

# **Wrap Fee Program Brochure: Part 2A Appendix 1 of Form ADV**

## **1 Cover Page**

This Wrap Fee Program Brochure ("Brochure") is effective as of March 8, 2013. Please read this Brochure carefully before investing.

This Brochure provides information about the qualifications and business practices of BOK Financial Advisors. If you have any questions about the contents of this Brochure, please contact us by phone 1-877-781-6889 or by mail at One Williams Center, Plaza Level, Tulsa, OK 74172-0172. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

BOK Financial Advisors is a division of BOSC, Inc., an investment adviser registered with the SEC. SEC registration does not imply a certain level of skill or training. BOSC, Inc. is also a registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). BOSC, Inc. is an affiliate of BOKF, NA and Cavanal Hill Investment Management, Inc. ("Cavanal Hill"), and is a wholly-owned subsidiary of BOK Financial Corporation.

BOSC, Inc. may be referred to as "BOSC" throughout this document. BOK Financial Advisors may be referred to as "BOKFA," or the "Firm" throughout this document.

Additional information about BOK Financial Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## 2 Material Changes

This Item 2 only discusses specific material changes that have been made to the Brochure dated November 30, 2012, and provides Clients with a summary of such changes.

- This Brochure has been updated and changes have been made throughout the document with respect to the addition of a new service offering under the Customized Portfolio Solutions wrap program, the Separately Managed Account ("SMA") program.

We will provide you with a new Brochure as necessary based on SEC Rules, material changes, and new information or at your request, at any time, without charge.

Our Brochure may be requested by contacting your BOKFA representative or by calling 1-877-781-6889.

### 3 Table of Contents

1	Cover Page.....	1
2	Material Changes .....	2
3	Table of Contents .....	3
4	Services, Fees and Compensation .....	4
4.1	Services .....	4
4.1.1	About BOSC .....	4
4.1.2	About Customized Portfolio Solutions .....	4
4.1.3	BOKFA Services.....	4
4.1.4	Custody, Clearing and Reporting Services.....	5
4.1.5	Termination of Client Agreements .....	5
4.2	Fees and Compensation .....	6
4.2.1	Program Fee .....	6
4.2.2	Pricing for Program Investment Strategies .....	6
5	Account Requirements and Types of Clients .....	8
5.1	Account Requirements .....	8
5.2	Types of Clients .....	9
6	Portfolio Manager Selection and Evaluation .....	9
6.1	Manager Selection and Evaluation.....	9
6.2	Affiliated Managers .....	9
6.3	BOKFA Managers.....	9
6.4	Advisory Business .....	10
6.5	Performance-Based Fees and Side-By-Side Management .....	10
6.6	Methods of Analysis, Investment Strategies and Risk of Loss.....	10
6.6.1	Risk of Loss .....	10
6.6.2	Mutual Fund/ETF Wrap Program .....	10
6.6.3	SMA Program .....	17
6.7	Voting Client Securities.....	18
7	Client Information Provided to SMA Managers .....	18
8	Client Contact with SMA Managers.....	19
9	Additional Information .....	19
9.1	Disciplinary Information .....	19
9.2	Other Financial Industry Activities and Affiliations.....	21
9.3	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.	22
9.4	Review of Accounts .....	23
9.4.1	Annual Client Account Reviews.....	23
9.4.2	Client Reporting .....	23
9.5	Client Referrals and Other Compensation.....	23
9.6	Financial Information .....	24
10	Requirements for State-Registered Advisers .....	24
EXHIBIT A	Mutual Fund/ETF Wrap Program Sheets .....	25
EXHIBIT B	Privacy Policy .....	40
EXHIBIT C	SMA List .....	42
EXHIBIT D.1	.....	48
EXHIBIT D.2	.....	51

## **4 Services, Fees and Compensation**

### **4.1 Services**

#### **4.1.1 About BOSC**

BOSC is an SEC registered investment adviser and is also a registered broker-dealer and member of FINRA and SIPC. BOKFA is the investment adviser division of BOSC. BOSC is the brokerage affiliate of BOK Financial Corporation and operates investment centers associated with each of BOK Financial Corporation's bank operating units: Bank of Albuquerque, Bank of Arizona, Bank of Arkansas, Colorado State Bank and Trust, Bank of Kansas City, Bank of Oklahoma, and Bank of Texas. As an institutional and public finance firm, BOSC serves the financial needs of individuals, corporations, government agencies, foundations, municipalities and institutional Clients nationwide. It has a strong history in providing institutional investments, investment banking, public finance and tax exempt leasing services.

BOSC offers Clients all the capabilities needed to create and execute personal investment strategies based on each Client's goals and risk tolerance. As one of the Southwest's largest brokerage firms, BOSC serves the needs of retail investors nationwide. It is licensed and active in all states. With access to all the major exchanges and state-of-the-art systems, technology and resources, BOSC's experienced professional brokers are also able to provide appropriate transaction services to its Clients.

#### **4.1.2 About Customized Portfolio Solutions**

Customized Portfolio Solutions ("CPS") is a wrap fee offering that is sponsored by BOKFA. BOKFA provides only discretionary investment advisory services in association with CPS. Clients will have a choice of taxable and tax-advantaged portfolios.

Pershing LLC ("Pershing") is a registered broker-dealer that is a member of FINRA, SIPC and the New York Stock Exchange ("NYSE"), and provides clearing and custody services for CPS as described in this Brochure.

#### **4.1.3 BOKFA Services**

BOKFA's investment advisors will provide Clients with an Investment Proposal that includes an investment profile questionnaire ("Questionnaire"), which is intended to assist in identifying an appropriate investment objective ("Investment Objective"). The Questionnaire is designed to allow BOKFA registered investment advisers to:

- Gain an understanding of the financial circumstances and objectives of the Client;
- Define the Client's long-range goals, constraints, risk tolerance levels, and time horizons;
- Assess growth rates and future contributions needed to achieve objectives, liquidity needs and spending levels; and,
- Identify any reasonable restrictions to be imposed upon the Account by the Client.

