



SunTrust Investment Services, Inc.  
*A SunTrust Company*

**AMC Fund Select Advisor<sup>SM</sup>**  
**AMC Fund Select Tactical**  
**AMC Pinnacle<sup>SM</sup>**  
**AMC Premier<sup>SM</sup>**  
**Asset Management Consulting**

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SunTrust Investment Services, Inc.

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SEC File Number 801-56443

March 31, 2014

This brochure provides information about the qualifications and business practices of SunTrust Investment Services, Inc. If client has any questions about the contents of this brochure, please contact STIS at (800) 874-4770. The information in this brochure has not been approved or verified by the United State Securities and Exchange Commission or any state securities authority.

Website Addresses: [www.suntrust.com/investmentservices](http://www.suntrust.com/investmentservices)

Additional information about SunTrust Investment Services, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Securities and Insurance Products and Services:**

•Are not FDIC or any other Government Agency Insured •Are not Bank Guaranteed •May Lose Value

## Material Changes

The last update to the AMC Fund Select Advisor, AMC Fund Select Tactical, AMC Pinnacle and AMC Premier Wrap Brochures was June 10, 2013. There have been no material changes. During the first quarter of 2014, the firm has / will:

1. began voting proxies for the AMC Fund Select Advisor and AMC Fund Select Tactical program accounts in February, 2014;
2. merged the AMC Fund Select Advisor, AMC Fund Select Tactical, AMC Pinnacle and AMC Premier Wrap Brochures into this new firm brochure – STIS and Third Party Managed Programs Firm Brochure; and
3. offer clients the SunTrust Bank FDIC Sweep Option, a service that automatically transfers available cash balances in client accounts into a FDIC insured interest bearing option through SunTrust Bank, an affiliate of SunTrust Investment Services, Inc., see **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS** section for details.

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## **SERVICES, FEES AND COMPENSATION**

SunTrust Investment Services, Inc. ("STIS" or "Adviser") is a separate, wholly owned non-bank affiliate of SunTrust Banks, Inc. STIS became a registered broker-dealer under the Securities Exchange Act of 1934, in November of 1985, and an investment adviser under the Investment Advisers Act of 1940, as amended in May, 1999, and was a state registered investment adviser from April, 1996 to May, 1999. Registration does not imply a certain level of skill or training. STIS is a member of the Financial Industry Regulatory Authority ("FINRA") and Securities Investor Protection Corporation ("SIPC").

STIS is an introducing broker-dealer clearing its trades through National Financial Services LLC and its affiliate Fidelity Management Trust Company, if client's account is a qualified retirement account, (the "Carrying Broker" or "Custodian" or "NFS"), which also provides custody and execution services for client's account.

STIS has contracted with Lockwood Advisors, Inc. ("Administrator") for administrative services such as proposal generation, maintenance, submission of trade details to NFS and performance reporting.

STIS has contracted with SunTrust Bank, an affiliate, to construct and maintain on a continuous basis one or more model portfolios meeting the investment objectives for the model portfolio; to provide investment recommendations for each model portfolio or asset allocation model and to provide initial and ongoing due diligence with respect to sub-advisers, investment managers, model portfolio managers and their models and mutual fund and ETF investments.

This brochure describes the following services of STIS: AMC Fund Select Advisor, AMC Fund Select Tactical, AMC Pinnacle and AMC Premier.

### **AMC Fund Select Tactical and AMC Fund Select Advisor Programs**

Both programs include an array of mutual fund and Exchange Traded Fund ("ETF") portfolios based on risk-based modeling using asset allocation. STIS utilizes various mutual fund and ETF asset allocation models provided by SunTrust Bank, an affiliate, that reflect differing risk profiles.

The differences between the two programs are 1) the AMC Fund Select Tactical program models are fixed and cannot be customized for client restrictions; 2) in the AMC Fund Select Tactical program, STIS Investment Advisory Representatives ("IARs" or "Advisors") may not recommend the selection and replacement of mutual funds and/or ETFs.

However, in the AMC Fund Select Advisor program STIS Advisors may recommend the selection and replacement of mutual funds and/or ETFs from within the Fund and ETF list of acceptable funds and ETFs maintained by STIS.

STIS Advisors are responsible for profiling the client, recommending an asset allocation strategy and managing the ongoing client relationship.

### **AMC Pinnacle**

AMC Pinnacle is a Unified Managed Account program, ("UMA") which gives clients the choice of advisory services by combining certain investment vehicles within one account. STIS acts as overlay manager and selects a combination of models of model providers, mutual funds and ETFs used in the program.

STIS has investment discretion with respect to managing the client's investments in the Service. STIS' discretion, as overlay manager, includes the selection and maintenance of model providers and models, mutual funds and ETFs in the program; modification to allocation profiles; the replacement, reduction or elimination of any investment vehicle in the

accounts; account rebalancing; and liquidation of asset positions, if necessary, to generate cash for withdrawals by the client or the payment of account fees.

STIS' Advisors are responsible for profiling the client, recommending an asset allocation strategy and managing the ongoing client relationship.

#### **AMC Premier**

AMC Premier offers clients the portfolio management services of a select, pre-screened group of investment managers ("Managers"), available through STIS, who contracts with the Managers and conducts ongoing reviews of the Managers. Clients grant discretionary portfolio management authority to the Manager(s) they select. While most Managers are unaffiliated and are independent from STIS, clients may select a Manager that is affiliated with STIS, or they may select STIS as Manager.

STIS retains the authority to terminate or change Managers when extenuating circumstances are such that STIS believes a change is in the best interest of the client. In such cases, an alternate Manager will be recommended to the client, and the client will be notified in writing of the change of Manager. Should the client wish to retain the fired Manager, the client will be required to sign a direct contracted agreement with the Manager.

