WBI Tactical Balanced Plus Strategy is now called the WBI Retirement Income Strategy and the ETF Plus Strategy is now called the Global Tactical Rotation Strategy. The references to these strategies have been updated in the Brochure to reflect this change.



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Item 4 – WBI Investments Advisory Business Information

WBI Investments Inc. (referred to throughout this brochure as WBI), is a corporation formed under the laws of the State of New Jersey and is registered as an investment adviser with the SEC. This brochure provides clients and prospective clients with information regarding WBI and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of WBI.

Principal Owner

Don Schreiber, Jr., is founder and principal owner of WBI Investments, Inc., and serves as the CEO of the firm.

Other Executive Officers

Matthew Schreiber is President and has a minority equity interest in the firm.

Gary E. Stroik is Vice President and Chief Investment Officer for WBI and has a minority equity interest in the firm.

Robert Confessore is Vice President and has a minority equity interest in the firm.

Firm History

WBI was originally founded in 1984 as Wealth Builders, Inc. to provide financial advisory and business planning services to individuals and institutions. Its goal was to provide clients with the highest level of financial advice and service possible.

In 1992, WBI (then known as Wealth Builders) introduced its initial group of proprietary portfolio strategies designed to pursue consistent, reliable returns with substantially less risk than traditional approaches. In 1997, Wealth Builders began offering its investment management to unaffiliated advisors, and initiated the development of its wholesale institutional distribution program.

In February 2006 the company began offering the investment management services of its wholesale institutional distribution operations under the “Doing Business As” (DBA) name WBI Investments™. The company continued to offer retail financial planning and wealth management services as Wealth Builders, Inc. In June 2009 Wealth Builders, Inc. formally changed its name to WBI Investments, Inc., and in January 2010 WBI Investments spun off its retail financial planning and wealth management services into a separate affiliated entity: Hartshorne Group, Inc., with WBI Investments™ continuing its existing discretionary investment management operations.

Today, WBI Investments, Inc. (WBI) continues to operate as an independent, privately owned investment management firm that provides fee-only discretionary investment management to individuals, pension and profit sharing plans, charitable organizations, corporations, mutual funds, and other entities.

Client Assets Under Management

As of December 31, 2015, WBI managed approximately \$3,068,700,000 on a discretionary basis, and no assets on a non-discretionary basis.

Advisory Services

WBI offers fee-only investment management services. Clients access WBI’s investment management services in several ways:



Solicited or Sub-Advised Separately Managed Accounts (SMA)

WBI provides investment management services to clients facilitated by unaffiliated independent investment advisers contractually engaged by WBI (collectively referred to as “Introducing Advisors”). WBI may also act as sub-adviser to an unaffiliated independent investment adviser. Under these arrangements, each account is held at an unaffiliated brokerage firm or custodian, and is registered to the person, persons, or other entity listed on that firm’s new account forms. All securities are owned directly by the account’s registered owner or owners. WBI directs the investment of the securities in the account under a limited power of attorney granted to WBI by the client in the IMA. WBI is compensated by the investment management fee as detailed in the IMA. Clients introduced by Hartshorne Group, an affiliated company, are also typically managed in this way.

The primary contact for matters concerning WBI SMA accounts is the referring Introducing Advisor.

Sponsored Investment Management Platforms or Investment Wrap Programs (Platform)

Clients may also gain access to WBI investment management services through programs or investment platforms sponsored by unaffiliated investment advisers and/or broker-dealers (“Sponsor”). These programs may be wrap-free programs, lists of available investment managers, or general asset allocation programs. Through these programs or platforms, clients must establish an account directly with the program sponsor. WBI is then available to clients for selection as an independent money manager. Many of the terms and conditions of these programs are determined by the program sponsor.

In certain SMA programs, WBI provides investment recommendations (often in the form of model portfolios) to an overlay portfolio manager (“OPM”), which may or may not be affiliated with the Sponsor and which may utilize such recommendations in connection with its management of program client accounts. Generally, it is only the OPM, and not WBI, which acts as the investment adviser to clients of such programs and the OPM’s clients may or may not be able to request that the OPM utilize WBI’s investment recommendations when managing their accounts. Since OPMs typically implement all of WBI’s investment recommendations (subject only to account-specific restrictions imposed by clients), and because WBI’s fees for providing such recommendations typically are paid by the Sponsor or OPM based on the amount of their clients’ assets that are managed by the OPM in accordance with WBI’s investment recommendations, such assets are generally included in WBI’s Discretionary Regulatory Assets Under Management.

Mutual Funds

WBI currently serves as the investment manager to four mutual funds: the WBI Absolute Return Balanced Fund, the WBI Absolute Return Balanced Plus Fund, the WBI Absolute Return Dividend Income Fund and the WBI Absolute Return Dividend Growth Fund.

Exchange Traded Funds

WBI serves as the investment sub-adviser for WBI Shares ETFs (“Affiliated ETFs”), a series of actively-managed ETFs managed by Millington Securities, Inc. (“Millington”), an affiliated broker-dealer.

Types of Investments

However, clients choose to access our services, our investment philosophy remains the same. WBI builds portfolios with the goal of providing the investment outcome clients require at the level of risk they are willing to assume. WBI’s risk-managed investment approach attempts to provide consistent, attractive returns with substantially less volatility and risk to capital than traditional approaches, whatever market conditions may be. We call this an absolute return approach to investment management.

WBI’s focus on value, dividends, and risk management has become fundamental to our investment process; however, investments may come from any asset class and/or global investment market in an attempt to produce the desired outcome. It is our experience that opportunities, challenges, and investment conditions are continually evolving. Therefore, we believe a responsive method of investing is more important than any



particular investment. Leverage and shorting are not typically part of the investment strategy other than through the occasional use of exchange traded funds (“ETFs”) that employ such strategies, and are generally not a significant part of portfolio allocations.

The allocation of investment management assets is done on a discretionary basis, in accordance with the investment objectives of the client. The various investment alternatives used may include: individual debt and equity securities (both corporate and government issued), mutual fund classes, mutual fund asset allocation programs, certificates of deposit, affiliated and unaffiliated ETFs, exchange traded notes (“ETNs”), structured notes, options contracts on securities, or other investment assets not listed here.

Certain of these investment assets may have limited liquidity or marketability, or be subject to early surrender penalties, trading restrictions, redemption restrictions and/or fees, or mandatory holding period requirements. To the extent a client attempts to sell investments that have limited liquidity or marketability as a result of closing the client’s account with WBI, or otherwise, the client may have difficulty selling the investments at a time or price that is favorable to the client.

WBI Separately Managed Accounts (SMA)

WBI provides investment management services to clients facilitated by unaffiliated independent investment advisers contractually engaged by WBI (collectively referred to as “Introducing Advisors”) and to clients of Hartshorne Group, an affiliated company. Referred clients may engage WBI to design an investment portfolio and provide ongoing corresponding investment management services on a fee-only basis. Typically, this service is structured so that WBI will serve as the sole investment adviser to the account. However, WBI may act as sub-adviser to an unaffiliated independent investment adviser.

Tailoring Advisory Services to Individual Needs of Clients

The investment strategy and management program will be based on each client’s unique and individual investment needs, as expressed in the Confidential Client Questionnaire and portfolio strategy selection or selections. Prior to introducing a prospective client to WBI, the Introducing Advisor collects financial and demographic information, and assists clients in identifying their financial objectives by filling out WBI’s Confidential Client Questionnaire. The Introducing Advisor will describe the investment programs available from WBI that may be most beneficial and appropriate given the client’s objectives in light of the client’s responses. The Introducing Advisor will then forward the Confidential Client Questionnaire and all associated paperwork to WBI. WBI will conduct a final review of the client’s selection to assess whether it is appropriate given the client’s stated risk tolerance and objectives. WBI is expressly authorized to rely on the information provided in the Confidential Client Questionnaire without further verification. The client will notify WBI of material changes in financial circumstances or investment goals that warrant changes to the portfolio strategy selected for an account.

Prior to WBI providing investment management services, the client will be required to enter into a formal Investment Management Agreement with WBI setting forth the terms and conditions under which WBI will manage the client’s assets, and a separate custodial/clearing agreement with the broker-dealer/custodian. Both WBI’s Investment Management Agreement and the broker-dealer/custodian’s custodial/clearing agreement authorizes the broker-dealer/custodian to accept instructions from WBI to debit the account for the amount of WBI’s investment management fee and to directly remit that management fee to WBI. The authority for WBI to calculate and have fees deducted directly from client accounts is a form of custody (as defined by the SEC under Rule 206(4)-2 of the Investment Advisers Act of 1940 (the “Investment Advisers Act”). Please read Item 15 of this Brochure for more information regarding Custody.

WBI will allocate investment management assets of its client accounts, on a discretionary basis, among one or more of its proprietary investment management portfolio strategies: WBI Tactical Balanced, WBI Retirement Income, WBI Tactical Dividend Income, WBI Tactical Dividend Growth, and WBI Global Tactical Rotation. Clients have the option to access these strategies through portfolios that invest directly



in individual securities as part of our WBI Traditional SMA Program or through portfolios that implement our proprietary portfolio strategies primarily in WBI's Affiliated ETFs as part of our WBI Enhanced SMA program. (For some existing HG accounts only, WBI may also direct the allocation of investment subdivisions which comprise a variable annuity/life product owned by the client). Additional details and disclosures regarding WBI's investment management portfolio strategies are provided to clients via separate documentation prior to or at the time a portfolio strategy is determined.

WBI tailors advisory services to the specific needs of clients participating in a WBI SMA in the following ways:

1. *Initial Interview* – at the opening of the account, WBI, through the client's Introducing Advisor, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. *Individual Treatment* - the client's account is managed on the basis of the client's financial situation and investment objectives;
3. *Quarterly Notice* – at least quarterly WBI, through the client's Introducing Advisor, shall notify the client to advise WBI whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the client's account;
4. *Annual Contact* – at least annually, WBI, through the client's Introducing Advisor, shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the client's account, and then notify WBI.
5. *Consultation Available* – The client's Introducing Advisor shall be reasonably available to consult with the client relative to the status of a client's account;
6. *Quarterly Statement* – the client shall be provided with a statement, at least quarterly, that is prepared by the account custodian and delivered to the client directly from the custodian. That statement will contain a description of all activity in the client's account during the preceding period. The client will also receive a quarterly performance report from WBI. All clients are responsible, and therefore urged by WBI, to compare performance reports received from WBI against the account statements prepared and delivered by the custodian;
7. *Ability to Impose Restrictions* – the client will have the ability to impose reasonable restrictions on the management of his/her/its account, including the ability to instruct WBI not to purchase certain specific securities, mutual funds or ETFs. Restrictions on the underlying securities held in mutual funds and ETFs will not be considered reasonable and will not be accepted. Imposing account restrictions may adversely affect account performance as compared with other unrestricted accounts managed in accordance with the same strategy;
8. *No Pooling* – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
9. *Separate Account* - a separate account is maintained for the client with the custodian; and
10. *Ownership* – each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

In order to access WBI's investment management services through an SMA, clients must generally establish accounts at a qualified custodian approved for that purpose by WBI. Factors WBI considers in



recommending any particular broker-dealer/custodian to clients include that particular broker-dealer/custodian's respective financial strength, reputation, execution, pricing, reporting, research, and service. The ability to effectively integrate operations and trading processes with those used by WBI is also a consideration. A list of qualified custodians currently approved by WBI for a managed SMA is available on request. Certain broker-dealers/custodians may enable WBI to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges. The commission and/or transaction fees charged by any particular broker-dealer/custodian may be higher or lower than those charged by other broker-dealers. Please read Item 12 of this Brochure for more information regarding our brokerage arrangements.

In addition, for those clients that require an enhanced and/or specialized level of asset management services, WBI may also recommend that those clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers and/or investment programs (the "Independent Managers"), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the Independent Managers will be set forth in separate written agreements between the client and WBI and the client and the designated Independent Managers. WBI will continue to render non-investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which WBI will receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Managers. Factors which WBI will consider in recommending Independent Managers include the client's stated investment objective(s) and the Independent Manager's management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, WBI's ongoing investment advisory fee.

In performing its services, WBI shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely on the information provided. It remains the client's responsibility to promptly notify WBI if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising WBI's previous recommendations and/or services. A copy of this Brochure will be provided to each client before, or at the same time, the Investment Management Agreement is executed. WBI's clients are advised to promptly notify WBI if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon WBI's management services.

Sponsored Investment Management Platforms

WBI provides its investment advisory services to clients through programs sponsored by unaffiliated investment advisers and/or broker-dealers. These programs may be wrap-fee programs or general asset allocation programs. Through these programs, WBI will be available to clients for selection as an independent money manager.