BOKFA relies on the Client to provide accurate information in the Questionnaire and to provide updates when changes to Client's financial situation or investment objectives change. The Client will make the final decision with respect to approval of an Investment Objective. BOKFA shall periodically contact Client to request updated information. Client reviews will be performed by BOKFA annually, or more frequently, as requested.

**Client Obligations.** In performing its services, BOKFA shall not be required to verify any information received from the Client or from the Client's other professionals, and is expressly authorized to rely thereon. Moreover, each Client is advised that it remains the Client's responsibility to promptly notify BOKFA if there is ever any change in the Client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising BOKFA's previous recommendations and/or services.

#### **4.1.4 Custody, Clearing and Reporting Services**

BOKFA's Program Accounts ("Accounts") are custodied at Pershing. Pershing also provides clearing, record keeping and reporting services for Accounts. Pershing is a "qualified custodian" as defined under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "1940 Act"). Pershing will provide regular statements on all Accounts. The foregoing services provided by Pershing are included in the Program Fee.

#### **4.1.5 Termination of Client Agreements**

Client may terminate the BOKFA Terms and Conditions without penalty. BOKFA does not impose termination fees. Upon termination of any Account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable. A pro rata refund of prepaid fees will be made if the Account is closed within a billing period. Thereafter, the BOKFA Terms and Conditions will continue in effect until terminated by Client upon thirty (30) days' written notice, and a pro-rated portion of fees pre-paid, but unearned, will be refunded where applicable. Clients are responsible for the payment for services rendered until termination. Client shall be responsible for termination fees imposed by Custodian, if any.

### **BOKFA CUSTOMIZED PORTFOLIO SOLUTIONS**

CPS is a discretionary fee-based investment management program offering Clients a choice of taxable and tax-favored portfolios with two different portfolio solutions, including (1) a Mutual Fund/Exchange Traded Fund Wrap ("MF/ETF Wrap") Program and (2) a Separately Managed Account ("SMA") Program. The following Investment Objectives are available in CPS, which are selected based on the Client's goals and risk tolerance as identified in the Questionnaire.

#### **4.1.5.1 Taxable Investment Objectives**

- **Income Conservative.** Seeks protection of capital while generating income.
- **Income.** Seeks high and stable rate of current income, consistent with long-term preservation of capital.
- **Income with Growth.** Seeks to maximize income, while maintaining prospects for capital appreciation over the long term.
- **Balanced.** Seeks to provide high long-term total return through capital appreciation and current income.
- **Growth with Income.** Seeks long term capital appreciation and growth of current income.
- **Growth.** Seeks to provide long-term capital appreciation with minimal need for income.
- **Aggressive Growth.** Seeks to provide a high level of capital appreciation, without regard to current income.

#### **4.1.5.2 Tax-Advantaged Investment Objectives**

- **Income Conservative.** Seeks protection of capital while generating income consisting primarily of tax-advantaged income.
- **Income.** Seeks high and stable rate of current tax-advantaged income, consistent with long term preservation of capital.
- **Income with Growth.** Seeks to maximize income, while maintaining prospects for capital appreciation over the long term.
- **Balanced.** Seeks to provide high long-term total return through capital appreciation and current income.
- **Growth with Income.** Seeks long term capital appreciation and growth of current income.
- **Growth.** Seeks to provide long-term capital appreciation with minimal need for income.

## **4.2 Fees and Compensation**

### **4.2.1 Program Fee**

Participation in the CPS is subject to an annual fee ("Program Fee"), which is calculated based on the value of assets held in the Account. New Accounts are billed on a pro rata basis from the date the Account is activated through the end of the current calendar quarter. An account may be activated in one of two ways: (i) when 90% of the anticipated assets have been funded in the account, or (ii) the account is manually activated with whatever assets are already in place. The fair market value of assets shall be determined in good faith by Pershing by reference to the closing price on the principal exchange on which a security is traded and, if not listed, by consulting other exchange or validation services

### **4.2.2 Pricing for Program Investment Strategies**

Program Fees are negotiable under certain circumstances, in BOKFA's sole discretion. You may pay more or less than other Clients depending up on certain factors, including the type and size of your account, historical or anticipated transaction activity, range of services provided to you, and your total relationship assets under management. Certain sales channels representing a larger volume of business may receive a lower fee.

Client may make deposits and withdrawals at any time, subject to maintenance of the Account minimum. No adjustment will be made for appreciation or depreciation in the market value of the Account during the billing period. The total Program Fee paid by Client for the Account may be higher or lower than fees and/or commissions that the Client could negotiate for investment advice, brokerage and other services through another firm. Depending upon the level of the fees charged the amount of portfolio activity in the Client's Account, the value of services that are provided and other factors, the Program Fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

BOKFA's standard breakpoint fee schedule is as follows:

#### **4.2.2.1 Mutual Fund/ETF Wrap Fees**

Account Size	Advisory Fee (in basis points)	Total Annual Program Fee (in basis points)
\$0 to \$999,999	150	190
\$1,000,000 to \$2,999,999	120	159
\$3,000,000 to \$4,999,999	100	138
\$5,000,000 and above	75	112

#### **4.2.2.2 SMA Fees**

##### **Equity SMA Fees:**

Account Size	Advisory Fee (in basis points)	Total Annual Program Fee (in basis points)
\$0 to \$999,999	100	250
\$1,000,000 to \$2,999,999	75	225
\$3,000,000 to \$4,999,999	65	190
\$5,000,000 and above	50	175

##### **Fixed Income SMA Fees:**

Account Size	Advisory Fee (in basis points)	Total Annual Program Fee (in basis points)
\$0 to \$999,999	100	175
\$1,000,000 to \$2,999,999	75	150
\$3,000,000 to \$4,999,999	65	140
\$5,000,000 and above	50	125

The Total Annual Program Fee includes the Advisory Fee (broken out above) earned by BOKFA and the fees charged by the SMA Manager. Other fees are also included in the Total Annual Program Fee that are not separately shown above, including clearing, custody, and sponsor fees for CPS.