#### **Multi-Strategy Account**

The Multi-Strategy Account ("MSA") was developed for clients who are looking to diversify their portfolios among different investment styles in an attempt to maximize performance while potentially reducing the portfolio's volatility. MSA also offers an optional component that identifies tax-related efficiencies within a client's account and manages them against an optimal rebalancing strategy. This optional component is subject to an additional fee but will not be greater than the amount referenced in the MSA service fee table. STIS will:

- assist in the development of a variety of MSA investment strategies, designed to fit a particular set of goals and objectives;
- on a discretionary basis, invest and reinvest client's assets in a combination of stocks, bonds and/or mutual funds, in accordance with the client's chosen allocation strategy;
- on no less than a quarterly basis, review and, if appropriate, rebalance client's account;
- provide client with an investment proposal and upon request, quarterly investment performance reports ("Quarterly Reports").

There is no guarantee that a client's investment objectives will be achieved, and past performance is not a guarantee of future results.

#### **FEES**

All program accounts are charged a single asset-based fee (the "Fee") that includes our ongoing client advice and service and the execution and custodial services of NFS except those charges that, as described in the **Account Requirements and Types of Client Section under Other Charges** below, will be paid by the client. Fee is tiered, based on the market value of the client's assets calculated on the last billing day of the previous quarter. The annual fee is negotiable and may differ from client to client based upon a number of factors including, but not limited to, the type and size of the client's account, the range of services provided to the client, the total relationship between STIS, the client in terms of assets under management or supervision and the date it was established.

The maximum annual Fee is determined in accordance with the following schedule.

Funds Under Management	AMC Fund Select Advisor and AMC Fund Select Tactical Fee Schedule	AMC Pinnacle		AMC Premier				
		Manager Models	ETF Models	Non-MSA		MSA		Hybrid
				Equity / Balanced	Fixed Income	Standard	Tax Managed	
\$0 - \$250,000	2.00%	3.00%	2.00%	3.00%	1.50%	3.00%	3.00%	2.35%
\$250,001 - \$500,000	1.85%	2.70%	1.85%	2.70%	1.50%	2.70%	2.70%	2.10%
\$500,001 - \$1,000,000	1.75%	2.50%	1.75%	2.55%	1.45%	2.50%	2.50%	1.60%
\$1,000,001 - \$2,000,000	1.50%	2.30%	1.50%	2.30%	1.35%	2.3%	2.30%	1.35%
\$2,000,001 - \$5,000,000	1.25%	2.20%	1.25%	2.20%	1.30%	2.20%	2.20%	1.10%
\$5,000,001 - \$10,000,000	1.20%	2.10%	1.20%	2.10%	1.28%	2.10%	2.10%	0.95%
Over \$10,000,001	1.15%	2.00%	1.15%	2.00%	1.25%	2.00%	2.00%	0.85%
*Minimum Annual / Quarterly Fee	\$1,000/\$250	\$1,000/\$250		^\$2,500/\$625	^\$1,250/\$312.50			

\* Each account is subject to the minimum quarterly fee, if the balance falls below the minimum investment. If a client's account incurs the minimum quarterly fee, the amount a client pays in fees, as a percentage of the account, will increase as the account value declines and may exceed the STIS fee schedule listed above. Such minimum fee may be higher than those fees charged by STIS for other client accounts with greater asset levels. Clients should consider either increasing the assets in the account or consider whether the program continues to be appropriate for them in such situations where the minimum quarterly fee is applied. Advisors whose client account(s) have incurred a minimum annual or quarterly fee may be sent communication requesting that they review their client's situation to determine whether the program remains suitable for the client.

^In the AMC Premier program, minimum annual/quarterly fees include MSA and Hybrid portfolios.

Fees are charged quarterly, in advance, at the annual rates shown above based on assets under management for an account.

Fees are pro-rated for accounts that are opened or closed during the quarter. Multiple program accounts held by the same client or members of the client's immediate family (i.e., spouse, children, or parents) within the same program may be aggregated for purposes of determining total amount of assets under management. The fees are automatically deducted from the client's account.

The initial fee is billed from the date the account is opened, through the end of that calendar quarter in advance and is based on the initial value of the assets placed in the account as of the close of business on the day the account is opened and funded. Thereafter, fees are billed quarterly in advance, based on the value of the account assets at the close of the last business day of the previous calendar quarter. For additional contributions greater than \$25,000 a partial fee will be charged related to the number of days remaining in the calendar quarter. Fees for quarters in which an account is opened or closed are pro-rated as follows: for opening accounts, actual days charged begin with the day after an account is opened and funded and do not include the day of funding. For closing accounts, actual days charged include all days the account has been under supervision during the quarter, including the day the account assets are transferred out of the account. Fees will not be returned for client withdrawals made during a quarter.

STIS retains the right to adjust the minimum Fee and minimum investment amount under certain circumstances.

The Fee is deducted from the account or client may have the fee deducted from another account owned by the same client.

STIS may discount the annual fee for employees of STIS and its affiliates.

#### ***AMC Fund Select Advisor, AMC Fund Select Tactical and AMC Pinnacle***

Sub-Adviser Fees: SunTrust Bank, a STIS affiliate receives fees for its services, including advisory/management, provision of investment recommendations for each Model Portfolio and each Asset Allocation Model of .0125% of the total assets managed within the program accounts. This fee is included within the Fee for each client.