Clients must establish an account directly with the program sponsor. All applicable contracts and account paperwork will be completed by the client with the assistance of the program sponsor representative. The program sponsor representative will obtain the necessary financial data from the client, assist the client in determining suitability, and help the client to set the appropriate investment objectives. The program sponsor will then provide all necessary information to WBI. The program sponsor representative will meet periodically to review the client's financial situation, investment objectives, and current portfolios and then make any necessary changes to the WBI portfolio strategy selection, and notify WBI of any changes to be made. A representative of the program sponsor will be responsible for providing the WBI disclosure brochure. Depending on the money manager program, a WBI client agreement will also be provided to the client.

WBI will have the power and authority, as granted by the client through the program sponsor contract, to make investment decisions over the portion of the client's assets delegated to WBI. However, WBI may not be



responsible for executing transactions in the client's account. In those cases, WBI will provide all trade instructions to the sponsor of the program who will be responsible for executing the recommendations of WBI.

Accounts established through a program sponsored by an unaffiliated investment adviser and/or broker-dealer will be held and cleared through a broker-dealer selected by the program sponsor, pursuant to a relationship between the sponsor and the clearing broker-dealer. The program sponsor reserves the right to designate alternative clearing and custody arrangements similar to those of its preferred clearing broker-dealer. Custody of funds and securities is maintained by the various clearing firms, not by WBI.

As is the case with SMA accounts, clients accessing WBI through a Platform have the ability to impose reasonable restrictions on their accounts.

Mutual Funds

WBI provides investment advice and management services to the WBI Tactical BA Fund, the WBI Tactical BP Fund, the WBI Tactical DI Fund and the WBI Tactical DG Fund (the "Funds") which are mutual funds registered under the Investment Company Act of 1940 (the "Investment Company Act"). Our Funds are a series of Funds structured under Advisors Series Trust (the "Trust"). The Trust administrator, transfer agent and fund accountant is U.S. Bancorp Fund Services, LLC. The distributor of the Funds is Quasar Distributors, LLC, a SEC registered broker-dealer which is an affiliate of U.S. Bancorp Fund Services ("Quasar"). Quasar is also a member of FINRA and SIPC.

U.S. Bancorp Fund Services and Quasar are not related entities or affiliated with WBI. However, some of WBI's employees have been hired to wholesale the Funds to financial professionals, such as registered representatives of broker-dealers and investment adviser representatives of unaffiliated investment advisory firms. In order to wholesale and help distribute the Funds, WBI's employees engaging in Fund distribution services are licensed as registered representatives of Quasar. These employees are not compensated by Quasar or US Bancorp.

WBI, in engaging third party intermediaries to distribute and promote the WBI Funds has an incentive and inherent conflict of interest to recommend and favor the Funds for the following reasons:

- WBI's officers and owners are personally responsible for the formation (including covering a significant portion of the start-up costs) of the Funds.
- WBI is the investment adviser to the Funds and receives a management fee for its services. Please refer to Item 5 of this Brochure for a description of WBI's fees. Increases in Fund assets will result in increases in the management fee paid to WBI.

WBI furnishes the Funds with certain administrative services and provides most of the personnel needed to fulfill WBI's obligations as the investment adviser.

The Funds are mutual funds domiciled in the United States. WBI maintains limited power of attorney to act on a discretionary basis when managing the Funds. WBI is responsible for investment selection, asset allocation, and all asset management decisions regarding the Funds. Fund assets are deposited and held at U.S. Bank National Association, the qualified custodian of Fund assets and securities.

WBI manages the Funds in accordance with their stated investment objectives and investment policies which are outlined and detailed in the WBI Funds Prospectus and Statement of Additional Information (SAI). The Funds are not tailored to the individualized needs of any particular shareholder or investor and an investment in such a vehicle does not, in and of itself, create an advisory relationship between the shareholder or investor and WBI. All investors in the Funds will receive or have available a copy of the prospectus and SAI.

Shareholders are advised to review the Funds' prospectus and SAI for a complete description of the Funds' investment objectives, policies and operational structure.



WBI does not purchase the four WBI Funds in SMA or Platform accounts.

Exchange Traded Funds

Millington serves as investment adviser to a series of actively managed ETFs registered under the Investment Company Act. The Affiliated ETFs are a series of Professionally Managed Portfolios structured under Absolute Shares Trust (the "Trust"). The Trust administrator, transfer agent and fund accountant is U.S. Bancorp Fund Services, LLC. The distributor of the Affiliated ETFs is Foreside Fund Distributors, LLC, a SEC registered broker-dealer and member of FINRA ("Foreside").

Millington has selected WBI to act as sub-adviser to each Affiliated ETF and to be responsible for the day-to-day investment management of each Affiliated ETF. WBI therefore furnishes the ETFs with certain administrative services and provides most of the personnel needed to fulfill WBI's obligations as the investment sub-adviser.

The Affiliated ETFs are domiciled in the United States. WBI is responsible for investment selection, asset allocation, and all asset management decisions regarding the Affiliated ETFs. Affiliated ETF assets are deposited and held at U.S. Bank National Association, the qualified custodian of Affiliated ETF assets and securities.

WBI will manage the Affiliated ETFs in accordance with their stated investment objectives and investment policies which are outlined and detailed in the prospectus and Statement of Additional Information (SAI) for the Affiliated ETFs. The Affiliated ETFs are not tailored to the individualized needs of any particular shareholder or investor and an investment in such a vehicle does not, in and of itself, create an advisory relationship between the shareholder or investor and WBI. Clients are advised to review the Affiliated ETF prospectus and SAI for a complete description of the Affiliated ETFs' investment objectives, policies and operational structures. All investors in the ETFs will receive or have available a copy of the prospectus and SAI.

WBI has an inherent conflict of interest in investing in or recommending the Affiliated ETFs to clients for the following reasons:

- WBI and its affiliates receive management fees from the Affiliated ETFs. To avoid receiving two layers of management fees in those situations where clients invest in the Affiliated ETFs through SMA and Platform accounts, WBI will either: (i) waive the management fee charged at the account level; or (ii) credit the portion of the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fees the particular SMA or Platform account owes WBI. Please refer to Item 5 (Fees and Compensation) of the Brochure for more information.
- Millington receives brokerage commissions and other compensation (including payment for order flow) for transactions effected on behalf of the Affiliated ETFs. Any trades that WBI places through Millington will be subject to WBI's duty of best execution and applicable law. Please refer to Item 12 (Brokerage Practices) of the Brochure for more information.

WBI currently offers the following Affiliated ETFs:

- WBI Tactical SMG Shares
- WBI Tactical SMV Shares
- WBI Tactical SMY Shares
- WBI Tactical SMS Shares
- WBI Tactical LCG Shares
- WBI Tactical LCV Shares
- WBI Tactical LCY Shares
- WBI Tactical LCS Shares
- WBI Tactical Income Shares



- WBI Tactical High Income Shares

Services of Affiliates

WBI's affiliated broker-dealer, Millington employs certain persons as registered representatives who are also related persons of the WBI and Millington and these individuals may receive compensation based on commissions and rebates for orders WBI places on behalf of advisory clients with Millington. This compensation will include Payment For Order Flow ("PFOF"), which is compensation that Millington receives for providing liquidity to certain market centers (e.g. registered securities exchanges, electronic communications networks) from WBI customer orders that are routed to these market centers. While using Millington for order execution may present a potential conflict of interest, WBI's first consideration in order placement is always price improvement and "best execution" and any orders placed with Millington are done so consistent with WBI's duty to seek best execution.

Any PFOF or other transaction-based compensation earned by Millington in connection with transactions in WBI investment advisory accounts is in addition to the investment advisory fees that clients pay to WBI. WBI does not offset or reduce its investment advisory fees by the amount of compensation Millington receives from transactions in advisory accounts. In addition, WBI will execute transactions for the portfolio securities of the Affiliated ETFs primarily through Millington. Typically, Millington does not charge commissions for equity transactions in WBI investment advisory accounts or Affiliated ETFs, however, it will receive indirect compensation in the form of PFOF. Clients should also be aware that there are embedded fees and commissions (such as fees for currency conversion and foreign taxes) that are passed through to the client as part of the net price of trading in foreign ordinary shares on foreign exchanges. In addition, clients may pay commission, commission equivalents, spreads, mark-ups and mark-downs on other types of transaction effected by Millington, including options trading. The fact that a transaction may be executed, or be capable of being executed through another broker-dealer that is not affiliated with WBI at prices, commissions, other execution costs and transaction charges more favorable than those available through Millington will not obligate WBI to match those terms or account to clients for the difference. Clients should understand that WBI will trade through Millington even if the use of a different broker-dealer that is not affiliated with WBI may result in more favorable prices or transaction costs. Millington may retain any commissions or other compensation received in connection with securities brokerage transactions executed on behalf of advisory accounts and the Affiliated ETFs. Client should consider the fact that Millington receives this additional brokerage compensation when evaluating the amount and appropriateness of the total value of services that WBI provides.

Based on its affiliation with Millington, WBI has a financial incentive to direct trades to Millington as opposed to unaffiliated broker-dealers for trade execution. In order to mitigate this conflict of interest, WBI has adopted and implemented policies and procedures regarding selection of broker-dealers in accordance with its best execution obligations. In addition, WBI monitors client transactions to ensure the effectiveness of its best execution procedures.

Additionally, WBI may use the services of one or more affiliates or appropriate personnel of one or more affiliates for investment advice, portfolio execution and trading, operational support and client servicing without specific consent by the client, except to the extent explicitly restricted by the client in or pursuant to its IMA, or inconsistent with applicable law. Arrangements among affiliates may take a variety of forms, including but not limited to dual employee, delegation, participating affiliate, sub-advisory, sub-agency or other servicing agreements. This practice is designed to make WBI's capabilities available to clients in as seamless a manner as practical. In these circumstances, WBI remains fully responsible for the account from a legal and contractual perspective. No additional fees are charged for the affiliates' services except as set forth in the IMA.



ERISA and Other Plans

WBI provides services as a discretionary investment manager to pension plan and other employee benefit clients subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), and to individual retirement accounts ("IRAs") and other plans and arrangements subject to the prohibited transaction provisions of the Internal Revenue Code of 1986 (the "Code"), through its separately managed account program and through wrap-fee and asset allocation programs sponsored by unaffiliated investment advisers and/or broker-dealers. WBI acts as a fiduciary, as defined in ERISA Section 3(21), in providing discretionary investment management services to pension plan and other employee benefit plan clients that are subject to Title I of ERISA through these programs. WBI also acts as a fiduciary, as defined in Section 4975 of the Code, in providing such discretionary investment management services to IRAs and other plan clients subject to Section 4975 of the Code through these programs.

In its services to ERISA pension plan clients under the SMA and sponsored investment management platforms or wrap programs, WBI is a "covered service provider" under regulations issued by the U.S. Department of Labor ("DOL") under Section 408(b)(2) of ERISA. Accordingly, WBI will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to its ERISA pension plan clients the services it will provide to the plan client, its status as a fiduciary under Section 3(21) of ERISA, and the compensation, direct and indirect, that it and its subcontractors and affiliates reasonably expect to receive under the arrangement reasonably in advance of the date on which WBI enters into the arrangement with the plan client.

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), WBI will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary all information relating to compensation or fees received in connection with the arrangement with the pension plan client that is required for the plan to comply with the reporting and disclosure requirements of Title I of ERISA.

Where WBI invests assets of ERISA plan, IRA or other plan clients in Affiliated ETFs through the SMA or platform programs, WBI will comply either with the requirements of DOL Prohibited Transaction Exemption 77-4 or structure the transactions in order to avoid the need for relying on a prohibited transaction exemption.

Where WBI places trades for ERISA plan, IRA or other plan clients through its affiliate Millington, it will do so in compliance with the conditions of DOL Prohibited Transaction Exemption 86-128, where necessary, which permits an investment fiduciary to a plan client to use the brokerage services of an affiliated broker-dealer, subject to compliance with certain disclosure and consent conditions.

Item 5 – Fees and Compensation

WBI Investment Management Fees

The amount, calculation, and method of deducting WBI's management fees varies depending on the method the client uses to access WBI's investment management services. Brokerage commissions and/or transaction ticket fees charged by the custodian are separate from WBI's management fees and will be billed directly to the client. WBI does not receive any portion of commissions or fees charged by the account custodian. In addition, clients may incur certain charges imposed by third parties other than WBI in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12b-1 fees and redemption fees, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by WBI are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

In the event WBI's management of an account is terminated, a pro-rated refund for any unexpired portion of a period for which the account has been billed is refunded to the client's account. The following sets forth a basic



description of certain advisory fee arrangements. However, fees and other compensation are negotiated in certain circumstances, and arrangements with any particular client may vary.