**SMA Manager Fees.** If you are invested in the SMA Program, then your Account will be subject to SMA Manager Fees. SMA Manager Fees are the fees charged by the investment management firm that manages your individual SMA Account, or a portion of your account. SMA Manager Fees are included in the Total Annual Program Fees shown above. SMA Manager Fees vary by manager and strategy and are described in Exhibit C.

#### **4.2.2.3 Other Fees**

Certain fees are not included in the Program Fee. Please carefully review the descriptions below of these non-covered fees.

**Transaction Fees.** The Program Fee does not cover charges resulting from trades effected with or through broker-dealers other than Pershing or mark-ups or markdowns by other broker-dealers.

**Mutual Fund Fees.** As a shareholder in a mutual fund, the Account also will pay its prorated share of the fund's advisory, administrative, and distribution and shareholder servicing fees (if any). BOSC may receive 12b-1 and/or shareholder servicing fees for the mutual funds held in your Account. If mutual funds were purchased individually in a brokerage account, for instance, some form of initial sales charge might apply. A Client might incur additional sales charges if assets were reallocated to a mutual fund in another fund family. Any 12b-1 and/or shareholder

servicing fees for the mutual funds held in the Account, except for shareholder servicing fees for the Cavanal Hill Funds, will be rebated or waived for Individual Retirement Accounts ("IRAs") or Accounts subject to the Employee Retirement Income Security Act (ERISA).

**Cavanal Hill Fund Fees.** Your Account may be invested in the Cavanal Hill Funds. Cavanal Hill money market funds are the sweep vehicle for Client Accounts. BOSC and certain of its affiliates receive fees for providing services to these Funds. Please refer to the section below entitled "Investment Companies and Pooled Investment Vehicles" for more information about these service and fee arrangements. A full description of the Cavanal Hill Funds and their fees and expenses are available in each Fund's prospectus.

**IRA/ERISA Account Fees.** IRA and certain ERISA Accounts will be subject to the following additional fees:

Account Type	Annual Maintenance	Termination or Transfer Fee
Traditional IRA, Roth IRA, Cloverdell Education Savings Accounts, and IRS Model 5305 SEP	\$35.00	\$75.00
Mutual Fund Only IRA, Mutual Fund Only Roth IRA	\$10.00	\$75.00
SARSEP/Prototype SEP, SIMPLE IRA, Qualified Retirement Plans	\$50.00	\$75.00

A fee of \$50.00 will apply for conversions to a Mutual Fund Only Traditional IRA from a Traditional IRA or conversions to a Mutual Fund Only Roth IRA from a Roth IRA.

**Administrative Fees.** Certain administrative fees charged by Pershing are passed on to the Client as separate charges that are not covered by the Program Fee. Below is a list of the Administrative Fees charged by Pershing to which Client Accounts are subject:

Fee Description	Fee Amount
Paper Delivery Surcharge for Client Statements and Confirms this charge may be adjusted to reflect changes in postal, paper, vendor or other cost factors.	\$0.75 per document

## 5 Account Requirements and Types of Clients

### 5.1 Account Requirements

CPS is available to individuals, trusts and corporate entities. To participate in CPS, one must:

- Open a securities brokerage account with BOSC ("Account") and deposit assets designated for participation in CPS into the Account



- Complete a Questionnaire
- Agree to an Investment Proposal with BOKFA, which includes and identifies the selected Investment Objective
- Agree to the BOKFA Terms and Conditions for investment management

## **5.2 Types of Clients**

CPS is most appropriate for accounts that want managed money solutions but are not interested in being involved in day-to-day investment selections. BOKFA generally imposes the following minimum account size of \$10,000 for Mutual Fund/ETF Wrap accounts and a minimum of \$100,000 for SMA accounts. BOKFA may, in its sole discretion, accept Clients into CPS with smaller Accounts or aggregate the portfolios of family members to meet the minimum average Account size or to apply a higher breakpoint. The account minimum may be waived at the Firm's discretion.

# **6 Portfolio Manager Selection and Evaluation**

## **6.1 Manager Selection and Evaluation**

*The Mutual Fund/ETF Wrap Program is managed directly by BOKFA Portfolio Managers (Portfolio Managers). The SMA Program involves the utilization of outside or affiliated SMA Managers for the management of the Client's Account*

## **6.2 Affiliated Managers**

BOKFA may utilize Cavanal Hill, an affiliate, in the management of SMA Program Accounts. All other CPS Accounts are managed directly by BOKFA or by unaffiliated SMA Managers. SMA Manager services provided by Cavanal Hill create a potential conflict of interest. BOKFA may have an incentive to recommend an investment manager that is affiliated with BOKFA because the entire client fee is retained by BOKFA and its affiliates, therefore BOKFA and its affiliates may receive a higher total compensation than if Client selected an unaffiliated manager. For more information about these potential conflicts of interest and how BOKFA addresses them, please see "Additional Information – 9.2 Other Financial Industry Activities and Affiliations and 9.3 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" below.

Cavanal Hill is not subject to the same selection process as unaffiliated SMA Managers. All Cavanal Hill strategies on the Pershing PMAS Command List (same as the Lockwood platform) are available for investment in the SMA Program. Cavanal Hill must adhere to the standards set upon it. Adverse events related to strategies are monitored through research and analysis performed by various data and research services (Morningstar, Zephyr, etc.) and/or information from Cavanal Hill. In addition, all strategy performance is reviewed on a quarterly basis. Any anomalous figures are researched as deemed necessary. Due diligence is performed on a calendar quarter schedule. The monitoring process for Cavanal Hill may include the examination of the following: performance, risk/return attributes, adherence to style, and relationship with investment management firm, management and assessment of competitiveness and appropriateness.

## **6.3 BOKFA Managers**

Because BOKFA acts as sponsor and investment manager, and BOSCO is the broker-dealer of record for the Account, there is a potential conflict of interest for BOKFA due to the affiliation of

these parties. BOKFA has addressed this potential conflict of interest through disclosure of these relationships to its Clients and potential Clients.

## **6.4 Advisory Business**

BOKFA offers discretionary advisory services through CPS. The Client delegates full investment discretion to BOKFA over CPS Accounts. The Client in an SMA Account further delegates investment discretion to the SMA Manager.