#### ***AMC Premier***

##### Margin

The Program Fee is based on the total amount of assets in the client's account, including assets purchased by an investment manager using margin. If an investment manager uses margin in a client's account, STIS and the client's Advisor each will receive additional compensation based on the increase in the managed assets.. Although the Program Fee, as a percentage of assets under management, will not change, the total assets on which this percentage is based will increase through the use of borrowed funds, and, accordingly, the compensation paid to STIS and the client's Advisor will increase. In addition, clients who borrow funds will pay interest on the outstanding loan balance. There are risks associated with the use of borrowed funds for investment purposes. The decision to use leverage in a client account rests with the client and should be made only if the client understands the risks of margin borrowing, the impact of the use of borrowed funds on an account, and how the use of margin may affect the client's ability to achieve investment objectives. Specifically, positive or negative performance of a margined account, net of interest charges and other account fees, will be enhanced by virtue of using borrowed money. Thus, gains or losses in a leveraged account will be greater than would be the case with an un-leveraged account. In addition, clients with margin accounts may need to deposit additional cash or collateral if the value of the portfolio declines below the required loan-to-value ratio. If the client cannot provide the additional collateral, NFS, in their sole discretion, may sell securities in the collateral account or accounts to meet the margin requirement. In these circumstances, the securities often may be sold into a market that is declining, so the prices obtained for the securities may be less than favorable. STIS and/or the Advisor will not act as investment adviser to the client with respect to the liquidation of securities held in an account to meet a margin call and, as creditors, STIS and our affiliates may have interests that are adverse to the client. Clients will receive a separate margin disclosure document.

##### Manager Fees

STIS has entered into master contract arrangements with Managers who have agreed to manage client accounts using the AMC Premier program. In general, each participating Manager charges a fee (the "Manager Fee") of 50 basis points

(0.50%) for equity/balanced accounts and 35 basis points (0.35%) for fixed income accounts. However, the Manager retains the right to alter the Manager Fee depending on the size of the client account and the asset class and style of management provided, and some Managers may charge a higher fee. The Manager Fee is included in the Fee. Future changes in the Manager Fee may or may not result in a change in the Fee charged to clients.

#### Hybrid Portfolio

Both non-affiliated and affiliated Managers may utilize portfolios consisting primarily of ETFs, preferred securities and/or other investment vehicles and which have lower management costs and therefore the related Managers have a lower fee schedule.

#### **COMPENSATION**

For the duration of the underlying investment management agreement, STIS may share these fees with client's Advisor and other employees of STIS and its affiliates. Because of this, Advisors may have a financial incentive to recommend one program over another program.

#### AMC Fund Select Tactical

Certain qualified Advisors can elect to receive the first year's fee credit for AMC Fund Select Tactical accounts within the first quarter. This accelerated fee recognition does not impact client's ability to withdraw funds or close an account without charge. Because of this, Advisors may have a financial incentive to recommend one program over another program.

#### Other

STIS may allocate a portion of the fees it receives to the custodian for processing and administration. ***See Account Requirements and Types of Clients Section below for detail pertaining to services of the Carrying Broker.***

#### Valuation

In computing the fair market value of the Assets, the value of shares in Funds and ETFs will be based on their respective net asset values as calculated on the valuation date (or the most recent net asset value if none is calculated on the valuation date) as determined by National Financial Services, LLC. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the Assets in the Account. National Financial Services, LLC may use a pricing service or other independent evaluator, as well as other independent sources, in computing the value of securities. These values are believed to be reliable, but STIS will not verify the accuracy of the information.

#### Other fees or charges:

Clients may also incur separate fees or charges associated with odd-lot differentials, auction fees, transfer taxes, electronic fund and wire transfer fees, SEC fees on NASDAQ trades, any other fees mandated by law, certain fees in connection with the establishment or administration or termination of retirement or profit sharing plans or trust accounting, and any other charges for special services requested by clients. Some client accounts may hold shares of investment companies, including money market funds, closed-end funds, and/or exchange-traded funds. Those funds have their own expenses, including certain advisory, distribution or other fees, and a client account invested in those funds will indirectly bear a portion of those expenses. Each of the fees discussed above is in addition to the Fee.

In addition to the fees, clients are subject to certain charges in connection with investments made through the programs, including mutual fund/ETF advisory, distribution, early redemption or other fees.

Assets in client's account(s) may be invested by STIS with investment discretion over client's account(s) in shares of a management investment company or mutual fund for which an affiliate of STIS performs advisory or other services



("Affiliated Fund") and receives management or other fees for such services ("Affiliated Fund Fees") that are separate and distinct from the fees that STIS receives that STIS receives pursuant to the investment advisory agreement between client and STIS. If, in the exercise of its investment discretion in accordance with the investment advisory agreement or at client's direction, STIS invests a portion of the assets in client's account(s) in shares of an Affiliated Fund, client hereby consents to and authorizes such investments and STIS' receipt (to the fullest extent permitted by applicable law) of the Affiliated Fund Fees and the fees it receives pursuant to the investment advisory agreement. In such a case, information about the Affiliated Fund Fees paid to STIS can be found in the prospectus and/or annual report for the Affiliated Fund and client may be provided with additional disclosures or asked to execute additional consents as, and to the extent, required by applicable law. Client may terminate client's consent and authorization at any time (i) by terminating the investment in the applicable Affiliated Fund, or (ii) by providing written notice to STIS of client's intention that this consent and authorization be terminated.

If client is subject to the provisions of ERISA or Section 4975 of the Internal Revenue Code of 1986, the assets invested in an Affiliated Fund will not be included in the Fee calculation.

Money market funds and other mutual funds, including ETFs in which clients may invest (including Affiliated Funds), or the advisers or principal underwriters of the funds, may make payments to STIS or our affiliates pursuant to a Rule 12b-1 distribution plan or other arrangement as compensation for distribution, shareholder services, recordkeeping, or administrative services; these payments may be paid from the fund's total assets or may be paid by a fund's adviser or distributor. The Rule 12b-1 distribution plan and other fee arrangements will be disclosed upon request and typically are disclosed in the applicable fund's registration statement.