WBI Separately Managed Accounts (SMA)

WBI's annual fee for investment management services in an SMA is determined by the fee table shown in each client's Investment Management Agreement (IMA). WBI Investment Management Fees are negotiable. The total management fee includes the fee paid to WBI from the table, plus an Asset Based Service Fee determined by and paid to the Introducing Adviser to compensate it for introducing clients to WBI, for performing ongoing administrative services and for providing continuing contact and service to the client. The total management fee, therefore, covers both WBI's Management Fee and the Asset-Based Service Fee. The Asset Based Service Fee is that portion of the total management fee paid to Introducing Adviser. Certain clients that engage WBI's services as result of referrals from a soliciting Introducing Advisor may pay more or less to obtain WBI's investment management services than do other clients, or clients referred by other solicitors. In such situations, where the client pays more, the engagement results in an additional charge to the client in excess of what the client would have paid if the client were to engage the services of WBI independent of the Introducing Adviser's introduction. However, WBI does not receive additional compensation as a result of the introduction. Any such additional compensation is paid to the Introducing Adviser or an Introducing Adviser representative in the role as an unaffiliated investment adviser or investment adviser representative. This compensation is for the consulting and monitoring services provided to the client on an ongoing basis relative to the client's engagement of WBI. Such arrangements, and their terms and conditions, are exclusively determined between the client and the Introducing Adviser or the Introducing Adviser representative. WBI is not a party to such arrangements.

The annual management fee rate charged varies (generally between 1.0% and 2.25%) depending upon the market value of assets under management, the SMA program type (Traditional SMA Program versus Enhanced SMA Program) and the specific type of investment management services to be rendered. Fees are typically deducted directly from the account on a quarterly basis. The total management fee will include a portion paid to the Introducing Advisor in the form of an asset based service fee. The service fee rate will be negotiated and agreed upon by the client and the Introducing Advisor. The maximum asset based service fee that may be charged by Introducing Advisors is currently 1.5%. While the specific fee sharing arrangement between WBI and Introducing Advisors varies, generally WBI will retain no more than 1.0% of the management fee charged to the client, so the total management fee charged to a client doesn't exceed 2.5%. A broker-dealer or investment adviser may also receive a small percentage (generally 0.10% to 0.25%) paid out of WBI's portion of the management fee for accounts referred by the broker-dealer or investment adviser's representatives that serve as unaffiliated Introducing Advisors to WBI.

To avoid receiving two layers of management fees in those situations where clients invest in the Affiliated ETFs through the Enhanced SMA Program and Platform accounts, WBI will either: (i) waive the management fee charged at the account level; or (ii) credit the portion of the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fee the particular SMA or Platform account owed WBI. If the SMA were invested 100% in Affiliated ETFs, then the fee credit would offset the entire amount of the SMA account management fee. Amounts not invested in the Affiliated ETFs will not be eligible for the fee credit offset and will be billed at the SMA account management fee rate indicated on the Client's Investment Management Agreement.

The annual fee for investment management services will be charged as a percentage of the market value of the assets under management. This annual fee is paid quarterly, in advance, based upon the market value of the assets at 4:00 PM EST on the last business day of the previous calendar quarter ("Billing Date"). The fee will be applied, on a pro-rata basis, to any net contributions to the account during a quarter, at the breakpoints in effect as of the next Billing Date. WBI retains pre-paid management fees on net withdrawals during a quarter.



For eligible client accounts billed on a tiered fee schedule, the market value of assets held across multiple accounts from a single client household will be aggregated for the purpose of meeting breakpoints of a fee schedule. If a household includes eligible client accounts that are billed pursuant to different fee schedules, the market value of assets held across such accounts will also be aggregated to meet the breakpoints of those various fee schedules. For purposes of fee calculations, eligible client accounts from a single client household are generally defined as non-ERISA accounts of the client, spouse, and minor children living at the same address, including related Trusts, for which either (i) the relevant clients have elected to receive one set of combined quarterly performance reports, where such reports are produced by WBI, or (ii) the relevant custodian has assumed responsibility for producing client reports (together "Related Accounts"). Withdrawals from all Related Accounts will be netted against any additions during a quarter. Fees applied to net contributions across Related Accounts are pro-rated, and billed at the breakpoints in effect as of the next Billing Date. WBI retains pre-paid fees on net withdrawals across Related Accounts during a quarter.

No increase in the annual fee rate shall be effective without prior written notification to the client. In the event of termination of an IMA, any prepaid, unearned fees will be refunded on a pro-rata basis, as of the date such termination is effective.

Sponsored Investment Management Platforms

Participants in a platform program will pay an annualized investment management fee to WBI generally not to exceed 1.0% of the assets under WBI's management. Depending on the program, WBI's fee will either be charged in addition to the overall program fee charged to a client or included in the program fee charged to the client. When WBI's annual fee for investment management services is separate from and in addition to the program fee, the fee rate is determined by the fee table shown in each client's Investment Management Agreement (IMA) with WBI. WBI Investment Management Fees are negotiable.

In accordance with the program sponsor's billing arrangements, WBI may provide the program sponsor, broker-dealer, or account custodian a quarterly invoice. WBI's fees are then billed and collected by the program sponsor, broker-dealer, or account custodian and remitted directly to WBI. Clients should refer to the program sponsor's disclosure brochure and contract for a full description of all fees and billing arrangements related to the program.

Fees for accounts managed by WBI on a broker-dealer's or custodian's platform may be calculated and deducted by the platform sponsor and remitted to WBI. In those cases, any other fees or costs, such as a platform fee or trading costs, is deducted and retained by the sponsor. WBI is not a party to, and does not participate in, such fees.

WBI does not receive any portion of the brokerage commissions or transaction fees charged by the platform sponsor to the client in connection with a money manager program. Clients may incur certain charges imposed by the program sponsor and other third parties, other than WBI, in connection with investments made through a money manager program account, including but not limited to, mutual fund sales loads, 12b-1 fees, redemption fees and other surrender charges and IRA and qualified retirement plan fees.

Bundled Fee Arrangements

To the extent WBI portfolios are offered by a custodian or on a platform where some portion of the custodian's fees are bundled, including transaction fees, and WBI cannot determine the portion of the bundled fee that represents transaction fees, the entire bundled fee reduces both net of fee and gross of fee performance. WBI does not estimate trading fees in such cases.

Mutual Funds

WBI is paid an annual fee of .85% based on the amount of assets under WBI's management held in the WBI Tactical BA Fund, WBI Tactical BP Fund, WBI Tactical DI Fund and the WBI Tactical DG Fund (the "Funds"). The annual fee is divided and paid to WBI monthly based on the average daily net assets of



the Funds. WBI believes that its fees are competitive with those fees charged by other investment advisers for comparable services; however, WBI's fees may be higher or lower than fees charged by other investment advisers.

In addition to WBI's management fee, shareholders will pay other annual fund operating expenses such as distribution and service (12b-1) fees, shareholder servicing plan fees, acquired fund fees and expenses, and certain other fees. Each Fund's prospectus sets forth the applicable fees and expenses.

Affiliated Exchange Traded Funds

WBI is paid an annual management fee of 0.85% based on the amount of assets under WBI's management held in the Affiliated ETFs. The annual fee is divided and paid to WBI monthly based on the average daily net assets of the Affiliated ETFs. WBI believes that its fees are competitive with those fees charged by other investment advisers for comparable services; however, WBI's fees may be higher or lower than fees charged by other investment advisers.

Clients may invest in the Affiliated ETFs through SMA and Platform accounts as part of our WBI Enhanced SMA Program. To avoid receiving two layers of management fees in those situations where clients invest in the Affiliated ETFs through SMA and Platform accounts, WBI will either: (i) waive the management fee charged at the account level; or (ii) credit the portion of the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fee the particular SMA or Platform account owed WBI. If the SMA were invested 100% in Affiliated ETFs, then the fee credit would offset the entire amount of the SMA account management fee. Amounts not invested in the Affiliated ETFs will not be eligible for the fee credit offset and will be billed at the SMA account management fee rate indicated on the Client's Investment Management Agreement.

In addition to WBI's management fee, shareholders will pay other customary fees charged by the Affiliated ETFs for administration, distribution, transfer agent, custodial, legal, audit and other expenses related to investments in ETFs. These fees and expenses, which are generally described in the prospectus for each Affiliated ETF, are borne by SMA and Platform clients as shareholders in the Affiliated ETFs. These fees and expenses are not included in any waiver or credit described above. The total net annual fund operating expenses for the Affiliated ETFs are expected to range from 1.00% to 1.08%.

Clients may invest directly in Affiliated ETFs outside of an SMA or Platform account without incurring the SMA Account Fee, however, they will not benefit from the advisory services provided by WBI to manage the Affiliated ETFs to achieve the objective of each account.

Cross Payment of Fees

Clients of Hartshorne Group, Inc. (HG) may elect to have management fees assessed to one account paid by one or more of their other managed accounts. HG clients frequently have more than one account under management at WBI.

Because of the complexity this process creates in the fee calculation, billing, and reporting processes, cross payment of fees is not extended to clients not originating with HG, WBI's affiliated firm.

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

WBI 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

WBI provides investment management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, mutual funds, exchange traded funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

Account Minimums

WBI Separately Managed Accounts (SMA)

WBI generally imposes an account minimum of \$100,000 for Separately Managed Accounts. WBI, in its sole discretion, may charge a lesser management fee and/or reduce or waive the client account minimum based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, aggregate dollar amount of client assets to be managed, related accounts, type of services required, account composition, negotiations with client). In addition, certain Independent Manager(s) may impose varying account minimums in order to commence an advisory engagement.

Sponsored Investment Management Platforms

Account minimums may vary among Sponsored Investment Management Platforms, depending on the requirements of the unaffiliated investment adviser and/or broker-dealer sponsor. WBI generally requires program accounts meet a \$100,000 minimum initial investment amount, but alternative minimum account sizes may be accepted at the request of the sponsor.

Mutual Funds

The WBI Tactical BA Fund, WBI Tactical BP Fund, WBI Tactical DI Fund and WBI Tactical DG Fund are offered as No Load and Institutional share classes. The minimum initial and subsequent investment amounts are shown below.

No Load Shares

<i>Type of Account</i>	<i>To Open Your Account</i>	<i>To Add to Your Account</i>
Regular Accounts	\$2,500	\$250
Individual Retirement Accounts (“IRAs”) (Traditional, Roth, SEP, and SIMPLE IRAs), 403(b) Accounts, Qualified Plan Accounts	\$1,000	Any amount
Automatic Investment Plan	\$2,500	\$100

Institutional Shares

<i>Type of Account</i>	<i>To Open Your Account</i>	<i>To Add to Your Account</i>
Regular Accounts	\$250,000	\$250
IRAs (Traditional, Roth, SEP, and SIMPLE IRAs), 403(b) Accounts, Qualified Plan Accounts	\$250,000	Any amount
Automatic Investment Plan	\$250,000	\$100

Affiliated Exchange Traded Funds

There is no initial or subsequent minimum dollar amount an investor must invest and no minimum number of shares an investor must purchase in order to hold shares of the Affiliated ETFs.



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

Methods of Analysis in Formulating Investment Advice

WBI builds portfolios with the goal of providing the investment outcome clients require at the level of risk they are willing to assume, not trying to match a particular market index. This goal of providing consistent, attractive returns with substantially less volatility and risk to capital than traditional approaches is what we call an absolute return approach. We believe protecting capital is essential to providing long term portfolio growth or a consistent stream of income. It is our experience that opportunities, challenges, and investment conditions are continually evolving. Therefore, we believe a responsive method of investing is more important than any particular investment. We feel the ability to adapt and evolve as risks and opportunities appear is the key to pursuing a stable outcome in an uncertain world.

Responding to changing investment conditions, risks, and opportunities is likely to result in a more active trading experience than would be produced by a buy-and-hold investment philosophy. Frequent trading may increase brokerage or transaction costs and result in increased short term versus long term capital gain/loss treatment. Preservation of capital will take precedence over tax considerations. The tax effect of a transaction will be considered, but will not prevent the execution of a trade intended to prevent the loss of investment capital.

Our focus on value, dividends, and risk management has become fundamental to our investment process; however, investments may come from any asset class and/or global investment market in an attempt to produce the desired investment outcome of each strategy.

Although a company may pay a dividend, prices of equity securities – including those that pay dividends – fluctuate. The payment of a dividend by a company is not sufficient to cause the purchase of a security since investing on the basis of dividends alone may cause the purchase (or sale) of securities when circumstances may or may not be favorable.