CPS provides the Client with a broadly diversified portfolio targeted to the investor's objectives and unique risk parameters. Through a single investment Program, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas.

CPS is BOKFA's only wrap fee service. Non-discretionary (Client-directed) fee-based, investment advisory accounts are available as a non-wrap service. Please ask to see the BOKFA brochure Part 2A for more information about the Firm's non-wrap advisory services.

## **6.5 Performance-Based Fees and Side-By-Side Management**

BOKFA does not accept performance-based fee accounts.

## **6.6 Methods of Analysis, Investment Strategies and Risk of Loss**

### **6.6.1 Risk of Loss**

Investing in securities involves the risk of loss, including the principal amount invested, and Clients should be prepared to bear this loss. Because of these risks, the value of the securities held in portfolios may fluctuate. Certain investments and strategies are more susceptible to these risks than others. More complete discussions of the types of risks inherent to the Mutual Fund/ETF Wrap are provided in Exhibit D.1 and to the SMA Program are provided in Exhibit D.2.

### **6.6.2 Mutual Fund/ETF Wrap Program**

The Mutual Fund/ETF Wrap (MF/ETF Wrap) Program is a computer model-based system that systematically rebalances the Client's Account to maintain target allocations and remove the emotion from investing. The MF/ETF Wrap Program is professionally managed by a seasoned team of BOKFA Portfolio Managers that monitors target allocations, and ongoing changing market conditions.

The MF/ETF Wrap Program employs both a passive and active investment approach with asset allocation using select ETFs and mutual funds representing multiple asset classes and styles. After establishing the initial asset allocation mix, Client's Account will be reallocated, or rebalanced if allocation percentages remain the same, in accordance with the then current asset allocation recommendations for a particular strategy. Resulting allocation changes are directed by BOKFA on a discretionary basis, without prior notice to the Client.

Because the MF/ETF Wrap Program is a computer model-based system, BOKFA's ability to tailor the Investment Strategies is limited; however, Clients may impose reasonable restrictions on

investing in certain securities or types of securities to the extent the model can accommodate these requirements. Clients with specific investment restrictions or requirements must first communicate this information to their BOKFA investment advisor, in writing, in order to determine if the Firm can accommodate their request(s).

Additional information about each of the MF/ETF Wrap strategies is provided in Exhibit A, which may be updated from time to time.

### **6.6.2.1 Mutual Fund/ETF Wrap Program Methods of Analysis**

In reviewing and/or managing investment options for you, BOKFA utilizes a two-prong approach to its research of securities for inclusion in MF/ETF Wrap Program strategies. Mutual funds included on the platform are selected through a quantitative screening process that is conducted on a quarterly frequency.

#### **6.6.2.1.1 Selection Process**

The initial universe for mutual funds is the Morningstar US-OE mutual fund database, with the universe limited to include only those fund families that currently have a selling agreement with BOSC and have an established business relationship with BOKFA.

The screen requires that unaffiliated mutual funds meet ALL of the following criteria:

- **3 years of history** (specific to the mutual fund vehicle)
- **3 years of manager tenure**
- **Greater than \$300 million in assets under management in the mutual fund**
- **3-year performance in the top 75% of the respective peer category.** If a return is available, but not a category rank, the return must be above the respective benchmark to pass the screen.
- **5-year performance in the top half of the respective peer category.** This screen would be applied only to those mutual funds with a 5-year or longer history. If a return is available, but not a category rank, the return must be above the respective benchmark to pass the screen.
- **10-year performance in the top half of the respective peer category.** This screen would be applied only to those mutual funds with a 10-year or longer history. If a return is available, but not a category rank, the return must be above the respective benchmark to pass the screen.

The mutual funds that meet all of the above screening criteria are included as an investment option for the platform.

In addition, BOKFA may deem other mutual funds, including the Cavanal Hill Funds, are appropriate for inclusion in the MF/ETF Wrap Program. Any such mutual funds will be reviewed through a qualitative selection process to ensure the exercise of reasonable care, skill and caution. This process will include a review of historical performance, risk attributes, manager tenure, the length of history for the investment strategy, performance relative to a benchmark and relevant peer category, among other factors. Additionally, BOKFA will review the investment team, the investment philosophy, and the process and methodology used for ongoing portfolio management. BOKFA will include only those mutual funds for which they have conviction in the investment management firm's ability to effectively manage the mutual fund on behalf of our clients.

#### **6.6.2.1.2 Ongoing Monitoring/Due Diligence**

The screen will be run on a quarterly basis, with each of the mutual funds selected based on the quantitative criteria above on an ongoing basis. Reports will be generated showing the screened

funds and data points for each criterion. Any mutual fund that does not meet the screening criteria for any given quarter will be noted accordingly. These mutual funds will remain on the list until the following quarter, at which time it will be removed if still not meeting all of the screening criteria, or will remain on the list if it does again meet the criteria for inclusion.

#### **6.6.2.1.3 Removal Process**

Any mutual fund that no longer meets the screening criteria listed above for two consecutive quarters will be removed from the list. All advisors have the opportunity to retain the mutual fund, only through a Letter of Authorization (LOA) from the client.

#### **6.6.2.2 Mutual Fund/ETF Wrap Strategies**

Below is a description of each MF/ETF Wrap Program investment strategy offered by BOKFA, including a discussion of the primary risks involved. In all strategies, BOKFA may, from time to time, take temporary defensive positions that are inconsistent with the strategy's description in attempting to respond to adverse market, economic, political, or other conditions. In these and in other cases, the strategy may not achieve its investment objective and up to 100% of the assets may be invested in cash equivalents, cash, or money market funds, including the Cavanal Hill money market funds.

##### **6.6.2.2.1 Taxable Portfolio Strategies**

#### **INCOME CONSERVATIVE STRATEGY**

**Objective.** Seeks protection of capital while generating income.

**Typical Investor Profile.** The Income Conservative portfolio emphasizes income and protection. This portfolio would be considered if you seek maximum current income with a preservation of capital and liquidity, are unwilling to accept significant fluctuations in value and have an intermediate to short term investment horizon.

