



SunTrust Investment Services, Inc.  
*A SunTrust Company*

Asset Management Consulting

**Consulting Services**

**Financial Planning**

**AMC Advantage**

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SunTrust Investment Services, Inc.  
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(800) 874-4770  
SEC File Number 801-56443  
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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 Consulting Services, FP and AMC Advantage Firm Brochure was March 31, 2015. There have been no material changes since the last update.

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## **ADVISORY BUSINESS**

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

Envestnet Asset Management, Inc. ("Envestnet" or "Platform Manager") provides administrative services to the AMC Advantage Program, including access to Platform Manager's system for which includes proposal generation based on STIS direction, ongoing monitoring of client positions, fee calculation, proposal generations and performance reporting.

This brochure covers the following STIS advisory services: Investment Consulting, Financial Planning and the AMC Advantage Program.

### **Investment Consulting Services**

Asset Allocation and Investment Policy. STIS provides assistance in the development and preparation of asset allocation studies and investment policy statements for sophisticated clients. These services typically involve analyzing client liquidity requirements, performance goals and risk tolerance levels as described to STIS by client. An investment policy statement includes liquidity requirements, performance goals and risk tolerance levels and the establishment of investment objectives and guidelines.

Recommendations as to the Investment and Reinvestment of Assets: STIS identifies and presents investment advisers, including affiliated investment advisers, mutual funds and other pooled investment vehicles and provides recommended transactions (buy, sell, exchange or hold), related to assets in client's accounts that include, but not limited to, common and preferred stocks, shares in mutual funds, closed-end funds, exchange traded funds, separately managed accounts, options, warrants, rights and corporate, municipal or government bonds, notes or bills.

Research of Services for Participant Directed Retirement Plans. In addition to the other mutual fund consulting services, STIS provides certain services specifically designed to meet the needs of participant directed plans. These services include assistance in determining the type and number of investment alternatives to be offered to plan participants; development of criteria to be used in selecting service providers; evaluation of the relative merits of bundled and unbundled record keeping/investment service providers; evaluation of proposal(s) received from prospective service providers; and investment education, which may include enrollment seminars and written educational materials.

Investment Adviser & Fund Performance Monitoring & Evaluation. STIS will provide performance reports on a periodic basis for mutual funds and/or managed accounts. These portfolio review reports provide you with a summary of assets at the beginning and the end of the period, including contributions and withdrawals, and industry standard time-weighted rates of return. The reports also include graphic and tabular presentations of performance including comparisons to appropriate capital market indices, inflation and stated client goals, performance attribution and risk/return analyses. STIS also creates portfolio review reports based upon custody statements for client accounts and information obtained and analyzed from a wide variety of public and private sources. Although the information collected by us is believed to be reliable, STIS does not independently verify this information nor does STIS guarantee the accuracy or validity of such information.

*Retirement income process Analysis.* STIS utilizes the retirement income process powered by LifeYield ROI™ program to analyze client assets in multiple accounts, qualified and non-qualified, tax exempt, brokerage, advisory and insurance and generates liquidating transactions based on client's desired cash flow. SunTrust Bank, an affiliated bank of STIS, is part owner of the retirement income process system. The analysis seeks to minimize taxes while maximizing cash flow, or cash harvesting, but STIS does not guarantee such will be achieved.

The advice given is solely directed at funding the client's cash flow needs and does not include asset management.

The tax information contained or provided in connection with the use of the retirement income process application is general in nature, is provided for informational purposes only, and should not be construed as legal or tax advice. STIS, its employees, contractors and affiliates do not provide legal or tax advice. STIS cannot guarantee that such information is accurate, complete, or timely. Laws of a particular state or laws which may be applicable to a particular situation may have an impact on the applicability, accuracy, or completeness of such information. Federal and state laws and regulations are complex and are subject to change. Changes in such laws and regulations may have a material impact on pre- and/or after-tax investment results. STIS makes no warranties with regard to such information or results obtained by its use. STIS disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Always consult an attorney or tax professional regarding your specific legal or tax situation.

Use of the retirement income process application is provided as a convenience to help clients manage cash flow from investments. Reliance on it for any other purpose, including the calculation and preparation of income tax estimates or returns, is beyond the scope of the program. Access to retirement income process is provided on an "as-is and as available" basis, and STIS and its employees, contractors, affiliates, successors and assigns make no warranty with regard to the accuracy of its tax calculations, tax effects or tax results. You should consult with your own tax professionals concerning specific tax circumstances.