STIS and its affiliates may have a variety of banking, financial, or service relationships with (1) mutual funds/ETFs participating in the Program, (2) corporations or other issuers, the securities of which are purchased in the portfolios of such mutual funds/ETFs, and (3) the other Service Providers and their affiliates. Such relationships may involve a receipt of compensation or other benefits by STIS and its affiliates. From time to time, STIS or its affiliates may also receive training, marketing materials, or other marketing support from mutual funds and ETFs participating in the programs. Such arrangements may be based on the size and duration of holdings in a mutual fund/ETF. This additional compensation and/or other benefits are in addition to fees paid by clients for the Program and are used, in part, to offset the costs of administering the programs.

#### **ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

<b>Program</b>	<b>Minimum Investment Amount</b>
AMC Fund Select Advisor	\$50,000
AMC Fund Select Tactical	\$50,000
AMC Pinnacle	\$50,000
AMC Premier	\$100,000 Equity \$250,000 Fixed Income (varies by Manager)

Brokerage services for the programs are provided by STIS, an introducing broker-dealer clearing its trades through NFS who executes and clears purchase and sale orders directed to it by STIS; provides transaction confirmations, account statements, annual reports, prospectuses and tax reporting information directly to clients; and provides custody services for cash and securities in client accounts. In addition NFS sends program participants requests for shareholder proxies, reorganization, or other actions to be taken with respect to securities held in the client's account.

Upon opening a brokerage account it is important that client understands that in order to help the government fight the funding of terrorism and money-laundering activities, to meet Federal law and contractual obligations to NFS, STIS is required to verify client's identity by obtaining client name, date of birth, address, and a government-issued identification number before opening a brokerage account. In certain circumstances, STIS may obtain and verify this information with respect to any person(s) authorized to effect transactions in an account. For certain entities, such as trusts, estates, corporations, partnerships or other organizations, identifying documentation is also required. Client account may be restricted and/or closed if STIS cannot verify this information. Neither STIS nor NFS will be responsible for any losses or damages (including, but not limited to, lost opportunities) resulting from any failure to provide this information, or from any restriction placed upon, or closing of, the client's brokerage account. Further, if client is a foreign financial institution, client agrees that in establishing a brokerage account with STIS that client will not open or maintain client's brokerage account for or on behalf of any third party and that client will not allow any third party to use or access any brokerage account that client opens at STIS.

These programs are made available to individuals, corporations and other business entities, pension and profit sharing plans, charitable organizations and not-for-profit organizations. STIS reserves the right to accept, reject or renew any client for the Program.

If client assets are subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), unless client notifies STIS otherwise in writing, the assets are only a part of the plan's assets and that STIS is not responsible for the plan's overall compliance with the requirements of ERISA or any other governing law or document.

#### **Class Action Suits**

As custodian, NFS researches client ownership of certified class action suits involving securities for which it holds custody. Once a class action suit has been certified, NFS will screen client ownership records using the specific criteria defined in the suit. Client names and addresses meeting the specified criteria will be provided to the claims administrator assigned by the courts. The claims administrator will then mail all class action notices to the client. Client may elect to participate in the suit; however STIS and NFS are not responsible for submitting documents of behalf of client.

#### **PORTFOLIO MANAGER SELECTION AND EVALUATION**

In offering these programs, STIS Advisors work with individual clients to develop a personal client profile that identifies the client's goals, risk tolerance, time horizon, financial situation and other factors that influence investment approach. The STIS Advisor produces an investment proposal for the client. The investment proposal proposes an asset allocation strategy based on the client's answers to the questions posed by his or her STIS Advisor. The client then selects the appropriate program based on this recommendation.

After reviewing and approving the investment proposal, the client, with the Advisor's assistance, opens an account and signs a brokerage account agreement and an investment advisory agreement authorizing management of the account in accordance with the terms and conditions of the program.

The Administrator provides STIS with a quarterly investment performance report ("Quarterly Report") for each client. STIS will provide the Quarterly Report to client upon request. This is a detailed report on the client's assets invested in the program, including performance data for the most recent quarter, year-to-date and since-inception-to-date. The Quarterly Report includes:

- Market Commentary
- Current Account Holdings

- Account Performance
- Transaction Detail

STIS believes this information is reliable; however, STIS does not independently verify the accuracy of any information in a Quarterly Report.

The Investment Policy Committee (“IPC”) of STIS oversees these programs and reviews the performance information created by the Administrator.

## **ADVISORY SERVICES**

### **AMC Fund Select Advisor and Fund Select Tactical**

Investments in these program are limited to mutual fund shares and ETF shares. The programs have several portfolios and depending upon the client’s investment profile, to help determine if a program is suitable for the client. In the AMC Fund Select Tactical program, the models are fixed and cannot be customized for client restrictions.

### **AMC Pinnacle**

STIS acts as overlay manager and utilizes provider models, mutual fund and ETF asset allocation models in the program. Investments are limited to equities, mutual fund shares and ETF shares. The program has several portfolio models to help determine if the program is suitable for the client.

### **Provider Models**

STIS has an agreement with STB to provide investment models generated by STB and third-party non-affiliated providers. These providers do not receive information regarding client identity, circumstances, financial condition, portfolio holdings, tax situation, regulatory status or financial needs or goals. Except for the provision of the relevant investment model(s), a provider has no obligation for the provision of advice specifically to STIS clients. Providers are not responsible for determining the appropriateness or suitability of investment model(s), or of any of the securities included from time to time in the investment model(s) for any client specifically.