**Primary Risks.**

- Credit Risk
- Foreign Investment Risk
- Income Risk
- Interest Rate Risk
- Management Risk
- Market Risk
- Mortgage Market Risk
- Portfolio Turnover Risk
- Regulatory Risk

#### **INCOME**

**Objective.** Seeks high and stable rate of current income, consistent with long-term preservation of capital.

**Typical Investor Profile.** The Income portfolio emphasizes income and protection while retaining an equity component to help outpace inflation. This portfolio would be considered if you need more current income from your investments, want some potential hedge against inflation and have an intermediate-term investment horizon of at least 5 years.

**Primary Risks.**

- Credit Risk
- Foreign Investment Risk
- Hedging Risk
- Income Risk
- Interest Rate Risk
- Investment Style Risk

- Management Risk
- Market Risk
- Mortgage Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Small Company Risk

## INCOME WITH GROWTH

**Objective.** Seeks to maximize income, while maintaining prospects for capital appreciation over the long term.

**Typical Investor Profile.** The Income with Growth portfolio seeks to provide income with a moderate level of long-term capital growth. This portfolio would be considered if you are seeking above-average levels of income, are willing and able to accept a lower level of risk and return and have an investment horizon of five years or more.

### Primary Risks.

- Credit Risk
- Foreign Investment Risk
- Hedging Risk
- Income Risk
- Interest Rate Risk
- Investment Style Risk
- Management Risk
- Market Risk
- Mortgage Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Small Company Risk

## BALANCED

**Objective.** Seeks to provide high long-term total return through capital appreciation and current income.

**Typical Investor Profile.** The Balanced portfolio seeks to provide high long-term total return through capital appreciation and current income. This portfolio would be considered if you are seeking both a reasonable level of income and long-term growth of capital, are willing and able to accept a moderate level of risk and return and have an investment horizon of five years or more.

### Primary Risks.

- Credit Risk
- Foreign Investment Risk
- Hedging Risk
- Income Risk
- Interest Rate Risk
- Investment Style Risk
- Management Risk
- Market Risk
- Mortgage Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Small Company Risk

## GROWTH WITH INCOME

**Objective.** Seeks long term capital appreciation and growth of current income.

**Typical Investor Profile.** The Growth with Income portfolio seeks long-term capital appreciation and growth of income. This portfolio would be considered if you seek long-term growth of capital with moderate volatility, have the ability to withstand moderate fluctuations to achieve potentially higher returns and have an investment horizon of five years or more.

### Primary Risks.

- Credit Risk
- Foreign Investment Risk
- Hedging Risk
- Income Risk
- Interest Rate Risk
- Investment Style Risk
- Management Risk
- Market Risk
- Mortgage Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Small Company Risk

## GROWTH

**Objective.** Seeks to provide long-term capital appreciation with minimal need for income.

**Typical Investor Profile.** The Growth portfolio seeks long-term capital appreciation with minimal need for income. This portfolio would be considered if you have moderately high expectations for a return on your investments, can tolerate market downturns and volatility for the possibility of achieving greater long-term gains and have a long-term investment horizon of 10 years or more.

### Primary Risks.

- Credit Risk
- Foreign Investment Risk
- Hedging Risk
- Income Risk
- Interest Rate Risk
- Investment Style Risk
- Management Risk
- Market Risk
- Mortgage Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Small Company Risk

## AGGRESSIVE GROWTH

**Objective.** Seeks to provide a high level of capital appreciation, without regard to current income.

**Typical Investor Profile.** The Aggressive Growth portfolio seeks high level of capital appreciation, without regard to current income. This portfolio would be considered if you are seeking to maximize long-term growth of capital, can tolerate higher degrees of fluctuation for the possibility of higher returns and have a long-term investment horizon of 15 years or more

### Primary Risks.

- Foreign Investment Risk
- Hedging Risk
- Investment Style Risk
- Management Risk
- Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Small Company Risk

### 6.6.2.2.2 Tax-Advantaged Portfolio Strategies

## INCOME CONSERVATIVE

**Objective.** Seeks protection of capital while generating income consisting primarily of tax-advantaged income.

**Typical Investor Profile.** The Tax Advantaged Income Conservative portfolio emphasizes income and protection in a tax sensitive manner. This portfolio would be

considered if you seek maximum current income with a preservation of capital and liquidity, are unwilling to accept significant fluctuations in value and have an intermediate to short term investment horizon.

**Primary Risks.**

- Credit Risk
- Income Risk
- Interest Rate Risk
- Issuer Specific
- Management Risk
- Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Tax Risk

## INCOME

**Objective.** Seeks high and stable rate of current tax-advantaged income, consistent with long term preservation of capital.

**Typical Investor Profile.** The Tax Advantaged Income portfolio emphasizes income and protection while retaining an equity component to help outpace inflation in a tax sensitive manner. This portfolio would be considered if you need more current income from your investments, want some potential hedge against inflation and have an intermediate-term investment horizon of at least 5 years.

**Primary Risks.**

- Credit Risk
- Foreign Investment Risk
- Hedging Risk
- Income Risk
- Interest Rate Risk
- Investment Style Risk
- Issuer Specific
- Management Risk
- Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Small Company Risk
- Tax Risk

## INCOME WITH GROWTH

**Objective.** Seeks to maximize income, while maintaining prospects for capital appreciation over the long term.

**Typical Investor Profile.** The Tax Advantaged Income with Growth portfolio seeks to provide income with a moderate level of long-term capital growth in a tax sensitive manner. This portfolio would be considered if you are seeking above-average levels of income, are willing and able to accept a lower level of risk and return and have an investment horizon of five years or more.

**Primary Risks.**

- Credit Risk
- Foreign Investment Risk
- Hedging Risk
- Income Risk
- Interest Rate Risk
- Investment Style Risk
- Issuer Specific
- Management Risk
- Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Small Company Risk
- Tax Risk

## BALANCED

**Objective.** Seeks to provide high long-term total return through capital appreciation and current income.

**Typical Investor Profile.** The Tax Advantaged Balanced seeks to provide high long-term total return through capital appreciation and current income in a tax sensitive manner. This portfolio would be considered if you are seeking both a reasonable level of income and long-term growth of capital, are willing and able to accept a moderate level of risk and return and have an investment horizon of five years or more.