### **Financial Planning**

For clients seeking financial advice involving analysis of a particular investment or financial situation, STIS provides planning services designed to meet the client's specific financial objectives and needs.

In preparing a financial plan or report for clients, information deemed relevant to the particular service is gathered through personal interviews with their Investment Adviser Representative ("Advisor") and through documents and/or other information supplied by the client. Each service includes an analysis of the clients' information which may, but is not necessarily required, to include such things as their current assets and investments, liabilities, short and long-term capital and liquidity needs, risk tolerance, and short and long-term financial goals and objectives.

STIS utilizes SummitView<sup>SM</sup> which is powered by eMoney, a leading provider of digital solutions for the financial services industry. SummitView<sup>SM</sup> is an integrated financial planning solution that allows clients to share access to their financial account information for real-time financial planning. STIS SummitView<sup>SM</sup> helps create a living financial plan that aggregates data from accounts across many financial institutions, creating a more complete picture, including how various assets can work together, and how they contribute to the overall balance of risk and reward. SummitView<sup>SM</sup> also displays net worth, spending patterns, monthly budget and progress toward goals.

Should a client choose to implement the recommendations contained in the financial plan, STIS suggests that the client work closely with his or her attorney, accountant, insurance agent and/or securities broker. STIS' Advisors generally make recommendations with respect to products or services offered by STIS and its affiliates and STIS receives commissions and/or fees from these product recommendations which it shares with its Advisors. The decision to

implement any such decision, however, rests exclusively with the client, and the client has no obligation to implement any such recommendation through STIS or its affiliates.

#### **AMC Advantage Program**

AMC Advantage (the “Program”) is a program that allows the client, with our STIS Advisers assistance and consultation, to choose one or more Investment Managers (“Managers”), which may or may not participate in the Firm’s separate AMC Premier Program, to manage the client’s assets on a discretionary basis. AMC Advantage allows the client to define his or her investment objectives, develop an asset allocation strategy to match those goals and objectives, and monitor investment performance. We do not exercise investment discretion for the client; instead, we may make recommendations that the client may or may not follow. The ultimate selection of Manager is made by, and is the sole responsibility of, the individual client. The client will contract directly with a Manager in addition to and separately from the client’s contract with us.

Information about the Manager will be prepared by the Manager and is made available through the Manager. The Manager’s Brochure describes its processes for the Program and should be read by the client along with this STIS Brochure before investing in the Program.

We will collect financial information from clients using an investment questionnaire and, based on that information, assist clients in establishing appropriate goals and objectives and an investment strategy for their investment portfolio(s).

It is the client’s duty to inform us of any changes in the client’s financial circumstances or if the client wishes to change, or impose new instructions for the management of the client’s account. We will notify each client in writing quarterly, requesting the client to contact us about any changes in the client’s financial circumstances or investment objectives.

Through an Advisor, we will request consultation with the client at least annually to determine if there have been any changes in the client’s financial situation or investment objectives, and whether the client wishes to change, or impose new, instructions for the management of the client’s account. If the client’s financial situation, investment objectives, or instructions do change, we will consult with the client on how those changes affect the client’s account.

While most Managers are independent of us, clients may select a Manager that is affiliated with us. Managers hired by a client 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. As discussed below, AMC Advantage clients generally pay separate investment management fees to the Managers on a basis agreed to between the client and the Manager. Any investment management fee paid to a Manager is in addition to the Program Fee described below or other compensation paid to us.

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

#### **Total STIS AMC Program Assets Under Management as of March 31, 2015**

Discretionary	\$ 4,379,993,207
Non-Discretionary	\$ 6,312,560,841

## FEES AND COMPENSATION

### **Investment Consulting Services Fees**

STIS offers clients several options for the payment of fees for our investment consulting services. You may agree to pay a fixed fee, an asset-based fee or a reduced fee based on your use of STIS brokerage services. STIS will reduce our fees in whole or in part, at the option of the client and/or the Advisor's manager, to reflect commissions at a specified conversion ratio on trades executed through us during the immediately preceding quarter. In our sole discretion, STIS may also reduce our fees to reflect commissions on trades executed through STIS during periods before the preceding quarter that have not previously been credited against our fees. Clients are billed quarterly, in arrears. Fees are pro-rated for accounts that are opened or closed during the quarter.