When a provider makes model portfolio changes, the provider may notify STIS, or its designee, after the provider has effected changes in its clients’ accounts. Once STIS, or its designee, is notified of the model portfolio changes, STIS will cause corresponding changes to client portfolios at its sole discretion. STIS reserves the right to not accept a particular provider recommendation. For example, if a security is subject to a client’s restrictions, STIS, or its designee, will not purchase that security for the affected client’s account.

As a result of the timing of model change notifications and STIS’, or its designee’s, processes, providers may affect trades on behalf of their clients’ accounts before STIS, or its designee, effects corresponding trades in its clients’ accounts. Therefore, in connection with model portfolio changes, due to the potential for the markets to react to the trades effected by the providers, clients may be at a disadvantage when compared to provider’s clients with respect to such trades.

### **AMC Premier**

#### **SMA Program**

STIS contracts with the Managers in the program and may terminate or change Managers when necessary. STIS Advisors may recommend Managers to clients and manage the client relationship.

#### MSA and Model program accounts

STIS acts as investment manager with investment decision making responsibilities. STIS Advisors may recommend this program to clients and manage the client relationship.

#### Manager Models

STIS has agreements with third-party non-affiliated providers for their investment models. These Managers do not receive information regarding client identity, circumstances, financial condition, portfolio holdings, tax situation, regulatory status or financial needs or goals. Except for the provision of the relevant investment model(s), a Manager has no obligation for the provision of advice specifically to a client. Managers are not responsible for determining the appropriateness or suitability of investment model(s), or of any of the securities included from time to time in the investment model(s) for any client specifically.

When a Manager makes model portfolio changes, the Manager may notify STIS, or its designee, after the Manager has effected changes in its clients' accounts. Once STIS, or its designee, is notified of the model portfolio changes, STIS will cause corresponding changes to client portfolios at its sole discretion. STIS reserves the right to not accept a particular manager recommendation. For example, if a security is subject to a client's restrictions, STIS, or its designee, will not purchase that security for the affected client's account.

As a result of the timing of model change notifications and STIS', or its designee's, processes, Managers may effect trades on behalf of their clients' accounts before STIS, or its designee, effects corresponding trades in its clients' accounts. Therefore, in connection with model portfolio changes, due to the potential for the markets to react to the trades affected by the Managers, clients may be at a disadvantage when compared to Manager's clients with respect to such trades.

#### Client Restrictions

Clients may put reasonable restrictions on the investments in their program account. If a restriction request is overly broad so as to make it impossible to manage an account according to the investment strategy of the account, STIS' Advisor will work with the client to determine a potential alternative.

#### STIS' Portfolio Management

STIS provides portfolio management services for AMC Fund Select Advisor, AMC Fund Select Tactical, AMC Pinnacle, and the Multi-Strategy and certain model accounts in AMC Premier wrap programs, at the firm level. The firm receives a portion of the wrap fee for these programs. The firm does not manage any other client accounts. Its Advisors, however, do manage client accounts either on a discretionary or non-discretionary basis.

#### Other

SITS does not have any soft-dollar arrangements.

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **AMC Fund Select Advisor, AMC Fund Select Tactical and AMC Pinnacle**

STIS utilizes various mutual fund and ETF asset allocation models for these programs, which are provided by SunTrust Bank, an affiliate.

Exchange-Traded-Funds: Exchange-Traded-Funds values will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Clients should consider the investment objectives, risks and charges of an ETF carefully before investing. Please read the prospectus carefully prior to investing.

**Mutual Funds:** Mutual Fund values will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost. Client should carefully review the fund prospectus and consider the investment objectives, risks and charges and expenses of the investment company carefully before investing.

**Money Market Mutual Funds:** An investment in the Fund is not insured or guaranteed by the FDIC or any other government agency. Although the Fund seeks to preserve the value of client's investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

### **AMC Premier**

**Margin:** Margin trading is not appropriate for all clients and involves material risk. You can lose more funds than you have deposited in the margin account; the firm can force the sale of securities or other assets in your account(s); the firm can sell your securities or other assets without contacting you; you are not entitled to choose which securities or other assets in your account are liquidated or sold to meet a margin call; the firm can increase in-house maintenance requirements at any time; and you are not entitled to an extension of time on margin call. Market conditions can magnify any potential for loss. If the market turns against the investor, he or she will be required to deposit additional securities and/or cash in the account. The interest rates charged are determined by the value of the cash and securities prior to initiating the loan.

STIS has contracted with an affiliate, SunTrust Bank, to provide the initial and on-going due diligence on the investment managers, managers of Models used and the Models used in the Service and to make recommendations to STIS related to such due diligence. STIS' IPC has the authority to reject the recommendations made by SunTrust Bank.

Investing involves risks, including fluctuating returns and potential loss of principal that clients should be prepared to bear.

There is no guarantee that a client's investment objectives will be achieved.

### **All Programs**

**Core Account:** Clients may elect the bank sweep product of an affiliate, SunTrust Bank, an option in the core account which is used for settling transactions and holding credit balances. Clients electing this feature will have cash balances in their account automatically swept into an interest-bearing deposit account at SunTrust Bank a federally insured banking institution. Cash balances held at SunTrust Bank will be eligible for FDIC insurance coverage up to \$250,000 (principal plus accrued interest) per depositor per insurance capacity, in accordance with applicable FDIC rules. All deposits (for example, deposits clients may make at a Bank outside of the bank sweep product plus the bank sweep cash balance) held by an individual in the same right and legal capacity at the same Bank are insured up to \$250,000. Special rules apply to FDIC insurance of trust deposits. All FDIC insurance coverage is in accordance with FDIC rules.