Traditional leverage and shorting are not typically part of the investment strategy other than through the use of ETFs that employ such strategies, and are generally not a significant part of the portfolio allocation. Additionally, the Affiliated ETFs may invest in option strategies to enhance returns or to mitigate risk and volatility.

WBI portfolio strategies are designed to meet a variety of investor needs and risk profiles. In order to give all clients the benefit of our current best thinking, these strategies are implemented through portfolio models, each designed and managed to meet the needs of a specific profile and desired outcome. Clients select one or more model portfolios based on their circumstances and goals, and their account(s) are managed on a discretionary basis to conform, as closely as is practicable, to the current allocation of the model(s) selected. WBI managed mutual funds generally follow the allocation of the portfolio model reflected in its name, although certain differences may result from regulatory or other considerations that exist for a registered investment company that do not apply to SMA and/or Platform accounts. SMA and Platform accounts may, at the client's election, access WBI's investment strategies by investing in directly in a portfolio of individual securities or by investing primarily in a portfolio of Affiliated ETFs.

Every model portfolio is actively managed, and uses risk management strategies in an attempt to meet its intended investment outcome. Because the strategies used in the portfolios involve active management of a potentially wide range of assets, no widely recognized benchmark is likely to be representative of the performance of any managed account. Therefore, WBI managed accounts may own assets and follow investment strategies which cause them to differ materially from the composition and performance of the benchmarks shown on performance or other reports. To the extent we reference a benchmark index in our marketing materials for any given strategy we will include all material facts relevant to the comparison.

For the purposes of determining equity allocations, WBI uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign securities in an attempt to find the best value and dividend



opportunities worldwide for the selected universe of securities. Fundamental stock information includes such data as earnings, revenue, assets, debt levels, growth rates, etc. Dividend payments may also be considered as part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms the timeliness of security purchases using a combination of price regression and momentum factors. Regression refers to the process of looking at price history for each security that passes the fundamental screens to identify where the security is trading relative to its normalized price channel. This information is used to set the goals and stops for the position, which in turn define the acceptable level of price volatility for the security within the risk profile set for the portfolio. Momentum refers to a technical analysis of current price trend using moving average convergence-divergence ("MACD"). A security becomes a candidate for purchase only if WBI believes that its price trend is positive. If a security's price is falling, it would not be a candidate for current purchase. WBI's buy discipline systematically adds qualifying securities within a portfolio's target allocations using available cash.

Once securities are purchased, WBI maintains a strict sell discipline with a dynamic stop loss and goal setting process that attempts to control the effects of the volatility of each invested position on the portfolio's value. As long as a security stays within its acceptable price channel, it will continue to be held in the portfolio. If the security moves outside the acceptable price channel, a stop is triggered and a sale of the security is initiated. The WBI stop loss and goal setting process is not a stop loss order or stop limit order placed with a brokerage firm, but an internal process for monitoring price movements. While the triggering of a stop may be used to initiate WBI's process for selling a security, it does not assure that a particular execution price will be received. The initial stop price for a security is determined at the time of purchase, and trails the stock's price higher if the price rises. A goal price is also determined at the time of purchase, and if the stock's price reaches or exceeds that goal price, the trailing stop tolerance for that stock is tightened to reduce the percentage decline that would trigger the new, tighter stop. Existing goals and stops are reevaluated periodically.

This results in a responsive process that actively adjusts the account's allocation by causing it to become more fully invested or by raising cash to protect capital.

Depending on the portfolio strategy, managed accounts include varying allocations to fixed income securities and/or tactical investments in other asset classes (commodities, currencies, etc.), generally through the use of ETFs or ETNs. WBI uses proprietary bond duration models and both internal and external research in determining the securities we will use in implementing investments for allocations to these assets.

The use of cash and cash equivalents is an important part of the risk management process used by WBI managed portfolios. Cash/cash equivalents include money market accounts, brokerage sweep cash balances, and similar liquid investments. Cash balances in an account are not "idle", but rather a deliberate allocation to the cash/cash equivalent asset class. During periods of high market volatility, a significant amount of holdings may be sold, resulting in a large allocation to cash. The selection process will be run daily and cash will remain in the account until a cash equivalent or a new security is purchased. Withdrawals of cash from a managed account may result in the sale of securities to bring the allocation to cash/cash equivalents back up to the portfolio's cash allocation target. If the stock market advances during periods when an account is holding a large cash position, the account may not participate to the extent it would have if the account had been more fully invested in stocks or other assets.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, ETFs and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, WBI is **unable** to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks



associated when investing in securities through our investment management strategies. The risks that apply to all of our strategies are listed below. Additional risks specific to a specific strategy are listed in the following section describing each strategy. It is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held.

Principal Investment Risks

Losing all or a portion of your investment is a risk of investing in WBI investment strategies. The following additional risks could affect the value of your investment:

- **Counterparty Risk** - Transactions entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty may become bankrupt or otherwise fail to perform its obligations.
- **Currency Risk** – the potential risk of loss caused by fluctuating foreign exchange rates when an investment has exposure to foreign currency or a security traded on local currency terms, regardless of how the security would have performed at US dollar exchange rates.
- **Cyber Security Risk** - With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.
- **Equity Market Risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If the client held common stock, or common stock equivalents, of any given issuer, the client would generally be exposed to greater risk than if the client held preferred stocks and debt obligations of the issuer.
- **ETF and Mutual Fund Risk** – When an account invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETF's or mutual fund's operating expenses, including the management fees of the mutual fund or ETF, which are in addition to the management fees charged by WBI. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. The account also will incur brokerage costs when it purchases ETFs. Additionally, the account will be indirectly exposed to the risks of the strategies and portfolio assets of the ETF or mutual fund, including but not limited to those of ETNs and equity options, derivatives, currencies, indexes, leverage and replication management.
- **Exchange-Traded Note Risk** – ETNs are subject to the credit risk of the issuer. The value of an ETN will vary and will be influenced by its time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying securities, currency and commodities markets as well as changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced index. There may be restrictions on an account's right to redeem its investment in an ETN, which is meant to be held until maturity. The decision to sell ETN holdings may be limited by the availability of a secondary market.
- **Fixed Income Securities Risk** – Interest rates may go up resulting in a decrease in the value of the fixed income securities held by an account. Credit risk is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that an issuer may "call," or repay, its high yielding bonds before their maturity dates. Fixed income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time



- **Foreign and Emerging Market Securities Risk** – Foreign investments may carry risks associated with investing outside the United States, such as currency fluctuation, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. Those risks are increased for investments in emerging markets. Foreign securities can be more volatile than domestic (U.S.) securities. Securities markets of other countries are generally smaller than U.S. securities markets. Many foreign securities may also be less liquid than U.S. securities, which could affect the investments.
- **High-Yield Securities Risk** – Fixed income securities receiving below investment grade ratings (i.e., “junk bonds”) may have speculative characteristics, and, compared to higher-grade securities, may have a weakened capacity to make principal and interest payments given economic conditions or other circumstances. High-yield, high risk, and lower-rated securities are subject to additional risk factors, such as increased possibility of default, decreased liquidity, and fluctuations in value due to public perception of the issuer of such securities. These bonds are almost always uncollateralized and subordinate to other debt that an issuer may have outstanding. In addition, both individual high-yield securities and the entire high-yield bond market can experience sharp price swings due to a variety of factors, including changes in economic forecasts, stock market activity, large sustained sales by major investors, or a higher profile default.
- **Investments in Pooled Investment Vehicles** – WBI may recommend that clients invest in pooled investment vehicles, including mutual funds, ETFs, and private funds. WBI may also recommend that clients utilize the services of WBI or another investment manager that invests in such products. Investors in pooled investment vehicles will be subject to the applicable fees and expenses of these vehicles, including operating costs, brokerage costs, mutual fund sales loads and 12b-1 fees, and management and incentive fees, which are in addition to any fees paid to HG. Clients will also incur brokerage costs when purchasing ETFs. The risk of owning an interest in a pooled investment vehicle generally reflects the risks of owning the underlying securities in which the vehicle is invested. Additionally, interests in private funds may be highly illiquid, and will not be appropriate for investors who may have a short-term need for liquidity. Pooled investment vehicles are not managed based on the client's individual needs and unique investment circumstances. The terms of investing in a pooled investment vehicle, including the investment strategy and applicable risks, fees, and expenses are described in the vehicle's offering documents (e.g., prospectus or offering memorandum), and clients are encouraged to read and understand these documents prior to making an investment in a pooled investment vehicle
- **Investment Style Risk** – Investments in dividend-paying common stocks may cause the value of an account to underperform accounts that do not limit their investments to dividend-paying common stocks during periods when dividend-paying stocks underperform other types of stocks. In addition, if stocks held in an account reduce or stop paying dividends, the account's ability to generate income may be affected.
- **Liquidity Risk** - Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes may be more difficult to value.
- **Management Risk** – the value of the client's investment varies with the success and failure of the client's investment manager's strategies and its research, analysis, and determination of portfolio securities. If these investment strategies do not produce the expected results, the value of the client's investment could decrease
- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of the investment.
- **Master Limited Partnership Risk** – Investing in Master Limited Partnerships (“MLPs”) entails risk including fluctuations in energy prices, decreases in supply of or demand for energy commodities and various other risks.
- **New Fund Risk** – The Affiliated ETFs have inception dates of August 2014. There can be no assurance that any of the Affiliated ETFs will continue to grow or maintain an economically viable size, in which case the Board may determine to liquidate one or more of the Affiliated ETFs. WBI has not previously managed an ETF.



- **Operational Risk** - A portfolio may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.
- **Options Risk** – Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Small and Medium Companies Risk** – Investing in securities of small and medium capitalization companies may involve greater volatility than investing in larger and more established companies because small and medium capitalization companies can be subject to more abrupt or erratic share price changes than larger, more established companies.
- **Quantitative Model Risk** - When executing an investment strategy using various proprietary quantitative or investment models, securities or other financial instruments selected may perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction, implementation and maintenance of the models (e.g., data problems, software issues, etc.). There can be no assurance that a model will achieve its objective.
- **Volatility Risk** - The prices of a portfolio's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies

Investor Risk

We believe a discussion of investment risks that omits the potential effects of investor behavior would be incomplete. In addition to the important investment risks listed above, the effects of an investor's emotional responses to financial issues can introduce a risk we refer to as Investor Risk. Much investment theory is based on the premise of the rational investor. Our experience suggests, however, that investor risk can lead to errors in investment decisions, including:

- **Inappropriate responses to perceived risk** - Greed and fear are opposite sides of this same coin. The notion "Buy low and sell high" is simple to understand. Still, falling prices often cause investors to abandon their investment plans, and rising prices can cause investors to ignore their own risk profile in pursuit of short-term gains.
- **Attaching too much importance to initial experience** - First impressions make lasting impressions. An investor's early experience with a new investment or portfolio strategy can color his or her feelings about everything that follows. Good initial experience can lead to unrealistic expectations about long term performance results. Bad initial experience can lead to a premature judgment that a strategy is a failure even if it is supported by sound investment principles that are compatible with the investor's goals. In fact, initial results are often influenced more by current market conditions than by the long term merits of the investment.
- **Adopting too narrow a perspective on the investment universe** - References to "the market", the S&P 500 or the Dow Jones Industrial Average are common in conversations about investments. Daily news accounts of their movements can keep them in the forefront of investors' attention. There's much more to the universe of investable assets than the slice represented by the large company U.S. domestic stocks these indices represent, and the composition and performance of a well-designed portfolio could vary greatly from that of any popular index.
- **Focusing too much attention on the wrong things** - The emotional noise swirling around financial news can cause investors to lose sight of the real purpose of their investment efforts. Relative performance compared to artificial market "benchmarks" may have little to do with the absolute success



of consistently achieving individual financial goals. We believe that the measurement that matters most is whether a portfolio can deliver the return required to meet the investor's goals at the level of risk that investor is prepared to assume.

Managing Risk

Volatility

Volatility is a short term event. It typically diminishes when measured over longer time periods as short term gyrations average out to long term results. Volatility does not necessarily mean loss. In our experience, the most prevalent danger of volatility is that assets may need to be liquidated at a time when the account value happens to be low due to a need for liquidity or the investor's aversion to a further decline in value.

The following are some of the strategies WBI uses in an attempt to manage portfolio volatility are diversification and active management:

- ***Diversification***
 - Diversification can reduce volatility by combining assets with different risk and return characteristics. As one thing is going down, something else in the portfolio may be going up. To work effectively, the assets selected must respond differently to the various investment risks described earlier. Many managed portfolios will employ some form of diversification among its risk reduction strategies, even if the portfolio includes aggressive and volatile components.
- ***Active Management***
 - Despite the uncertainty of future events, we have found that there are objectively measurable conditions that have had historical relationships to the performance of various types of investments. Bond prices have historically declined during periods of rising interest rates. Corporate profits have historically been lower and business failures more likely during periods of recession. Therefore, all portfolio strategies are actively managed in an attempt to respond to changing conditions.