The fee structure for Investment Consulting Services is negotiable and can be a fixed dollar or a percentage of the client's assets. The following fee schedule applies:

#### Fee Schedule

\$0 - \$500,000	2.25%
Next \$500,000	1.25%
Next \$4,000,000	1.00%
Over \$5,000,000	0.75%

### **Retirement income process Fees**

Retirement income process fees are negotiable and are based on a percentage of total client assets. The fee is calculated on all client assets including qualified and non-qualified, tax exempt, brokerage, advisory and insurance, identified by client and included in the analysis. Clients are billed quarterly, in arrears. Fees are pro-rated for accounts that are opened or closed during the quarter.

In no event will a refund of fees paid be made if all or part of the intended tax consequences anticipated by the retirement income process application are not sustained. It is our mutual intent that the transactions contemplated herein are not contractual protection transactions for purposes of Section 1.6011-4(b)(4) (or any successor provision) of the Treasury Regulations promulgated under Section 6011 of the Internal Revenue Code of 1986, as amended, and any comparable provision in the law of any other jurisdiction.

### **Financial Planning Fees**

Fees for financial plans prepared by either the STIS Financial Planning Group or by STIS Advisors are negotiable and depend upon the scope and complexity of the financial plan and generally range from \$500 to \$15,000 for plans prepared by the STIS Financial Planning Group and from \$0 to \$2,500 for plans prepared by STIS Advisors and do not include any commissions or other transaction-related charges applicable to investment transactions directed by client. Considerations for establishing the fee include the number of modules in the financial plan, the complexity of said modules, the complexity of the clients' situation as well as the number and complexity of custom documents to review in order to complete the plan. In some instances, plans are provided without a fee. Fees are due upon presentation of the plan and may be deducted from a STIS account if client is listed as owner of the account.

STIS may discount any or all of the fees for employees of STIS and its affiliates.

These services may cost clients more or less than purchasing similar services separately. Factors that may bear upon the cost in relation to the cost of the same services purchased separately may include, among other things, the size, type

and number of the accounts, the historical and expected size or number of trades for the account, and the number and range of supplemental services provided to the account.

#### **Investment Consulting Services /Financial Planning**

Recommendations may be made to invest client assets in mutual funds or pooled investment vehicles, including ETFs, which, in addition to the consulting fee, incur the internal management and operating fees and expenses, mutual fund management fees, early termination fees (which may include fees on whole or partial liquidations of these assets) and other fees and expenses that may be assessed by the investment vehicle's sponsor, custodian, transfer agent, adviser, shareholder service provider or other service providers. Such fees are not included in the consulting fee. Further information regarding charges and fees assessed may be found in the appropriate prospectus, and/or annual report and/or custodial agreement.

For purposes of determining the fee charged to a client, STIS uses the custodian's quarterly statement which includes the asset values.

#### **AMC Advantage Program Fees**

AMC Advantage accounts may be charged either an asset-based fee or through the payment of directed transaction charges (the "Program Fee") that includes our consulting and other client-related services and the custodial, execution, and reporting services provided by NFS except for those charges that, as described below, will be paid by the client. The Program Fee **does not** include portfolio management and other advisory services charged by the Managers (including Managers affiliated with us) selected by the client.

The Program Fees are 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 we provide to the client and the total client relationship with us in terms of assets under management or supervision. The exact fee a client will pay is specified in his or her client investment management agreement.

The Asset-Based Program Fee is determined according to the following schedule:

<b>Assets Under Management</b>	<b>Equity</b>	<b>Fixed Income</b>
\$0 - \$250,000	2.00%	1.50%
\$250,001 - \$500,000	1.85%	1.50%
\$500,001 - \$1,000,000	1.75%	1.45%
\$1,000,001 - \$2,000,000	1.50%	1.35%
\$2,000,001 - \$5,000,000	1.25%	1.30%
\$5,000,001 - \$10,000,000	1.20%	1.28%
Over \$10,000,001	1.15%	1.25%

The Program Fee is deducted from the account or client may agree to have the Fee deducted from another account owned by the same client. If STIS is be unable to collect the Fee from any such separate account for any reason STIS shall be entitled to deduct the Fee from the original account without obtaining additional authorization from the client.

**Directed Transaction Charges.** AMC Advantage clients may elect to compensate us for providing consulting and other client-related services through the payment of brokerage commissions, rather than the asset-based Program Fee



described above. Under this arrangement, clients will pay brokerage commissions as specified in the brokerage agreement.