**Primary Risks.**

- |                           |                           |
|---------------------------|---------------------------|
| • Credit Risk             | • Management Risk         |
| • Foreign Investment Risk | • Market Risk             |
| • Hedging Risk            | • Portfolio Turnover Risk |
| • Income Risk             | • Regulatory Risk         |
| • Interest Rate Risk      | • Small Company Risk      |
| • Investment Style Risk   | • Tax Risk                |
| • Issuer Specific         |                           |

## GROWTH WITH INCOME

**Objective.** Seeks long term capital appreciation and growth of current income.

**Typical Investor Profile.** The Tax Advantaged Growth with Income seeks long-term capital appreciation and growth of income in a tax sensitive manner. This portfolio would be considered if you seek long-term growth of capital with moderate volatility, have the ability to withstand moderate fluctuations to achieve potentially higher returns and have an investment horizon of five years or more

**Primary Risks.**

- |                           |                           |
|---------------------------|---------------------------|
| • Credit Risk             | • Management Risk         |
| • Foreign Investment Risk | • Market Risk             |
| • Hedging Risk            | • Portfolio Turnover Risk |
| • Income Risk             | • Regulatory Risk         |
| • Interest Rate Risk      | • Small Company Risk      |
| • Investment Style Risk   | • Tax Risk                |
| • Issuer Specific         |                           |

## GROWTH

**Objective.** Seeks to provide long-term capital appreciation with minimal need for income.

**Typical Investor Profile.** The Tax Advantaged Growth portfolio seeks long-term capital appreciation with minimal need for income in a tax sensitive manner. This portfolio would be considered if you have moderately high expectations for a return on your investments, can tolerate market downturns and volatility for the possibility of achieving greater long-term gains and have a long-term investment horizon of 10 years or more.

**Primary Risks.**

- |                           |                         |
|---------------------------|-------------------------|
| • Credit Risk             | • Income Risk           |
| • Foreign Investment Risk | • Interest Rate Risk    |
| • Hedging Risk            | • Investment Style Risk |



- Issuer Specific
- Management Risk
- Market Risk
- Portfolio Turnover Risk
- Regulatory Risk
- Small Company Risk
- Tax Risk

### 6.6.3 SMA Program

An SMA is an actively managed investment account that is managed by an investment management firm (“SMA Manager”) that offers individual investors access to customized investment solutions that can be tailored to an investor’s unique needs. Unlike a mutual fund, which also offers access to professional money managers, an SMA is a portfolio of individually owned securities managed for a specific investor.

#### 6.6.3.1 SMA Strategies

A list of the SMA Strategies available through CPS is provided in Exhibit C. The name of the strategy, SMA Manager, investment minimum(s), and SMA management fee are provided therein. See the Fee section above for information regarding the treatment of SMA Manager Fees.

#### 6.6.3.2 SMA Manager Selection and Evaluation

The purpose of this process is to ensure the exercise of reasonable care, skill and caution in selecting an unaffiliated SMA Manager strategy. This process establishes the scope and terms of the delegation and the review of SMA Managers’ investment decisions and performance for adherence to stated goals.

SMA Manager Strategies are selected through a quantitative screening process that is conducted on a quarterly frequency.

##### 6.6.3.2.1 Selection Process

The initial universe for SMA strategies is the list of available strategies included on the Pershing PMAS Command List (same as the Lockwood platform).

The screen requires that unaffiliated SMA Managed strategies meet ALL of the following criteria:

- **3 years of history** (specific to the SMA vehicle)
- **3 years of manager tenure**
- **Greater than \$300 million in assets under management in the SMA**
- **3-year performance in the top 75% of the respective peer category.** If a return is available, but not a category rank, the return must be above the respective benchmark to pass the screen.
- **5-year performance in the top half of the respective peer category.** This screen would be applied only to those SMAs with a 5-year or longer history. If a return is available, but not a category rank, the return must be above the respective benchmark to pass the screen.
- **10-year performance in the top half of the respective peer category.** This screen would be applied only to those SMAs with a 10-year or longer history. If a return is available, but not a category rank, the return must be above the respective benchmark to pass the screen.

The strategies that meet all of the above screening criteria are included as an investment option for the SMA Program.

In addition, BOKFA may deem other strategies are appropriate for inclusion in the SMA Program. Any such SMAs will be reviewed through a qualitative selection process to ensure the exercise of reasonable care, skill and caution. This process will include a review of historical performance, risk attributes, manager tenure, the length of history for the investment strategy, performance relative to a benchmark and relevant peer category, among other factors. Further, BOKFA will review the investment team, the investment philosophy, and the process and methodology used for ongoing portfolio management. BOKFA will seek to include those SMA strategies for which they have conviction in the investment management firm's ability to effectively manage the SMA on behalf of our clients to the Pershing PMAS Command List (same as the Lockwood platform) for use in the SMA Program. Cavanal Hill SMA Strategies are evaluated and monitored in accordance with *Section 6.2 Affiliated Managers* above.

#### **6.6.3.2.1 On-going Monitoring Process**

The screen will be run on a quarterly basis, with each of the SMA strategies being selected based on the quantitative criteria above on an ongoing basis. Reports will be generated showing the screened strategies and data points for each criterion. Any strategy that does not meet the screening criteria for any given quarter will be noted accordingly. These strategies will remain on the list until the following quarter, at which time it will be removed if still not meeting all of the screening criteria, or will remain on the list if it does again meet the criteria for inclusion.

## **6.7 Voting Client Securities**

Unless otherwise agreed to by a Client and BOKFA, Clients delegate sole discretion to vote Client security proxies to BOKFA at the outset of the advisory relationship. In the event a Client is invested in the SMA Program, Clients delegate proxy voting authority to the SMA Manager(s), unless the Client retains proxy voting authority.

**Proxy Voting Policy.** Where BOKFA has proxy voting authority, it is the policy of BOKFA that, absent compelling reasons why a proxy should not be voted, all proxies relating to Client securities should be voted. Proxies are voted in the best interests of the Client accounts. The determination of the interest of a Client account in a proposal presented by proxy is the effect the proposal could have on the current or future value of the investment, if any.