Neither STIS nor NFS will monitor the amount of client bank sweep balances for determining whether the account exceeds the limit of available FDIC insurance. Clients are responsible for monitoring the total amount of their assets on deposit with the Bank (including accounts at the bank held in the same right and legal capacity) in order to determine the extent of deposit insurance coverage available to them on those deposits, including their bank sweep balance held at that Bank. Clients who are trustees are responsible for determining the application of FDIC insurance for themselves and their beneficiaries.

Clients who select the SunTrust Bank FDIC Sweep Option will receive a separate disclosure document that highlights the features and benefits of the sweep program. Funds in the SunTrust Bank sweep product are part of the advisory program and as such are subject to the applicable fee.

## **VOTING CLIENT SECURITIES**

**AMC Premier SMA Program Accounts:** STIS has no authority or obligation to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities in which assets may be invested from time to time. Manager or client expressly retains the authority and responsibility for the voting of such proxies. The Manager generally will receive all shareholder communications, including proxy statements and proxies, distributed by the issuers of securities held in client accounts without forwarding the same to clients. Clients should review the Manager's Brochure for specifics regarding the Manager's voting policies.

**AMC Fund Select Advisor, AMC Fund Select Tactical and AMC Premier MSA and Model Accounts:** STIS will vote proxies. STIS' Proxy Committee includes members from the firm's Investment Policy Committee and is responsible for establishing policies and procedures designed to enable STIS to ethically and effectively fulfill its fiduciary obligation to vote all applicable proxies on behalf of the client accounts and funds.

Annually (or more often as needed), the Proxy Committee will review, reaffirm and/or amend guidelines, strategies and proxy policies for all client accounts.

Although STIS does its best to alleviate or diffuse known conflicts, there is no guarantee that all situations have been or will be mitigated through proxy policy implementation. STIS and several of its affiliates conducted reviews of established service providers including size, experience and technical capabilities. STIS contracts with Glass Lewis & Co. as its agent to provide policy recommendations, vote firm proxies, assist us with certain administrative, clerical, functional recordkeeping and support services related to the firm's proxy voting processes/procedures, which include, but are not limited to:

1. Access to proxy research,
2. Custom policy recommendations,
3. The collection and coordination of proxy material from the custodian for each STIS client's account(s),
4. Proxy voting, reconciliation, and disclosure for each of STIS client's account(s), in accordance with STIS' proxy policies and the Proxy Committee's direction,
5. Required record keeping and voting record retention of all STIS proxy voting on behalf STIS' clients.

Due to its diversified client base, numerous product lines, and affiliation with SunTrust Banks, Inc., and its subsidiaries, the Proxy Committee may determine a potential conflict exists in connection with a proxy vote based on the SEC guidelines. In such instances, the Committee will review the potential conflict to determine if it is material.

Examples of material conflicts of interest which may arise could include those where the shares to be voted involve:

1. Common stock of SunTrust Banks, Inc., and/or other public corporate issuers with which either STIS or SunTrust Banks, Inc. or its affiliates, may have a similar significant ongoing non-investment management associated relationship.
2. An issuer with a director, officer or employee who presently serves as an independent director on the board SunTrust Banks, Inc. or any of its affiliates.
3. An issuer having substantial and numerous banking, investment, or other financial relationships with STIS, SunTrust Banks, Inc. or its affiliates.
4. A director or senior officer of STIS or SunTrust Banks, Inc. serving on the board of a publicly held company.
5. A direct common stock ownership position of five percent (5%) or greater held individually by STIS, or in conjunction with STIS and SunTrust Banks, Inc. and/or its affiliates.

Although STIS utilizes a pre-determined proxy voting policy, occasions may arise in which a conflict of interest could be deemed to be material. In this case, the Proxy Committee will determine the most fair and reasonable procedure to be followed in order to properly address all conflict concerns. The Proxy Committee may employ one or more of the options listed below:

1. Retain an independent fiduciary to vote the shares.
2. Send the proxy material to the client so he or she may vote the proxies.

To obtain a copy of the complete proxy voting policies and procedures, or information about how STIS voted your proxies, please contact: SunTrust Investment Services, Inc. Attn: Mr. Will ORIelly, 303 Peachtree Center Avenue, SunTrust Garden Offices, Suite 140, Atlanta, GA 30303, or via e-mail at: [Will.Orielly@suntrust.com](mailto:Will.Orielly@suntrust.com).

#### **CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

##### **AMC Fund Select Advisor, AMC Fund Select Tactical, AMC Pinnacle and AMC Premier MSA and Model Accounts**

Once the new account paperwork is approved, STIS submits the documentation, including the client profile that identifies the client's goals, risk tolerance, time horizon, financial situation and other factors to the Administrator for inclusion in the Program.

The STIS Advisor will attempt to contact each client no less than annually, to review the client's account and reconfirm his or her financial and investment objectives. The purpose of this review includes a determination as to whether any adjustment to his or her asset allocation strategy may be appropriate. STIS also periodically offers clients the opportunity to notify their representative of any changes to their financial and tax situation, risk tolerance or financial goals. The client, however, remains responsible for notifying STIS of any material change in his or her investment profile. Updated information is submitted to the Administrator for maintenance of client data.

##### **AMC Premier SMA Program Accounts**

Once new account paperwork is approved, STIS submits the documentation, including the client profile that identifies the client's goals, risk tolerance, time horizon, financial situation, selected Manager(s) and other factors to the Administrator for inclusion in the Service.

Managers are sent information on the client's financial circumstances, investment goals and objectives and any special instructions the client may wish to give the Manager regarding the account.

Updates or changes to client information, including financial information, objectives, risk tolerance, among other items are communicated to the administrator for system updates.