Notwithstanding the fee schedule shown above, the minimum annual/quarterly Program Fee is \$1,250/\$312.50 for equity/balanced accounts and \$1,000/\$250 for fixed income accounts. Under certain circumstances, we may waive or adjust the minimum annual fee. If a client's account incurs the minimum annual fee, the amount a client pays in fees, as a percentage of the account, will increase if 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 and may exceed the 2.00% or 1.50% of Assets Under Management rates set forth above. 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. Advisers 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. The client must pay any fees charged by Managers (including Managers affiliated with us) separately. Please refer to each Manager's Brochure for more information on charges and expenses.

The initial Program Fee is billed from the date the account is opened on Envestnet's systems, 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, Program 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. If Client invests or withdraws \$10,000 or more in any Account after the inception of a calendar quarter, the Program Fee for that quarter will be recalculated and pro-rated as of the day of the additional investment or withdrawal.

Excluded assets are not included in the Program Fee calculation but are in performance report calculations.

Additionally, accrued interest on fixed income securities will be included in the Program Fee calculation.

Asset-Based Program Fee clients will not be charged a separate commission for trades executed through NFS; those charges are included in the Asset-Based Program Fee, and STIS will pay NFS's commissions and other transaction charges (as negotiated between STIS and NFS) for transactions for AMC Advantage accounts. Because STIS may incur higher expenses from NFS as the amount of trading in an AMC Advantage account increases, we may have a financial interest in the number of trades a Manager recommends and may have an incentive to recommend Managers with historically lower portfolio turnover. Client may be charged other fees associated with their account, see Other Fees and Charges in the **Brokerage Practices** section below.

Program 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 funded and do not include the day of funding. For additional contributions greater than \$10,000 a partial fee will be charged related to the number of days remaining in the calendar quarter. 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; clients are refunded the difference. Fees will not be returned for client withdrawals made during a quarter.

Assets in your account(s) may be invested in mutual funds or pooled investment vehicles, including ETFs, which, in addition to the Program Fee, incur the internal management and operating fees and expenses, mutual fund management fees, early termination fees (which may include fees on whole or partial liquidations of these assets) and other fees and expenses that may be assessed by the investment vehicle's sponsor, custodian, transfer agent, adviser, shareholder service provider or other service providers. Such fees are not included in the Program Fee. Further

information regarding charges and fees assessed may be found in the appropriate prospectus, and/or annual report and/or custodial agreement.

Money market funds and other mutual funds in which clients may invest, 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. STIS credits client accounts any 12b-1 fees received. 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.

In addition, we or our affiliate may receive marketing or other payments from mutual funds or exchange-traded investment funds in which client asset-based fee assets may be invested. This practice presents a conflict of interest and gives STIS and its Advisors an incentive to recommend investment products based on the compensation received, rather than on a client's needs. STIS discloses this conflict to its advisory clients in its Brochure. STIS' senior management reviews and approves the fund companies in the program each year and Advisors utilizing money market funds or mutual funds in client portfolios must select from the approved list.

**Asset Valuation:** For purposes of the computation of the value of any securities or other investments in an AMC Advantage account, securities listed on a national securities exchange will be valued, as of the valuation date, at the closing price on the principal exchange on which they are traded. Shares of mutual funds will be valued at 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 pricing sources believed by STIS to be reliable. Any other securities or investments in an account will be valued by NFS in a manner determined in good faith to reflect fair market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in an account. NFS 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.

For purposes of determining the Program Fee charged to an account, the value of all accounts held by members of the same household may be aggregated. Accounts will be treated as part of the same household on a case-by-case basis as determined by STIS. It is the client's responsibility to request that accounts be treated as part of the same household. Individual retirement accounts and other personal retirement accounts may be aggregated for this purpose, but retirement plan accounts subject to the Employee Retirement Income Security Act of 1974 ("ERISA") may not be aggregated. The aggregation of accounts for this purpose is described in the client investment advisory agreement.

**Investment Consulting Services, Financial Planning and AMC Advantage Program**

A portion of the fee may be paid to your STIS Advisor and other employees of STIS and its affiliates. Because of this, STIS Advisors may have a financial incentive to recommend one program over another program.

These services may cost clients more or less than purchasing investment advisory services separately. Factors that may bear upon the cost in relation to the cost of the same services purchased separately may include, among other things, the size and type of the account, the historical and expected size or number of trades for the account, and the number and range of supplemental services provided to the account.