Clients may obtain a copy of BOKFA's complete proxy voting policies and procedures upon request. Clients may also obtain information from BOKFA about how proxies were voted on behalf of the Client's account.

## **7 Client Information Provided to SMA Managers**

BOKFA collects certain nonpublic personal identifying information about its Clients from information provided on investor questionnaires, applications and other forms as well as communications with them or their authorized representatives. BOKFA also collects information about Client's Account and transactions.

BOKFA does not disclose the nonpublic personal information collected about its Clients to anyone except in furtherance of its business relationship with them and then only to those persons necessary to effect the transactions and provide the services that are authorized by the Client or as otherwise provided by law. BOKFA's privacy policy, which may be amended from time to time, is provided in Exhibit B.

## 8 Client Contact with SMA Managers

There are no restrictions on Clients contacting or consulting with BOKFA regarding CPS or their Account. Contact with SMA Managers is very limited.

## 9 Additional Information

### 9.1 *Disciplinary Information*

BOSC or its management persons have been found to have been involved in a violation of a self-regulatory organization's (SRO) rules and was fined more than \$2,500. Details of these disciplinary events are provided below:

- On or about January 10, 2012, the Financial Industry Regulatory Association (FINRA) resolved a proceeding against BOSC. The allegations related to this regulatory action involved MSRB Rules G-17 and G-30(a). The FINRA alleged that BOSC sold municipal securities for its own account to a customer at an aggregate price (including any markup) that was not fair and reasonable, taking into consideration all relevant factors, including the best judgment of the broker, dealer or municipal securities dealer as to the fair market value of the securities at the time of the transaction and of any securities exchanged or traded in connection with the transaction, the expense involved in effecting the transaction, the fact that the broker, dealer or municipal securities dealer is entitled to a profit, and the total dollar amount of the transaction. Without admitting or denying the findings, BOSC consented to the described sanctions and to the entry of finding. The Firm was censured and was fined \$75,000 and required to pay \$25,141 in interest in restitution to investors.
- On or about April 29, 2009, the Financial Industry Regulatory Association (FINRA) resolved a proceeding against BOSC. The allegations related to this regulatory action involved SEC Rule 17a-3, NASD Rules 2110, 3010, 6230(a), L6230(c)(8), MSRB Rules G-8(a), G-14, G-17, G-27, G-27(a), G-27(c), and G-30(a). The FINRA alleged that BOSC purchased municipal securities for its own account from a customer and/or sold municipal securities for its own account to a customer at an aggregate price (including any markdown or markup) that was not fair and reasonable, taking into consideration all relevant factors, including the best judgment of the broker, dealer or municipal securities dealer as to the fair market value of the securities at the time of the transaction and of any securities exchanged or traded in connection with the transaction, the expense involved in effecting the transaction, the fact that the broker, dealer or municipal securities dealer is entitled to a profit and the total dollar amount of the transaction. The Firm failed to show correct terms and conditions on municipal securities transaction memoranda for the account of the firm executed with a customer other than a broker or dealer, by failing to include time stamps that showed the date and time of receipt and failing to include certain terms and conditions (to identify the orders as day, limit, market or good-till-cancelled orders). The Firm failed to enforce its written supervisory procedures that prohibited markdowns/markups on zero-coupon municipal securities in excess of four percent of the principal amount invested. The Firm failed to report information regarding purchase and sale transactions effected in municipal securities to the real-time transaction reporting system (RTRS) in the manner prescribed by Rule G-14, RTRS Procedures, and the RTRS Users manual. The Firm failed to report such transactions within 15 minutes of time of trade to an RTRS Portal. The Firm failed to report to the Trade

Reporting and Compliance Engine (TRACE) the correct time of trade execution for TRACE-eligible securities transactions and failed to report TRACE-eligible securities transactions within 15 minutes of the time of execution. This conduct constitutes separate and distinct violations of NASD Rule 6230(a) and a pattern or practice of late reporting without exceptional circumstances is a violation of NASD Rule 2110. The firm Failed to show the correct execution time on memoranda of TRACE-eligible transactions for the account of the Firm executed with another broker or dealer. The Firm's Supervisory system did not provide for supervision reasonably designed to achieve compliance with applicable securities laws, regulations, NASD Rules and MSRB Rules concerning municipal bond fair pricing, municipal securities trade reporting and TRACE reporting. Without admitting or denying the allegations, BOSC consented to the described sanctions and to the entry of findings. The Firm was censured, fined \$80,000, required to pay \$18,402, plus interest, in restitution to investors and to revise its written supervisory procedures regarding municipal bond fair pricing, municipal securities trade reporting and TRACE reporting within 30 business days of acceptance of the Acceptance, Waiver and Consent (AWC).

- On or about September 6, 2005, the National Association of Securities Dealers (NASD) resolved a proceeding against BOSC. The allegations related to this regulatory action involved NASD Rules 2110, 3010, and 6230(A). The NASD alleged that (1) BOSC failed to Report to TRACE transactions in TRACE-eligible securities within 75 minutes after execution, and (2) the Firm's supervisory system did not provide supervision reasonably designed to ensure compliance with respect to applicable securities laws and regulations, and the rules of the NASD with respect to TRACE trade reporting. Without admitting or denying the allegations, BOSC consented to the sanctions and to the entry of findings. The Firm was censured and fined \$15,000.
- On or about June 28, 2005, the National Association of Securities Dealers (NASD) resolved a proceeding against BOSC. The allegations related to this regulatory action involved MSRB Rule G-14 and G-27. The NASD alleged that BOSC failed to timely report its municipal securities customer transactions to the MSRB. The Firm failed to monitor its trade reporting to ensure compliance with MSRB Rule G-14. Without admitting or denying the allegations, BOSC consented to the sanction and the entry of findings. The Firm was censured and fined \$30,000.
- On or about May 25, 2004, the NASD resolved a proceeding against BOSC. The allegations related to this regulatory action involved NASD Conduct Rule 2110 and Rule 15c3-1 of the Securities Exchange Act of 1934 (Rule). The NASD alleged that BOSC engaged in a securities business when the Firm's net capital was below the required minimum as prescribed by the Rule. Without admitting or denying the allegations, BOSC consented to the sections described below and to the entry of findings. The Firm was censured and fined \$7,500.
- On or about August 20, 2003, the NASD resolved a proceeding against BOSC. The allegations related to this regulatory action involved SEC Rules 15(c)(3)-3 and 17(a)-5 and NASD Rules 2110 and 3110(a). The NASD alleged that BOSC failed to establish and maintain a special reserve bank account for the exclusive benefit of customers, failed to prepare computations to determine the amount of its reserve requirements, and failed to make the required deposits of cash and/or securities to the reserve account, and maintained securities in the reserve account, which did not constituted "qualified securities under said rule resulting in inaccurate FOCUS part II filings. Without admitting or denying the allegations or findings, BOSC consented to the described sanctions and to the entry of findings. The Firm was censured and fined \$7,500.
- On or about May 13, 1996, the NASD resulted a proceeding against BOSC. The NASD alleged that BOSC had allowed eight individuals to maintain their representative registrations with the firm although they were not actively engaged in the securities business of the firm in