Risk Management Disciplines

In addition to diversification and active management, WBI managed portfolios use a number of proprietary tools and disciplines as described earlier that are intended to manage risk, including:

- *Security Screening and Selection* – WBI's custom computer screening programs evaluate thousands of stocks every business day to identify and rank those dividend paying stocks that meet our strict investment criteria.
- *Stop Loss Process* – WBI's security specific analysis process sets price goal targets and enforces a sell discipline. It is designed to capture gains if they are achieved – and limit losses if they are not.
- *Bond Duration and Equity Risk Models* – Proprietary models assess a host of fundamental and technical factors to provide a current outlook on the prevailing risks facing bond and equity markets.

There can be no assurance that the risk management strategies described will be effective in preventing the loss of invested capital, will be profitable, will equal any historical performance level(s), or be suitable for your portfolio. Any investment strategy involves risk, including the possible loss of principal invested. Moreover, you should not assume that any discussion or information provided here serves as the receipt of, or as a substitute for, personalized investment advice from WBI Investments or from any other investment professional. To the extent that you have any questions regarding the applicability of any specific issue discussed to your individual situation, you are encouraged to consult with WBI Investments or the professional advisor of your choosing.



Investment Strategies when Managing Client Assets and/or Providing Investment Advice

WBI portfolio strategies are designed to meet a variety of investor needs and risk profiles. In order to give all clients the benefit of our current best thinking, these strategies are implemented through portfolio models, each designed and managed to meet the needs of a specific profile and desired outcome. Clients select one or more model portfolios based on their circumstances and goals, and their account(s) are managed on a discretionary basis to conform, as closely as is practicable, to the current allocation of the model(s) selected. The model portfolios will be rebalanced periodically by buying or selling securities to bring the asset allocation in the client's account in line with the target asset allocation for the model. Rebalancing trades are subject to certain minimum dollar amounts as determined by WBI and they generally do not occur on a single date, or on the same date. As a result, rebalancing transactions for different clients will be effected at different prices. Clients will not be notified before a rebalance occurs. Asset allocation and rebalancing strategies do not guarantee a profit or protect against loss. Rebalancing trades in a taxable account may result in a taxable event for the client, as well as transaction costs.

The following is a description of the primary objective of each model portfolio, as well as some of their key investment characteristics. SMA and Platform accounts may, at the client's election, access WBI's model portfolios by investing in a portfolio of individual securities or by investing primarily in a portfolio of Affiliated ETFs. SMA and Platform accounts that are invested in a portfolio of Affiliated ETFs may also, at WBI's discretion, hold individual securities directly in the account in order to provide exposure to instruments or market sectors that are not represented in the Affiliated ETFs.

WBI Tactical Balanced

The **Balanced** portfolio strategy is designed to be a globally-blended allocation of dividend stocks and investment-grade bonds. It is intended to be used as a retirement income strategy or as a conservative allocation for long-term growth of capital. The WBI Tactical Balanced Strategy can be accessed through the WBI Fund program, through an SMA holding individual securities in WBI Traditional SMA Program, or through an SMA using of a blended allocation of Affiliated ETFs in the WBI Enhanced SMA program

WBI Retirement Income

The **Retirement Income** portfolio strategy is designed to be a globally-blended allocation of dividend stocks and high-yield bonds. It is intended to be used as a retirement income strategy or as a moderate allocation for long-term growth of capital. The Retirement Income Strategy can be accessed through the WBI Fund program, through an SMA holding individual securities in WBI Traditional SMA Program, or through an SMA using of a blended allocation of Affiliated ETFs in the WBI Enhanced SMA program

WBI Tactical Dividend Income

The **Dividend Income** portfolio strategy is designed to be a global allocation of high-yield dividend stocks. It is intended to be used as a moderate allocation for long-term growth of capital. The Dividend Income Strategy can be accessed through the WBI Fund program, through an SMA holding individual securities in WBI Traditional SMA Program, or through an SMA using a blended allocation of Affiliated ETFs in the WBI Enhanced SMA program

WBI Tactical Dividend Growth

The **Dividend Growth** strategy is designed to be a global allocation of dividend stocks. It is intended to be used as a moderately aggressive allocation for long-term growth of capital. The Dividend Growth Strategy can be accessed through the WBI Fund program, through an SMA holding individual securities in WBI Traditional SMA Program, or through an SMA using a blended allocation of Affiliated ETFs in the WBI Enhanced SMA program

Global Tactical Rotation

The **Global Tactical Rotation** portfolio strategy is designed to be a global allocation of ETFs and dividend stocks. It is intended to be used as a moderately aggressive allocation for long-term growth of capital.



Discontinued Portfolio Strategies

In addition to the strategies listed above, there are existing client accounts being managed using portfolio strategies that are no longer being offered to new clients. A list of discontinued strategies is available on request.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of WBI or the integrity of WBI's management. WBI has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliation with Millington Securities, Inc.

WBI is affiliated with Millington, a dually registered investment adviser and broker-dealer, through which some of WBI client orders will be directed for execution. Consistent with WBI's requirement to obtain "best execution" for client brokerage orders and in accordance with policies and procedures that are reasonably designed to provide for compliance with the requirements of (and WBI's duties under) the Advisers Act, Investment Company Act, ERISA, other laws and regulations and related relief, as applicable to the transactions, WBI will consider a variety of factors when determining broker-dealer selection for its client transactions and will only direct client orders to Millington where such a direction is consistent with its obligations. Additionally, WBI's policies and procedures, and the related laws and regulations, address the potential for conflicts of interest that may arise in connection with using an affiliate to execute trades on behalf of WBI's clients. Some of the officers and personnel of WBI also serve as officers and perform functions for Millington. Millington also will serve as the investment adviser for the Affiliated ETFs.

In addition, Millington may execute brokerage transactions for the Affiliated ETFs in its capacity as a broker-dealer. Any trades that WBI places through Millington will be subject to WBI's duty of best execution and applicable law as discussed above. Please refer to Item 12 of this Brochure (Brokerage Practices) for more information.

Affiliation with Hartshorne Group, Inc.

WBI is under common ownership and control with Hartshorne Group, Inc. (HG), an investment adviser registered with the SEC. HG and WBI are controlled and owned by the same individuals listed above in Item 4. Further, HG investment adviser representatives may also be investment adviser representatives of WBI. HG provides financial planning, consulting and family office services to its retail clients.

HG clients that are in need of on-going investment management services are generally referred to WBI. In these situations, HG serves as an affiliated solicitor to WBI and will receive a portion of the overall advisory fee paid by the client to WBI. Because HG receives a portion of the fee charged by WBI and is a related person to WBI, HG has an economic incentive to refer clients to WBI. However, HG may also refer its clients to unaffiliated third-party money managers. HG clients will receive a copy of the HG Form ADV Part 2. HG financial planning and consulting clients must execute a written agreement with HG. HG clients that are referred to WBI for its investment management services must execute the WBI Investment Management Agreement which will list HG as the Introducing Advisor.

Related Entity WBI Trading, Inc.

WBI is under common ownership and control with WBI Trading, Inc. WBI Trading, Inc. is a holding company that wholly owns Millington.



Other Industry Activities

The principal executive officers of WBI are engaged in activities other than the services provided by WBI. The principal executive officers are also principal executive officers of Hartshorne Group, Inc. (HG). Don Schreiber, Jr. and Robert Confessore are also principal executive officers of Millington. The principal executive officers of WBI also serve as officers and directors of the Affiliated ETFs.

Robert Confessore spends the majority of his time providing financial planning and consulting services through HG in his capacity as Vice President and Senior Financial Planner and serving as President of Millington. Don Schreiber, Jr. spends the majority of his time devoted to the activities provided by WBI. Gary E. Stroik spends the majority of his time focused on his responsibilities as Chief Investment Officer of WBI. Matthew Schreiber spends the majority of his time focused on his responsibilities as President of WBI.

WBI provides strategic business planning services and client acquisition techniques (referred to as non-advisory services) to financial professionals through workshops, seminars and training events. Such services are provided solely to financial professionals and not to the underlying investment clients of WBI. Non-advisory services may be provided complimentary or free-of-charge to financial services professionals. In addition, WBI's President, Don Schreiber, Jr., is the owner and founder of Advisor Toolbox, Inc., a software and intellectual property entity. Advisor Toolbox distributes a valuation software program created to help financial professionals value and evaluate the strength of their businesses. The software program can be purchased by financial professionals but may also be offered by WBI free-of-charge to financial professionals as an incentive to consider WBI's investment management services.

Certain supervised persons of WBI are also engaged in offering the non-advisory services provided by WBI and promoting the products offered by Advisor Toolbox, Inc. While the non-advisory services offered by WBI and Advisor Toolbox are available to any financial professional, a primary objective of offering these services is to support and attract Introducing Advisors to WBI Investments' investment management services. Don Schreiber, Jr. is also the author of Building a World-Class Financial Services Business: How to Transform Your Sales Practice into a Business Worth Millions which Mr. Schreiber actively markets in connection with the strategic business planning services provided by WBI. Topics discussed as part of the WBI strategic business planning program include, but are not limited to: building a business, marketing, institutionalizing a business, technology considerations, staffing and employee retention, succession and exit planning, valuing a practice, and developing a written sales process. Typically, these services are provided to investment advisers and broker-dealers that refer clients to the WBI Investments' investment management services previously described in this document. A fixed fee may be charged for these non-advisory services; however, WBI retains the discretion to waive or reduce its fee for strategic business planning.

Don Schreiber, Jr. and Gary E. Stroik are co-authors of All About Dividend Investing: The Easy Way to Get Started. In connection with actively marketing the sale of this book, the authors make public and private appearances. Such appearances are also focused on the advisory services provided by WBI. WBI may charge a fee for a public or private appearance by Mr. Schreiber and/or Mr. Stroik.

Insurance Services

HG is licensed as an insurance agency. As such HG may recommend, on a fully-disclosed basis, the purchase of insurance products and receive commissions on such products to HG retail clients. WBI is also currently licensed as an insurance agency, however all new insurance business is directed to HG in its separate capacity as an insurance agency. WBI associated persons may conduct insurance business through HG. As such, WBI's investment adviser representatives, in their individual capacities as insurance agents of HG, may recommend, on a fully-disclosed basis, the purchase of insurance products and receive commissions on such products. WBI's investment adviser representatives devote less than ten percent (10%) of their time to life insurance commission business, and less than ten (10%) of their time to non-investment related consulting matters. WBI intends to



withdraw its insurance licenses as soon as certain administrative considerations permit, or allow them to lapse at the end of their current terms.

HG and its associated insurance agents, including WBI associated persons, receive commissions and other incentive awards for the recommendation/sale of annuities and other insurance products to HG retail clients. The receipt of this compensation may affect the judgment of associated persons when recommending products to retail clients. While associated persons endeavor at all time to put the interest of the clients first as a part of HG's fiduciary duty, clients should be aware that the receipt of commission and additional compensation itself creates a conflict of interest, and could affect the judgment of these individuals when making recommendations.

WBI Mutual Funds – Registered Representatives

As explained in Item 4 of this Brochure, some employees of WBI (including WBI's owner Don Schreiber, Jr.) wholesale and distribute the Funds. In order to wholesale and help distribute the Funds, some WBI employees engaging in Fund distribution services are licensed as registered representatives Millington, or Quasar. Don Schreiber Jr., Matthew Schreiber, and Robert Confessore are registered representatives of Millington.

WBI and Quasar are not related or affiliated companies. However, all "brokerage" activities related to Fund distribution are performed through Quasar. It should be noted that WBI employees who are also licensed with Quasar do not provide retail brokerage services to WBI clients. Clients of WBI seeking a traditional, commission-based brokerage arrangement will need to seek such services from other broker-dealers.

Affiliated Exchange Traded Funds

As explained in Item 4 of this Brochure, WBI serves as the investment sub-adviser for the Affiliated ETFs. In order to wholesale and help distribute the Affiliated ETFs, some WBI employees engaging in Affiliated ETF distribution services are licensed as registered representatives of our affiliated broker-dealer Millington, or Quasar. Don Schreiber Jr., Matthew Schreiber, and Robert Confessore are registered representatives of Millington.

Distribution services related to the Affiliated ETFs are performed by Foreside. WBI and Foreside are not related or affiliated companies. WBI and Quasar, are also not related or affiliated companies.