STIS may discount the Fees or any or all of the services described in this brochure for employees of STIS and its affiliates.

## **TYPES OF CLIENTS**

STIS offers advisory services 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 advisory services. Our products and services are not guaranteed by SunTrust Bank, any bank, or any subsidiary of SunTrust Banks, Inc. Products sold or recommended by STIS are not insured by the Federal Deposit Insurance Corporation unless specifically stated in a limited number of bank investments.

In general, the minimum account size is \$100,000, but STIS may waive the minimum account size under certain circumstances.

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.

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

### **Investment Consulting Services and Financial Planning**

The main sources of information STIS Advisors use include financial newspapers and magazines, inspections of corporate activities, research material prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Investment strategies used to implement investment advice given to clients include longer term purchases (securities held at least one year), short term purchases (securities sold within a year), trading (securities sold within 30 days), margin transactions and option writing, including covered options, uncovered options or spreading strategies.

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

### **AMC Advantage**

Client should read the Managers' Brochures regarding the methods of analysis and investment strategies used in managing client assets.

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

### **Cash Balances**

Client should read the Managers' Brochure for specifics of how cash balances are treated.

## **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.

In September 2014, through the AWC accepted by FINRA, the firm consented to the entry of findings and to the imposition of a censure and fine of \$80,000 without admitting or denying the findings, solely for the purposes of that proceeding, and without adjudication of any issue of law or fact. The firm self-reported this matter to FINRA and voluntarily reimbursed a total of \$444,361.78, including interest, to all affected accounts.

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

STIS 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 advisers solicit clients for GenSpring's advisory services and STIS receives compensation for the solicitations.

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 and allocated by inter-company agreement.

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

**Referral Incentive Plan:** Under the plan, SunTrust Bank employees may be 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.

**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 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, AMC Premier and AMC Pinnacle programs.

Neither STRH nor SunTrust Bank compensates STIS for placement of fee-based CDs purchases in applicable AMC advisory program accounts. However, due to STRH's investment banking activities, STIS may have an incentive to recommend those securities in which either STRH brings to the market and/or acts as a market maker or SunTrust Bank

issues, as in the case with the fee-based CDs. STIS has several product committees that review each new security offering, including initial public offerings and private placement offerings, whether from an affiliated or unaffiliated firm to determine whether or not to allow the security in its investment program. STIS prohibits purchases of securities that have an upfront commission, concession or load in any AMC advisory program account unless the program's fee structure allows for commissions versus an asset based fee.

The compensation received from SunTrust Bank and/or GenSpring for soliciting advisory and asset management clients, which is disclosed to clients in a disclosure statement, is typically equal to a percentage of the investment advisory fee charged by the affiliated adviser and may range up to sixty five percent of the advisory fee or asset management fee. Because STIS receives compensation from an affiliated adviser for referring clients and because such compensation may differ depending on the individual agreement with each affiliated adviser, STIS may have an incentive to recommend an affiliated investment advisers over a non-affiliated adviser with which STIS has a less favorable compensation arrangement. No client referred by us is charged any additional amount over the affiliated adviser's advisory or asset management fee as a result of the agreement between us and the affiliated adviser.

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

### *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 your STIS Advisor.

### *Participation in Client Transactions*

STIS and our investment personnel may recommend securities in which STIS or our investment personnel or employees have a financial interest or control relationship directly or indirectly, and STIS or our investment personnel may buy and sell securities that STIS 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 by STIS employees must be conducted in compliance with all applicable laws and procedures adopted by STIS.

### *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 you or 2) considered for purchase or sale for you. 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.

### 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 contributions policy. The ensuing goodwill may result in added business to STIS.

## **BROKERAGE PRACTICES**

### Investment Consulting Services and Financial Planning

Generally, financial planning, asset allocation and consulting services clients do not have a STIS brokerage account; however, due to anti-money laundering requirements, clients must open a STIS brokerage account upon signing an advisory services agreement.

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 your 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.

### AMC Advantage

STIS clients participating in AMC Advantage must open a brokerage account with STIS. STIS uses NFS as the clearing broker for custody, trade execution and clearing, trade confirmations and regular monthly statements of positions and account activity. NFS also provides STIS with electronic execution facilities, research that we may use in managing client accounts, and software that includes other research and execution-related features, such as account information, market data, analytical tools, reporting, and investment planning tools.