#### **CLIENT CONTACT WITH PORTFOLIO MANAGERS**

##### **AMC Fund Select Advisor, AMC Fund Select Tactical, AMC Pinnacle and AMC Premier MSA and Model Accounts**

AMC Fund Select Tactical clients may interact directly with STIS; however, primary contact is through their STIS Advisor.

##### **AMC Premier SMA Program Accounts**

AMC Premier clients do not generally interact directly with Manager personnel, but may do so through STIS.

## **ADDITIONAL INFORMATION**

### **DISCIPLINARY INFORMATION**

STIS is both a broker-dealer and investment advisory firm. The disciplinary events listed below are related to the activities of the broker-dealer and investment advisor.

For more information on broker-dealer related disciplinary events you may visit: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>

Our investment advisory disciplinary history is available by going to: <http://www.adviserinfo.sec.gov/>

In May 2005, STIS agreed to enter into a consent with the SEC regarding allegations that between 2001 and 2002, STIS sold class A share mutual funds without providing certain customers with reductions on sales charges. Without admitting or denying the allegations, STIS consented to the findings, to the entry of a censure and cease-and-desist order and to refund breakpoint discounts along with prejudgment interest to certain customers STIS identified in a self assessment and to make written notice to all customers who purchase class A mutual fund shares from STIS from 1/1/99-12/31/03.

In June 2005, STIS agreed to a settlement with FINRA regarding allegations that it failed to maintain its written supervisory procedures relating to Trade Reporting and Compliance Engine ("TRACE") securities. Without admitting or denying the allegations, STIS agreed to revise its procedures, was censured and fined \$150,000.

In August 2006, STIS agreed to a settlement with FINRA regarding allegations that it failed to retain emails in compliance with SEC regulations. Without admitting or denying the allegations, STIS agreed to a censure and paid a fine of \$150,000.

In July 2007, STIS entered into a settlement with the Maryland Securities Commission regarding allegations that STIS investment advisory representatives were not properly registered with the State of Maryland. Without admitting or denying the allegations, STIS consented to pay a monetary fine of \$4,500 and to refund advisory fees to certain clients.

In October 2008, STIS entered into a settlement with FINRA regarding alleged supervisory failures in connection with its fee-in-lieu brokerage business, including procedures related to FINRA's fair pricing rule. Without admitting or denying the allegations, STIS agreed to a censure and to issue refunds to certain clients in the aggregate amount of \$713,362.

In July 2010, STIS entered into a settlement with FINRA regarding allegations that former brokers recommended unsuitable short-term unit investment trusts, closed end funds and mutual funds and recommended unsuitable transactions on margin; that STIS failed to supervise the brokers and ensure that customers received the most favorable sales charge discounts on certain purchases; and that STIS lacked adequate systems and procedures related to these products. Without admitting or denying the allegations, STIS agreed to a censure and fine of \$900,000, disgorgement of \$223,997 in commissions and repayment of \$539,371 plus interest for applicable rollover or exchange discounts.

In July 2011, STIS agreed to a settlement with FINRA regarding allegations that it misrepresented the liquidity risks of auction rate securities sold to customers. Without admitting or denying the allegations, STIS agreed to pay a \$400,000 fine. STIS also agreed to offer to repurchase certain auction rate securities that were purchased through the firm.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

SunTrust Investment Services, Inc. is registered as a broker-dealer under the Securities Exchange Act of 1934. The principal business of STIS is that of a registered securities broker-dealer and the firm's Advisors are dually registered as



registered representatives of the broker-dealer. The management personnel are all securities registered primarily for oversight of the securities business. Generally, management personnel are not actively selling investment products. STIS is also an insurance agency and the firm's Advisors are also insurance licensed and appointed through the insurance agency. There are members of management who are insurance licensed and appointed through STIS primarily for oversight of insurance business. Like brokerage, management personnel are generally not actively selling insurance products.

STIS has entered into a certificate of deposit selling group agreement with an affiliated broker-dealer, SunTrust Robinson Humphrey, Inc. ("STRH"). Under the agreement, STIS will offer to its clients individual time deposits, including deposit notes and certificates of deposit (collectively referred to as "CDs") of federally insured depository institutions ("Issuers"), including SunTrust Bank, an affiliate of STIS. Advisors may recommend fee-based CDs to their clients. STIS does not receive any compensation relating to the distribution of the CDs. SunTrust Robinson Humphrey, Inc., an affiliated broker-dealer, structures the CDs and is compensated by the Issuers, including SunTrust Bank, for their services. The Issuer receives the proceeds from the offerings.

STIS has entered into a solicitor agreement with an affiliated investment adviser, GenSpring Family Offices, LLC ("GenSpring"). Under the agreement, STIS Advisors solicit clients for GenSpring's advisory services and STIS receives compensation for the solicitations.

STIS also has a services agreement with RidgeWorth Capital Management, Inc. ("RidgeWorth") for various services that STIS provides to shareholders of RidgeWorth Funds which are advised by RidgeWorth. These services may include 1) shareholder record keeping and account services, 2) providing information to our clients regarding the funds, and 3) recommending shares of the funds for investment. STIS may also provide other services not listed here which are beneficial to the funds. These fees are paid from RidgeWorth's corporate funds.

STIS has the following agreements with SunTrust Bank, an affiliate of STIS that routinely and primarily engages in offering deposit, lending and other services customarily associated with those of a commercial bank:

**Networking Agreement:** Under this agreement, STIS representatives are dually employed by STIS and the SunTrust Bank and offer investment products and services to SunTrust Bank clients.

**Administration and Operational Services Agreement:** Such items as business insurance, facilities management allocation, audit/internal control and human resources allocations, among other items are provided to STIS by SunTrust Bank at lower costs than could be provided by external vendors.