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

Code of Ethics

Rule 204A-1 of the Investment Advisers Act of 1940 requires all investment advisers to establish, maintain and enforce a Code of Ethics. WBI has established a Code of Ethics that will apply to all of its associated persons (the "Code"). An investment adviser is considered a fiduciary according to the Investment Advisers Act. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. WBI has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the Code, which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures (as detailed below under "Personal Trading Policy").

WBI requires all of its supervised persons to conduct business according to the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the Code. WBI has the responsibility to make sure that the interests of all clients are placed ahead of WBI's or its supervised person's own interests. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. WBI and its supervised persons must



conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect WBI's duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of the Code. However, if a client or a potential client wishes to review the Code in its entirety, a copy will be provided promptly upon request.

Participation or Interest in Client Transactions

When appropriate and in accordance with applicable law, WBI may invest client assets in Affiliated ETFs. WBI will have an inherent conflict of interest in investing in or recommending the Affiliated ETFs to clients for the following reasons:

- WBI and its affiliates receive management fees from the Affiliated ETFs. To avoid receiving two layers of management fees in those situations where clients invest in the Affiliated ETFs through SMA and Platform accounts, WBI will either: (i) waive the management fee charged at the account level; or (ii) credit the portion of the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fee the particular SMA or Platform account owes WBI. Please refer to Item 5 (Fees and Compensation) for more information.
- Millington will receive brokerage compensation (including payment for order flow) for transactions effected on behalf of the Affiliated ETFs. Any trades that WBI places through Millington will be subject to WBI's duty of best execution and applicable law. Please refer to Item 12 of this Brochure (Brokerage Practices) for more information.

Personal Trading Policy

The Personal Trading Policy contains provisions regarding employee personal trading and, reporting requirements that are designed to address potential conflicts of interest that might interfere or appear to interfere with making decisions in the best interest of WBI clients. The Personal Trading Policy requires that employees at WBI conduct all of their personal investment transactions in a manner that is consistent with applicable federal securities laws, the Investment Policy other policies of WBI. No employee of WBI may effect for himself or herself or for his or her immediate family (i.e. spouse, minor children - collectively "Covered Persons") any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of WBI's clients, unless in accordance with the following Firm Procedures.

Firm Procedures

In order to implement WBI's Personal Trading Policy, the following procedures have been put into place with respect to WBI and its Covered Persons:

- (1) If WBI is purchasing or considering for purchase any security on behalf of WBI's client, no Covered Persons may transact in that security prior to the client purchase having been completed by WBI or until a decision has been made not to purchase the security on behalf of the client; and
- (2) If WBI is selling or considering the sale of any security on behalf of WBI's client, no Covered Persons may transact in that security prior to the sale on behalf of the client having been completed by WBI, or until a decision has been made not to sell the security on behalf of the client.
- (3) All approved transactions by a Covered Person are then subject to a 30-day holding period. Additionally, transactions are subject to an 8-day blackout period (the day of the transaction and 7 days after) with respect to securities purchased or sold on behalf of the WBI ETFs

Exceptions

- (1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of WBI's clients' trade in sufficiently broad markets to permit transactions by



clients to be completed without any appreciable impact on the markets of the securities. 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 WBI's records.

(2) Open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Covered Persons are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by WBI's Personal Trading Policy.

(3) As a benefit of employment, employees may have personal accounts managed by WBI as an SMA without a management fee. For those that choose to do so, their accounts are managed according to the same target allocation as would apply to a client account pursuing the same investment objective, and they are therefore purchasing and selling the same securities – including equities. Upon bringing the account under management, securities already owned by clients will be purchased in the employee account. Should the employee account be removed from management, securities owned by clients will be sold in the employee account. At all other times, the employee account will be traded concurrently with the client accounts. Exchange traded securities are generally purchased and/or sold in a block trade and then allocated to individual accounts with the target investment objective. Managed employee accounts are included in the aggregated trade and allocation process described in Item 12 (Brokerage Practices) below in the same manner as client accounts with the same investment objective.

Any employee or supervised person of WBI who fails to observe its requirements or those contained in related policies and procedures may be subject to remedial action. WBI will determine on a case by case basis what remedial action should be taken in response to any violation. This may include requiring the employee to void or reverse a trade, the cost of which may be borne by the employee or owner of the account or limiting an employee's personal trading for some period of time.

Gifts and Entertainment

The Code and WBI's Gifts and Entertainment Policies and Procedures place strict limits on the receipt and provision of gifts, travel, and entertainment by WBI personnel. Occasionally, WBI personnel participate in entertainment opportunities related to legitimate business purposes, subject to the requirements and limitations set forth in the Code and the Gifts and Entertainment Policies and Procedures. Such requirements and limitations are intended to ensure that WBI employees avoid actual or potential conflicts of interest between their personal interests and those of the firm and its clients.

Political Contributions

WBI employees are not permitted to make or solicit political contributions for the purpose of obtaining or retaining business with government entities. WBI employees, on their own behalf and on behalf of their spouses and immediate family members sharing the same household, are required to obtain approval from WBI before making a personal political contribution to any federal, state, local or U.S. territorial candidate, official, party or organization. Such personal contributions may support political candidates or officials who share the firm's views related to its business interests, but it is a violation of WBI's policy for any employee to require another employee to contribute to, support, or oppose any political group or candidate.

Other Potential Conflicts of Interest

WBI recommends transactions to, and makes investment decisions on behalf of, clients based solely on investment considerations, including whether the investments are suitable for the client and are consistent with



the client's investment objectives, policies and restrictions. Accordingly, WBI may invest a client's account in a manner that competes or conflicts with the investment of another client's account. For example, WBI may buy or sell a position in a client's account while undertaking for another client's account the same or a differing, including potentially opposite, investment strategy.

To the extent permitted by law and/or account guidelines, WBI from time to time will invest client accounts in securities issued by companies with which WBI has material business relationships, including companies that act as a SMA program sponsor, that distribute or place orders on behalf of clients for shares of the Funds or the Affiliated ETFs, or that are, or are related to, WBI clients. In addition, at times WBI personnel will buy or sell securities that WBI has recommended to, or purchased or sold on behalf of, clients. WBI also from time to time will buy or sell on behalf of clients or recommend to clients the purchase or sale of securities in which it or its personnel have a financial interest, including the Funds or the Affiliated ETFs. These transactions are subject to the requirements and limitations set forth in the Code and related policies, as well as to the requirements of the Investment Advisers Act, the Investment Company Act and/or other applicable laws. While it is WBI's policy that our clients' interests come first our ability to place and/or recommend transactions may be restricted by applicable regulatory requirements and/or our internal policies designed to comply with such requirements.

From time to time, WBI personnel may come into possession of material, non-public information ("MNPI") which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, WBI personnel may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether that person is a client. Accordingly, should WBI personnel come into possession of MNPI with respect to an issuer, WBI may be prohibited from communicating such information to, or using such information for the benefit of, clients, which could limit the ability of clients to buy, sell or hold certain investments. WBI shall have no obligation or responsibility to disclose such information to, or use such information for the benefit of, any person (including clients). WBI has implemented procedures that prohibit the misuse of such information (e.g., illegal securities trading based on the information). Similarly, no employee who is aware of MNPI which relates to any other company or entity in circumstances in which such person is deemed to be an insider or is otherwise subject to restrictions under federal securities laws may buy or sell securities of that company or otherwise take advantage of, or pass on to others, such MNPI.

Item 12 – Brokerage Practices

Below we describe our core business practices relating to trading and brokerage. In addition, we provide information regarding certain conflicts of interest that arise in connection with the execution of trades for client accounts and describe the policies and procedures that we have designed and implemented to help us manage these conflicts of interest.

Account Custodian

WBI will generally require clients accessing WBI's investment services through a SMA, including clients of HG and clients of unaffiliated Introducing Advisors, to establish brokerage accounts with an approved registered broker-dealer to maintain custody of client assets and to effect trades for their accounts. In the case of clients of Introducing Advisors, the decision to establish an account with a particular broker-dealer is made by the Introducing Advisor, not by WBI. WBI is not affiliated with any of the approved broker-dealers serving as qualified custodians.



The primary factor in approving a broker-dealer to serve as custodian is that the services of the broker-dealer are provided in a cost-effective manner. To the extent that WBI may be trading through the particular broker-dealer, WBI will also consider the various factors that go into its evaluation of whether the broker-dealer is capable of providing best execution. Best execution of client transactions is an obligation WBI takes seriously and is an important decision in suggesting a broker-dealer to serve as custodian. The factors that WBI considers in determining best execution are described in further detail below. Overall custodial support services, timeliness in correcting a trade error, and statement preparation are some of the other factors considered when approving a broker-dealer to serve as custodian.

The broker-dealer will generally provide WBI with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at the broker-dealer and is not otherwise contingent upon WBI committing to the broker-dealer any specific amount of business (assets in custody or trading). The broker-dealer's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Approved broker-dealers generally make available to WBI other products and services that benefit WBI but may not directly benefit its clients' accounts. Some of these other products and services assist WBI in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of WBI's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting. While clients may not appear to receive a direct benefit from these services, many of these services are used to service all or a substantial number of WBI's accounts.

Approved broker-dealers generally also make available to WBI other services intended to help WBI manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, broker-dealers may make available, arrange and/or pay for these types of services rendered to WBI by an independent third party providing these services to WBI. As a fiduciary, WBI endeavors to act in its clients' best interests. However, WBI's general requirement that clients maintain their assets in accounts at an approved broker-dealer may be based in part on the benefit to WBI of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the broker-dealer, which may create a potential conflict of interest between WBI and the client.

While clients are generally required to use the services of an approved broker-dealer, a client may direct WBI to use a qualified custodian selected by the client upon express approval and authorization of WBI. If WBI is also directed to trade through the custodian selected by the client, WBI may not be able to obtain the best prices and execution for the client's transactions and such transactions may not be "bunched" (or aggregated) for purposes of execution with other orders for the same securities for other accounts managed by WBI. Clients who direct WBI to trade through a particular qualified custodian may pay higher transaction costs and/or receive less favorable prices than would otherwise be the case if the clients had not designated a particular qualified custodian.

Brokerage Execution

WBI will arrange for the execution of securities brokerage transactions for Client accounts through broker-dealers, including Millington that WBI reasonably believes will provide "best execution". Best price, taking into account commissions and other costs is normally an important factor, but WBI's broker-dealer selection also takes into account the quality of brokerage services, including execution capability, responsiveness, willingness to commit capital, creditworthiness, financial stability, clearance and settlement capability, and the provision of research and other services. Accordingly, although WBI will seek competitive rates, it may not necessarily obtain the lowest



available price or transaction cost. However, by directing business to approved broker-dealers, WBI may be able to negotiate lower commission rates for its clients than are typically available to clients opening accounts at these custodians on their own.

Where WBI is providing investment advisory services to clients through wrap-fee or other advisory programs sponsored by unaffiliated investment advisers and/or broker-dealers, WBI will not be in a position to negotiate brokerage commissions for transactions that are executed by or through the sponsor of the program. In addition, although WBI may have the discretion to select broker-dealers to execute trades for program accounts, WBI will generally place such trades through the sponsor of the program because the program fee paid by each client typically covers only execution costs on trades executed through the sponsor of the program or its affiliates.

Millington employs certain persons as registered representatives who are also related persons of the WBI and Millington and these individuals may receive compensation based on commissions and rebates for orders WBI places on behalf of advisory clients with Millington. This compensation will include Payment For Order Flow ("PFOF"), which is compensation that Millington receives for providing liquidity to certain market centers (e.g. registered securities exchanges, electronic communications networks) from WBI customer orders that are routed to these market centers. While using Millington for order execution may present a potential conflict of interest, WBI's first consideration in order placement is always price improvement and "best execution" and any orders placed with Millington are done so consistent with WBI's duty to seek best execution.

Any PFOF or other transaction-based compensation earned by Millington in connection with transactions in WBI investment advisory accounts is in addition to the investment advisory fees that clients pay to WBI. WBI does not offset or reduce its investment advisory fees by the amount of compensation Millington receives from transactions in advisory accounts. In addition, it is anticipated that WBI will execute transactions for the portfolio securities of the Affiliated ETFs primarily through Millington. Typically, Millington does not charge commissions for equity transactions in WBI investment advisory accounts or Affiliated ETFs, however, it will receive indirect compensation in the form of PFOF. However, clients should be aware that there are embedded fees and commissions (such as fees for currency conversion and foreign taxes) that are passed through to the client as part of the net price of trading in foreign ordinary shares on foreign exchanges. In addition, clients may pay commission, commission equivalents, spreads, mark-ups and mark-downs on other types of transaction effected by Millington, including options trading. The fact that a transaction may be executed, or be capable of being executed through another broker-dealer that is not affiliated with WBI at prices, commissions, other execution costs and transaction charges more favorable than those available through Millington will not obligate WBI to match those terms or account to clients for the difference. Clients should understand that WBI will trade through Millington even if the use of a different broker-dealer that is not affiliated with WBI may result in more favorable prices or transaction costs. Again, in seeking to obtain best execution, WBI recognizes that some broker-dealers are better at executing some types of orders than others and it may be in the clients' best interests to use a broker-dealer whose commission rates are not the lowest but whose executions and other services WBI believes will result in lower overall transaction costs or more favorable or more certain results. Millington may retain any commissions or other compensation received in connection with securities brokerage transactions executed on behalf of advisory accounts and the Affiliated ETFs. Client should consider the fact that Millington receives this additional brokerage compensation when evaluating the amount and appropriateness of the total value of services that WBI provides.