By directing a Manager to execute transactions for the account through STIS, a client may obtain less favorable net price and quality of execution than the Manager's other clients whose trades are executed through another broker-dealer selected by the Manager. For fixed income transactions, any such disparity in price or execution quality is likely to be greatest with less liquid fixed income securities, such as municipal bonds, or less liquid securities issued by corporations or government or agency issuers. Clients may forego benefits that a Manager may be able to obtain for its other clients through, for example, negotiating volume discounts on block trades.

Managers will execute equity transactions through a broker or dealer other than STIS only when a Manager reasonably believes in good faith that such other broker or dealer will provide better execution (after taking into consideration the net impact of commissions or other transaction charges) than would be the case if the transaction were executed through STIS. In evaluating which broker or dealer will provide better execution, a Manager may consider the full range and quality of a broker's or dealer's services, including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility and responsiveness. A Manager may select broker-dealers that provide the Manager with research or other transaction-related services and may cause the client to pay such broker-dealer commissions for effecting transactions in excess of the commissions other broker-dealers may have

charged. Brokerage commissions and other fees and charges imposed if a Manager chooses to effect equity securities transactions for the client's account with or through a broker-dealer other than STIS are not included in the Program Fee, , but will be included in the net purchase or sales price of the security and in addition to the Program Fee. For details regarding a Manager's execution practices, the client should consult the Manager's Brochure.

Clients should review the Manager's Brochure regarding aggregation of trade orders.

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 your 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.

**Core Account:** Client's Account contains a "**core account**" which is used for settling transactions and holding credit balances. All cash proceeds from sell transactions and other credit balances will be retained in the core account.

Clients may elect the bank sweep product of an affiliate, SunTrust Bank, as a cash sweep investment option in the core account of their brokerage 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 SunTrust Bank outside of the SunTrust 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 aggregated and 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's SunTrust 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 SunTrust Bank (including accounts at SunTrust 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 SunTrust Bank sweep balance held at SunTrust 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 and discloses benefits to SunTrust Bank and STIS arising in connection with such deposits. The terms of these disclosures are incorporated herein by reference. Funds in the SunTrust Bank sweep product are part of the advisory Program and as such are subject to the applicable Program Fee.

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 Program Fee.

**Class Actions** 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 on behalf of the client.

STIS does not have any soft-dollar arrangements.

#### **Financial Planning - Information Sharing**

It is necessary that SunTrust Bank ("STB") and STIS receive your permission before sharing your information among its affiliates. By providing personal information to your STIS representative, you give STIS permission to share this information with our affiliates for the purpose of developing your Report.

STB and STIS employees work together in teams to help find solutions for each client's financial goals. Information gathered and Reports created are shared among the team members from both entities. Associates of STB may transfer to STIS during the course of their career and may serve as a registered representative and/or an investment adviser representative of STIS.

STIS has a number of affiliated companies that provide various products and services such as securities, insurance, mortgage loans, trust and banking services. The financial planning analysis process may involve sharing the information you provide and other information STIS maintains about you among these affiliates in order to provide a recommendation of appropriate products and services.

### **REVIEW OF ACCOUNTS**

#### **Investment Consulting Services**

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 advisory services account opening documentation, recommendations made and the annual review process, among other items for their designated areas.

#### **Financial Planning**

An Advisor's Principal Manager, or designee, is responsible for reviewing financial planning and asset allocation report information as part of their regular correspondence review. The Central Supervision Group reviews transactions resulting from clients implementing the recommendations/proposals from the financial plan or allocation reports.

#### **AMC Advantage**

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

Platform Manager will prepare Quarterly Reports ("Reports") which compares the client's account to leading securities market indices. Platform Manager 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 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.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

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

#### **CUSTODY**

##### **Investment Consulting Services**

Consulting service and financial planning client assets subject to these advisory services are generally held away from STIS at another financial institution. Clients should review these custodian statements carefully due to the STIS fee being calculated on these figures.

##### **Financial Planning**

Financial planning client assets subject to these advisory services are generally held away from STIS at another financial institution.

##### **AM Advantage**

Clients receive monthly and/or quarterly account statements from NFS and clients should review these carefully.

#### **VOTING CLIENT SECURITIES**

##### **AMC Advantage**

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. Client (or the plan fiduciary in the case of an account subject to ERISA) or Manager 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.

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