**Solicitation Agreement:** Under the agreement, STIS may refer clients to SunTrust Bank for investment advisory or asset management services.

**Referral Incentive Plan:** Under the plan, SunTrust Bank employees are paid a nominal referral fee by the SunTrust Bank for making general referrals of customers to STIS. Such referrals may result in a client opening an account and/or the purchase of other securities. However, the payment of the referral is not conditioned on the opening of any account. STIS reimburses the SunTrust Bank for the referral fees the Bank pays.

**Investment Management and Due Diligence Agreement:** **AMC Fund Select Advisor, AMC Fund Select Tactical AMC Premier and AMC Pinnacle Programs:** Under the agreement, SunTrust Bank will construct and maintain on a continuous basis one or more model portfolios (each, a "Model Portfolio") meeting the investment objectives for the Model Portfolio, to be utilized by STIS in the investment of certain assets of clients for whom a

SunTrust Bank Model Portfolio has been selected. SunTrust Bank will provide discretionary investment advisory services to STIS by providing STIS with investment recommendations for each Model Portfolio and/or Asset Allocation Model in accordance with the investment objectives and strategies and/or risk tolerance for each such Model Portfolio and/or Asset Allocation Model. SunTrust Bank will also provide initial and ongoing due diligence with respect to sub-advisers, Model Portfolio managers, and their models, mutual funds and ETFs in the AMC Fund Select Advisor, AMC Fund Select Tactical and AMC Pinnacle programs.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### *Code of Ethics*

STIS has adopted a Code of Ethics ("Code") for its advisory business which is intended to reinforce the fiduciary principles that govern the conduct of the firm and our personnel. This Code sets the standards of conduct expected of our advisory personnel, safeguards to material nonpublic information about client accounts and transactions and requires certain personnel to report their personal securities transactions. A copy of the STIS Code is available upon request from any STIS Advisor.

### *Participation in Client Transactions*

STIS and our investment personnel may recommend securities in which we or our investment personnel or employees have a financial interest or control relationship directly or indirectly, and we or our investment personnel may buy and sell securities that we or they recommend to advisory clients for purchase and sale. They may also give advice and take action in the performance of their duties to clients that differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts.

### *Personal Trading*

Personal securities transactions by STIS employees or transactions for the firm's affiliates may raise potential conflicts of interest when a security is traded that is 1) owned by client or 2) considered for purchase or sale for client. STIS has, as part of its internal compliance program, adopted policies and procedures which impose certain rules and restrictions as to transactions for the firm's account and for the accounts of employees and affiliates. Such policies and procedures are designed to prevent improper or unethical conduct whenever a potential conflict of interest may arise. Personal trading by our employees must be conducted in compliance with all applicable laws and procedures.

As a broker-dealer, STIS maintains an investment account to meet its net capital requirement. This account is invested in U.S. Treasuries and a high quality money market fund in which clients may also invest; however, due to the nature of these investments, and the fact that none of our affiliated entities are involved in their underwritings, there are no conflicts of interest.

STIS performs for other clients services similar to those that are provided to the program client, as well as other types of investment related services. STIS may take actions and give advice that may differ from the advice given, or in the timing and nature of the action taken, with respect to the account of any program client. Neither STIS nor anyone associated with STIS has any obligation to make or refrain from making to any program client recommendations, purchases, sales, or transfers of any investment that may be purchased or sold for any other client or for the benefit of anyone associated with them. Transactions in any specific investment may be executed at different times and prices for different clients. STIS may utilize different schedules as they relate to fees for the programs; therefore, the costs of obtaining services similar to a program may be more or less than those charged to other clients of STIS.

### Political Contributions

SunTrust Bank, its affiliates and their employees may make political and charitable contributions to various persons and organizations, subject to the limits within the firm's political contribution policy. The ensuing goodwill may result in added business to STIS.

### **REVIEW OF ACCOUNTS**

Supervisory reviews are conducted by the firm's Central Supervision Group, which consists of a Group Supervisory Specialist Manager, Team Leads and Group Supervisory Specialists ("GSS").

Each GSS Team Lead and their GSS Team are responsible for reviewing AMC program account opening documentation, trading within each account and the annual review process, among other items for their designated areas. The firm utilizes a surveillance program that the GSS' use to monitor the trading in program accounts via alerts and filters on a daily basis.

Clients receive written confirmations from NFS when a trade is executed in their account and may elect to receive such confirmations electronically; however, clients will have the option of waiving receipt of separate transactional confirmations in exchange for a quarterly compilation of all transactions. Clients only receive monthly written statements from NFS if there has been activity in their account otherwise the client receives a quarterly brokerage statement and may elect to receive such statements electronically. Such statements reflect the activity in the account during the specific time period.

Lockwood will prepare Quarterly Reports ("Reports") which compares the client's account to leading securities market indices. Lockwood may rely on information provided by third parties, such as recognized independent quotation and valuation services. STIS believes that this information is reliable; however, STIS will not independently verify the accuracy of the information provided by these services. A copy of the report will be sent by STIS to client upon request. If the client chooses to receive Performance Reports, they will be available to the client following the end of each calendar quarter during which the account is open. Clients will not be charged a fee in addition to the Program Fee described below if they choose to receive Performance Reports. Clients should compare their performance report information to their monthly or quarterly account statements from NFS and should report any discrepancies to their STIS Advisor.

### **PAYMENT FOR CLIENT REFERRALS**

SunTrust Bank employees are paid a nominal referral fee for making general referrals of customers to STIS. **See Other Financial Industry Activities and Affiliations, SunTrust Bank Referral Incentive Plan, above for details.**

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