Based on its affiliation with Millington, WBI has a financial incentive to direct trades to Millington as opposed to unaffiliated broker-dealers for trade execution. In order to mitigate this conflict of interest, WBI has adopted and implemented policies and procedures regarding selection of broker-dealers in accordance with its best execution obligations. In addition, WBI monitors client transactions to ensure the effectiveness of its best execution procedures.



Soft Dollar Program

WBI has previously entered into Soft Dollar Arrangements with certain executing broker-dealers, and may do so again in the future. However, as of February 2015, WBI currently has no soft dollar arrangements.

WBI may enter into Soft Dollar Arrangements with certain executing broker-dealers. These executing broker-dealers will designate a portion of brokerage commissions, if any, and/or PFOF, towards a credit that can be used to provide WBI with certain research and brokerage services-related products and services. These credits are known as "Soft Dollars". Soft Dollars can be used for research products such as software that provides WBI with analyses of securities portfolios, market research, data services and market data, and written information and analysis concerning market and economic conditions. Soft Dollar brokerage services relate to the execution of a trade from the point at which WBI transmits an order to a broker-dealer for execution through the point at which the funds or securities are delivered or credited to the advised account. Examples could be trade analytical software, trade confirmation software, and other services that relate to the communication of the trading information.

The use of brokerage commissions and/or PFOF to obtain investment research services and to pay for certain of WBI's administrative costs and expenses may create a conflict of interest between WBI and clients because the PFOF serves to offset certain of WBI's expenses. To the extent that WBI is able to acquire these products and services without expending its own resources (including management fees paid by clients), WBI's use of soft-dollars would tend to increase WBI's profitability. In selecting executing broker-dealers, whether or not they obtain PFOF, WBI conducts ongoing reviews and analysis of the execution quality to ensure that our clients are receiving best execution. For purposes of WBI's Soft Dollar policy, PFOF is treated as client brokerage commissions.

Aggregation of Client Orders

Transactions for each client account generally will be effected independently, unless WBI decides to purchase or sell the same securities for several clients at approximately the same time. WBI does frequently combine or aggregate such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among WBI's clients differences in prices and transaction fees or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among WBI's clients in proportion to the purchase and sale orders placed for each client account on any given day. When WBI determines to aggregate client orders for the purchase or sale of securities, including securities in which WBI's supervised persons may invest, WBI shall do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* WBI shall not receive any additional compensation or remuneration as a result of the aggregation.

Because managed accounts are held at a number of different custodian/broker dealers, WBI may conduct trading activity through an unaffiliated broker-dealer which then allocates completed trades among the various custodian/broker dealers at which the accounts being traded are held.

WBI typically releases its model portfolio holdings information to an OPM [daily]. When the related WBI investment team makes changes to the model portfolio, WBI generally will communicate its changes to the OPM at or near the end of the trading day and generally after the completion of the rotation methodology described above. For OPMs unable to accept model portfolio changes at that time, WBI will communicate its model portfolio changes the following trading-day morning. The OPM is responsible for adjusting existing model portfolio accounts to conform to the core changes. Model portfolio clients may experience account performance that is different from the results obtained when WBI exercises investment discretion due to the timing and implementation of orders by the OPM.

On those occasions when WBI places trades directly with an unaffiliated broker-dealer, neither WBI, nor its supervised persons, will receive any portion of the commissions and/or transaction fees charged by the



designated broker-dealer to the client. However, in return for effecting securities transactions through the designated broker-dealer, WBI may receive certain investment research products and/or services which assist WBI in its investment decision-making process for the client. (See the discussion of soft dollars above.) The brokerage commissions and/or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, WBI's investment management fee.

Trading Error Policy

WBI has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of WBI to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by WBI if the error was caused by WBI. The remedy for an error caused by WBI may be in the form of a credit against future WBI investment management fees. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. WBI may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

WBI will never retain any portion of any gains made as a result of trade error corrections or profit in any way from trade errors.

If the gain does not remain in the account and Charles Schwab is the custodian, Charles Schwab will donate the amount of any gain \$100 and over to charity. Charles Schwab will pay for any losses under \$100. If a loss occurs greater than \$100 due to an error made by WBI, WBI will pay for the loss. Charles Schwab will retain the gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in an account, they may be netted.

If the gain does not remain in the account and Pershing is the custodian, Pershing or the client's introducing broker-dealer will maintain gains that may result from correcting a trade error and in some instances may use such gains to offset overall losses Pershing or the introducing broker-dealer incurs from trading errors.

Item 13 – Review of Accounts

Accounts managed by WBI are reviewed at least quarterly by WBI. The client's Introducing Advisor generally reviews managed SMA and Platform Accounts with the client on a mutually agreed upon schedule.

All clients are encouraged to discuss with WBI, or the client's Introducing Advisor, the client's investment objectives, needs and goals, and to keep WBI informed of any changes regarding the client's situation. All clients are encouraged to meet, at least annually, with WBI or the client's Introducing Advisor to comprehensively review investment objectives and performance.

Clients will receive account statements and transaction confirmation notices at least quarterly from the qualified custodian at which their accounts are maintained. In addition, WBI may provide quarterly performance reports for clients with SMA and Platform Accounts (where included as a platform feature) summarizing account performance.

It is important for clients to review all account statements received directly from the custodian. Further, clients are urged to compare position and performance reports provided by WBI against the account statements received directly from the custodian. If at any time a client does not receive the most recent account statement(s) or does not have access to account statements, the client should contact his or her Introducing Advisor immediately.



The underlying portfolios held in client accounts and recommended by WBI are reviewed on an on-going basis by the WBI Investment Committee: Don Schreiber, Jr., Matthew Schreiber, Gary E. Stroik and Robert Confessore. Accounts are managed by WBI in accordance with parameters set forth and determined by the WBI Investment Committee. Gary E. Stroik, Chief Investment Officer, is in charge of overseeing the day-to-day management of WBI's investment services.

Investment Committee

The primary responsibilities of the Investment Committee (IC) are:

- Develop WBI's investment philosophy
- Collaborate on the principles of portfolio design and investment management
- Identify the investment objectives WBI's investment portfolios will pursue
- Establish the risk/return profiles for WBI's investment portfolios
- Monitor the execution of WBI's portfolios for tracking of expected outcomes
- Collaborate to arrive at a consensus view on WBI's investment outlook and forecasts, and to identify promising opportunities
- Prioritize investment research, process development, and staff utilization initiatives
- Monitor and confirm the continuing alignment of the investment products and company activities with WBI's business objectives
- Address and resolve operational and administrative issues as needed

The IC consists of four voting members, representatives of the portfolio management, trading, and research teams, and periodic representation from members of the marketing team. The voting members are:

- Don Schreiber, Jr., CEO. Mr. Schreiber is the founder and majority owner of WBI.
- Matthew Schreiber, President. Mr. Schreiber has a minority equity interest in WBI.
- Gary E. Stroik, Chief Investment Officer. Mr. Stroik serves as the Chair of the IC, and has a minority equity interest in WBI.
- Robert Confessore, Vice President. Mr. Confessore also has a minority equity interest in WBI.

Several of the voting members have significant personal assets invested in one or more of WBI's investment portfolio strategies. In addition to these IC members, other employees have elected to have personal WBI investment accounts and/or WBI Fund accounts.

It is the responsibility of the Chief Investment Officer to oversee the implementation of WBI portfolios' investment design and processes, set the agenda for IC meetings, including the preparation and distribution of relevant research and background materials, and to supervise and conduct ongoing research and portfolio design initiatives with the assistance of the research staff and other team members as needed to meet the goals established by the IC.

Item 14 – Client Referrals and Other Compensation

Certain clients that engage WBI's services as a result of referrals from Introducing Advisors may pay more or less to obtain WBI's investment management services than do other clients, since a portion of the overall fee may be determined by the Introducing Advisor. In such situations, where the client pays more, the engagement shall result in an additional charge to the client in excess of what the client would have paid if the client were to engage the services of WBI independent of the Introducing Advisor's introduction. Variations in the Introducing Advisor's compensation may be due to the Introducing Advisor's role as an unaffiliated investment adviser or investment adviser representative for the consulting and monitoring services the Introducing Advisor may provide to the client on an ongoing basis relative to the client's engagement of WBI. Such arrangements, and their terms and conditions, are exclusively determined between the client and the Introducing Advisor, and WBI will not be a party



to these arrangements. Retail clients may pay more or less to obtain WBI's investment management services than clients referred to WBI by an Introducing Advisor.

WBI pays to some broker-dealers and investment adviser firms a fixed annual participant provider fee to be listed on the broker-dealer or investment adviser's platform of approved third party managers. The platform listing permits the broker-dealer or investment adviser's representatives to recommend WBI's investment management services to their clients. The fixed annual participant fee is payable regardless of the number, if any, of a broker-dealer or investment adviser's clients that engage WBI's services. In addition, the broker-dealer or investment adviser may also receive a small percentage (generally 0.10% to 0.25%) of WBI's investment management fee for those platform assets referred by the broker-dealer or investment adviser's representatives to WBI. WBI may enter into similar arrangements with additional broker-dealers or investment advisers, pursuant to which WBI will be added to the respective firm's third party manager platforms. WBI may also agree to serve as sub-advisor to an unaffiliated investment adviser.

In addition to the fee arrangements described above, WBI provides Introducing Advisors with certain non-cash economic benefits or incentives. These services and benefits are generally available to all unaffiliated Introducing Advisors, but not all Introducing Advisors will necessarily utilize the benefits and services. Benefits include strategic business planning services provided by WBI. Services are provided through complimentary workshops, seminars and other consultations. In addition, Introducing Advisors may receive certain software and other services from Advisor Toolbox, Inc., an affiliate of WBI. Advisor Toolbox software may be purchased by Introducing Advisors or provided to the Introducing Advisor on a complimentary basis. Additional details regarding WBI's strategic business planning services and Advisor Toolbox, Inc. are provided in Item 10 above. An Introducing Advisor's decision to recommend WBI may be based on the receipt of the additional services and benefits and not completely based on the Introducing Advisor's objective analysis of WBI's portfolio management performance and factors relating solely to the Introducing Advisor's client's investment mandates. Therefore, an Introducing Advisor's receipt of benefits and services provided by WBI and Advisor Toolbox creates a conflict of interest between Introducing Advisors and their clients.

WBI receives client referrals from its related investment adviser firm, Hartshorne Group, Inc. (HG). In these situations, HG serves as an affiliated solicitor to WBI and will receive a portion of the overall advisory fee paid by the client to WBI. Because HG receives a portion of the fee charged by WBI and is a related person to WBI, HG has an economic incentive to refer clients to WBI. However, HG may also refer its clients to unaffiliated third-party money managers. HG clients will receive a copy of the HG Form ADV Part 2. HG clients that are referred to WBI for its investment management services must execute the WBI Investment Management Agreement which will list HG as the Introducing Advisor

Item 15 – Custody

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

WBI is deemed to have custody of client funds and securities whenever WBI is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody WBI will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which WBI is deemed to have custody, WBI has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and



are **urged** to compare the statements against reports received from WBI. When clients have questions about their account statements, they should contact WBI or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

WBI retains discretionary authority over investment decisions in client accounts. WBI defines discretion as the ability to implement its intended model portfolio strategy. In a discretionary account, WBI is authorized, without prior consultation with the client, to buy, sell, and trade in stocks, bonds, mutual funds, affiliated and unaffiliated ETFs, ETNs, contracts relating to the same, on margin (only if written authorization has been granted) or otherwise, and to give instructions in furtherance of such authority to trading counterparties and/or the custodian of the account.

The client has the ability to impose reasonable restrictions on the management of a discretionary account, including the ability to instruct WBI not to purchase certain securities. Restrictions on the underlying securities held in mutual funds and ETFs will not be considered reasonable and will not be accepted. Imposing account restrictions may adversely affect account performance as compared with other unrestricted accounts managed in accordance with the same strategy,

Accounts are managed under the terms of a written Investment Management Agreement which grants WBI discretion. Until the agreement signed by the client and accepted by WBI, accounts will not be considered to be under management.

Item 17 – Voting Client Securities

WBI Investments Proxy Voting Policy

WBI has adopted Proxy Voting Policies and Procedures (“Proxy Voting Policies”) which provide that proxies on securities will be voted for the exclusive benefit and in the best economic interest of clients as determined by WBI in good faith. Such voting responsibilities will be exercised in a manner that is consistent with the general anti-fraud provisions of the Investment Advisers Act, as amended, as well as WBI’s fiduciary duties under federal and state law to act in the best interest of clients.

On certain routine proposals (for example, those which do not change the structures, bylaws or operations of a company), WBI will generally vote in the manner recommended by management. Non-routine proposals, (such as those affecting corporate governance, compensation and other corporate events) and shareholder proposals, will generally be reviewed on a case-by-case basis. WBI has engaged an unbiased third party proxy voting service to make proxy voting recommendations to WBI. WBI will generally vote proxies in accordance with these recommendations, but reserves the right to exercise its own judgment on a case-by-case basis. If WBI determines that voting a particular proxy would create a material conflict of interest between its interests or the interests of any of its affiliated parties (e.g., where the proxy affects the ultimate compensation received by WBI or its affiliates), WBI will vote such proxy based upon the recommendations of the independent third party proxy voting service.

Clients may obtain a copy of WBI’s complete proxy voting policies and procedures upon request. Clients may also obtain information from WBI about how WBI voted any proxies on their behalf.

Clients may elect to retain proxy voting responsibilities by notifying WBI in writing of that election. To the extent a client has authorized an Independent Manager to manage a portion of the client’s portfolio, the Independent Manager, and not WBI, will generally be responsible for voting proxies with respect to the investments in the portion of the account over which the Independent Manager exercises discretion.



Legal Actions

Clients retain the right under the applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for a client. WBI will not initiate such a legal proceeding on behalf of any of its clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether its clients should join a class-action lawsuit. WBI recommends clients seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. WBI's services do not include monitoring or informing its clients of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for any of its clients. However, upon a client's specific instruction, WBI may provide factual information related to the individual client's investment history in the security underlying the individual or class-action lawsuit. At no time should such assistance by WBI be deemed as a substitute for consulting with legal counsel.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about WBI's financial condition. WBI 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.



Item 1 – Cover Page: Brochure Supplement (Part 2B of Form ADV)

WBI Investments

Supervised Persons

Don Schreiber, Jr., Matthew Schreiber, Gary E. Stroik, and Robert Confessore

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March 2016


This Brochure Supplement provides information about Don Schreiber, Jr., Matthew Schreiber, Gary E. Stroik, and Robert Confessore that supplements the WBI Investments, Inc. (WBI) Brochure. You should have received a copy of that Brochure. Please call us at (732) 842-4920 or email operations@wbiinvestments.com if you did not receive WBI's Brochure or if you have any questions about the contents of this supplement.

Additional information about Don Schreiber, Jr., Matthew Schreiber, Gary E. Stroik, and Robert Confessore is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Employees have earned certifications and credentials that are required to be explained in further detail.

CERTIFIED FINANCIAL PLANNER™

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered  marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.



To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Don Schreiber, Jr., CFP®

Don Schreiber, Jr. was born on May 24, 1955. He attained a Bachelor of Science from Susquehanna University upon his graduation in 1977. In 1984 he received his CFP® designation from the College of Financial Planning. Don holds the Series 65 (Investment Adviser Representative) license, Series 7 (General Securities Representative) license and the Series 24 (General Securities Principal) license, which were achieved by passing the relevant licensing examination. He has previously passed the Series 27 (Financial and Operations Principal), Series 53 (Municipal Securities Principal), and Series 63 (Uniform Securities Agent State Law) examinations.

Don founded WBI Investments, Inc. (formerly Wealth Builders, Inc.) in 1984 and has served as the firm's CEO, Secretary, and Treasurer ever since. Don has been President, CEO, and Senior Planner of the affiliated entity Hartshorne Group, Inc. since its separation from WBI in 2010.

In 2005 Don founded Advisor Toolbox, Inc., a software and intellectual property entity. Advisor Toolbox, Inc. provides strategic business planning services and client acquisition techniques (referred to as non-advisory services) to financial professionals through workshops, seminars, and training events. Don was a registered representative of Multi-Financial Securities Corporation from 2004-2005. Don was a registered representative of Quasar for the purpose of engaging in distribution services for the WBI Funds in 2010-2011. From April 2011 through July 2014 Don served as a registered representative of Raymond C. Forbes & Co., Inc. In January 2014 Don became a registered representative of Millington. Don has been Chief Executive Officer of Millington Securities, Inc. since November 2013.



Matthew Schreiber

Matthew Schreiber was born on July 25, 1980. Matthew received a Bachelor of Arts in History and a Master of Education from the University of South Carolina. He was a letterman of the Gamecock track and field team and recipient of the Southeastern Conference All-Academic Award. Matthew holds his Series 65 (Investment adviser Representative) license and his Series 6 (Investment Company/Variable Contracts) license. Matthew currently serves as President of WBI. Mathew joined the firm in 2005 and served as Vice President of Business Development from 2007 to 2012.

Gary E. Stroik, CFP®

Gary E. Stroik was born on February 16, 1954. He received a B.A. in Honors English and Fine Arts from Georgetown University in 1976. In 1987, Gary received the CFP® designation from the College of Financial Planning. Gary holds the Series 65 (Investment Adviser Representative) license, and has previously passed the Series 7 (General Securities Representative) and Series 63 (Uniform Securities Agent State Law) examinations.

Gary joined WBI in 1990, and currently serves as Vice President and Chief Investment Officer. Gary also serves as Vice President of WBI's affiliated entity, Hartshorne Group, a position he has held since its separation from WBI in 2010.

Gary was a registered representative of Multi-Financial Securities Corporation from 2004-2005.

Robert Confessore, CFP®

Robert Confessore was born September 14, 1955. Robert attended the Stevens Institute of Technology where he attained a Bachelor of Science in High Honors Mechanical Engineering upon graduation in 1977. He received his CFP® designation from the College of Financial Planning in 1990. Robert holds the Series 65 (Investment Adviser Representative) license, Series 24 (General Securities Principal) license, Series 55 (Equity Trader Limited Representative) and Series 7 (General Securities Representative) license, which were attained by passing the relevant licensing examinations. He has previously passed the Series 63 (Uniform Securities Agent State Law) examinations.

Robert joined WBI in 1989, and serves as Vice President. He is also President of Hartshorne Group, an affiliated company.

Robert was a registered representative of Multi-Financial Securities Corporation from 2004-2005. He was a registered representative of Quasar for the purpose of engaging in distribution services for the WBI Funds in 2010-2011. From April 2011 until July 2013 Robert served as a registered representative of Raymond C. Forbes & Co., Inc. In July 2013, Robert renewed his registration with Quasar which he maintained until November 2013. In November 2013 Robert became a registered representative of Millington, a dually registered broker dealer and investment adviser that is affiliated with WBI. Robert has been President of Millington since November 2013.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

Don Schreiber, Jr., CFP®

No events have occurred that are applicable to this item pertaining to Don Schreiber, Jr.

Matthew Schreiber

No events have occurred that are applicable to this item pertaining to Matthew Schreiber.

Gary E. Stroik, CFP®

No events have occurred that are applicable to this item pertaining to Gary E. Stroik.

Robert Confessore, CFP®

No events have occurred that are applicable to this item pertaining to Robert Confessore.



Item 4- Other Business Activities

Don Schreiber, Jr., CFP®

Don spends the majority of his time devoted to the responsibilities of his positions at WBI, Hartshorne Group, and Millington. Don also serves as an Interested Trustee on the Board of the Absolute Shares Trust.

In addition to these activities, Don is the owner and founder of Advisor Toolbox, Inc., a software and intellectual property entity. Advisor Toolbox distributes a valuation software program created to help financial professionals value and evaluate the strength of their businesses. The software program can be purchased by financial professionals but may also be offered by WBI free-of-charge to financial professionals as an incentive to consider WBI's investment management services. Don is also the author of *Building a World-Class Financial Services Business: How to Transform Your Sales Practice into a Business Worth Millions* which he actively markets in connection with the strategic business planning services provided by WBI. Topics discussed as part of the WBI strategic business planning program include, but are not limited to: building a business, marketing, institutionalizing a business, technology considerations, staffing and employee retention, succession and exit planning, valuing a practice, and developing a written sales process. Typically, these services are provided to investment advisers and broker-dealers that refer clients to WBI's investment management services. A fixed fee may be charged for these non-advisory services; however, WBI retains the discretion to waive or reduce its fee for strategic business planning.

Don is also co-author of *All about Dividend Investing: the Easy Way to Get Started*. In connection with actively marketing the sale of this book, Don makes public and private appearances. Such appearances are also focused on the advisory services provided by WBI. WBI may charge a fee for Don's public or private appearances.

Don is also owner of Dark Horse Trading, Inc. (DHT) and Dark Horse Insurance, Inc. (DHI). DHT is a single purpose passive business entity that owns and leases equipment under a dry lease agreement to a company that actively manages, operates and markets rental, charter or leasing equipment. DHI is a captive insurance company that provides business risk and liability insurance.

Don, through an affiliated entity, is the principal owner of Millington through which WBI may execute customer brokerage transactions and be compensated with payment for order flow. (See Items 10 and 12 of WBI's Form ADV Part 2A Brochure for additional information).

Matthew Schreiber

Matthew Schreiber spends the majority of his time focused on his responsibilities at WBI. Matthew also serves as an Interested Trustee on the Board of the Absolute Shares Trust.

Gary E. Stroik, CFP®

Gary spends the majority of his time focused on his responsibilities at WBI and Hartshorne Group. Gary is co-author of *All About Dividend Investing: the Easy Way to Get Started*. In connection with actively marketing the sale of this book, Gary may make public and private appearances. Such appearances are also focused on the advisory services provided by WBI. WBI may charge a fee for Gary's public or private appearances.

Robert Confessore, CFP®

Robert spends the majority of his time providing financial planning and consulting services through Hartshorne in his capacity as President, and also attending to his responsibilities as Vice President of WBI and President of Millington.

Robert currently serves as the President of Millington through which WBI may execute customer brokerage transactions and be compensated with payment for order flow. (See Items 10 and 12 of WBI's Form ADV Part 2A Brochure for additional information).



Item 5- Additional Compensation

Don Schreiber, Jr., CFP®

As majority owner of WBI and HG, Don may share in the profits of the firm in proportion to his ownership interest. As majority owner of WBI Trading, which owns Millington, Don may share in Millington's profits, which will be derived in part from the payment for order flow remuneration which Millington receives for WBI customer orders.

Matthew Schreiber

As a minority owner of WBI and HG, Matthew may share in the profits of the firm in proportion to his ownership interest. As minority owner of WBI Trading, which owns Millington Securities, Matthew may share in Millington's profits, which will be derived in part from the payment for order flow remuneration which Millington receives for WBI customer orders.

Gary E. Stroik, CFP®

As a minority owner of WBI and HG, Gary may share in the profits of the firm in proportion to his ownership interest. As minority owner of WBI Trading, which owns Millington, Gary may share in Millington's profits, which will be derived in part from the payment for order flow remuneration which Millington receives for WBI customer orders.

Robert Confessore, CFP®

As a minority owner of WBI and HG, Robert may share in the profits of the firm in proportion to his ownership interest. As minority owner of WBI Trading, which owns Millington, Robert may share in Millington's profits, which will be derived in part from the payment for order flow remuneration which Millington receives for WBI customer orders.

Item 6 - Supervision

Don Schreiber, Jr., CFP®

Don's compliance related activities are supervised by Cynthia R. Bonna in her capacity as Chief Compliance Officer. Cynthia can be contacted via email at: 732-842-4920 or cbonna@wbiinvestments.com.

Matthew Schreiber

Matt Schreiber is supervised by Don Schreiber, Jr. President and CEO of WBI. Don can be contacted via email at: 732-842-4920 or dschreiber@wbiinvestments.com

Gary E. Stroik, CFP®

Gary is supervised by Don Schreiber, Jr., President and CEO of WBI. Don can be contacted via email at: 732-842-4920 or dschreiber@wbiinvestments.com.

Robert Confessore, CFP®

Robert is supervised by Don Schreiber, Jr., President and CEO of WBI. Don can be contacted via email at: 732-842-4920 or dschreiber@wbiinvestments.com.