contravention of Schedule C to the NASD bylaws. Without admitting or denying the allegations or findings, BOSC consented to the described sanctions and to the entry of findings. The Firm was censured and fined \$25,000.

- On or about March 29, 1988, the NASD resolved a proceeding against Steven Glen Bradshaw, a BOSC, Inc. employee. The NASD alleged that Mr. Bradshaw had violated Article II, Sections 1 and 40 of the NASD's Rules of Fair Practice. Mr. Bradshaw was censured and paid a monetary fine of \$2,000.

## **9.2 Other Financial Industry Activities and Affiliations**

BOSC engages in a number of financial industry activities and is affiliated with other participants in the financial industry. To follow is a description of material relationships and affiliations that are important to BOSC, its Clients and management. In each category, the relationships and affiliations are identified and any material conflicts of interest are also discussed.

**Broker-Dealer.** The principal business of BOSC is that of general securities broker-dealer, government securities seller and municipal securities underwriter. BOSC is a registered broker/dealer, member FINRA and SIPC. Many of the Firm's principal executive officers, members of the Firm's investment committee, and the individuals who determinate general investment advice provided to Clients are registered broker/dealer representatives. In such capacity, such investment professionals may, from time-to-time, recommend investments and/or insurance products outside of CPS for which they may receive additional compensation. The opportunity to receive additional compensation for effecting securities transactions or selling insurance products outside of CPS or purchasing securities in CPS that pay additional compensation to BOSC or the investment professional (e.g., 12b-1 fees, etc.) represents a conflict of interest.

A BOKFA registered investment adviser may receive an incentive fee for recommending CPS. The amount of the incentive may be more than what the person would receive if the Client had participated in other Programs of BOKFA or had paid separately for investment advisory services, brokerage, and other services; therefore, the registered investment adviser may have a financial incentive (a conflict of interest) to recommend CPS over other offerings or services.

**Investment Company or Other Pooled Investment Vehicle.** BOSC serves as the distributor and principal underwriter to each of the Cavanal Hill Funds (the "Funds") pursuant to a Distribution Agreement with the Funds and receives certain fees for its services. Shares in each Fund are sold on a continuous basis by BOSC, and BOSC has agreed to use appropriate efforts to solicit purchase orders. Customers purchasing Shares of the Funds may include officers, directors, or employees of BOSC and its affiliates. For its provision of distribution and shareholder services, the Firm may receive 12b-1 and shareholder servicing fees from the Funds.

Cavanal Hill serves as the investment adviser and administrator to the Funds. Cavanal Hill receives investment advisory and administrator fees for the services it provides to the Funds. In addition, BOKF, NA serves as the Funds' custodial bank and also provides shareholder services to the Funds. BOKF, NA receives custody and shareholder services fees for these services. The Funds are managed, and transactions are executed, side-by-side with CPS Accounts. Fund and Client Accounts are afforded equal treatment in investment management, transaction, and allocation decisions.

It is possible that the Funds may be included as investments in Client accounts and certain Funds serve as the sweep vehicle for the CPS. In such case, the Funds, Cavanal Hill, and its affiliates, would earn the aforementioned fees in addition to the fees charged to the Client for participation

in the CPS. A more detailed description of the Funds and all other fees and expenses are available in each Fund's prospectus.

**Investment Adviser or Financial Planner.** Cavanal Hill is a registered investment adviser affiliate of BOSC. BOSC may receive compensation where BOSC or one of its representatives introduces a Client to Cavanal Hill. Such a fee will be paid in accordance with Rule 206(4)-3 of the 1940 Act and any state or other regulatory requirements. BOSC employees are required to disclose the status of their relationship with Cavanal Hill at the time of the solicitation or referral. For more information referral and solicitation arrangements, see the "Client Referrals and Other Compensation" section of this Brochure.

The Milestone Group ("Milestone") is a registered investment adviser affiliate of BOSC, and is a wholly-owned subsidiary of BOK Financial Corporation.

**Banking or Thrift Institution.** BOK Financial Corporation, a financial holding company, owns all of the capital stock of BOSC. Customers of banks owned by BOK Financial Corporation may also be customers of BOSC. BOKF, NA is a BOSC affiliated bank.

The Account documents and other communications with customers of BOSC clearly disclose that investments made through BOSC, are not obligations of, or guaranteed by, BOSC, or any bank affiliate and that investments made through BOSC, are not deposits of any bank or insured by the Federal Deposit Insurance Corporation or any other government agency. Some employees of BOSC are also employees of affiliates.

**Insurance Company or Agency.** Some registered representatives of BOSC are also employees of BOSC Agency, Inc. an affiliated insurance agency. CPS Clients will not be solicited to invest in insurance products and BOSC Agency, Inc. products are not included as investments in Investment Strategies offered through CPS.

**Sponsor or Syndicator of Limited Partnerships.** BOKF Equity LLC ("BOKF Equity") is an affiliate of BOSC. BOKF Equity is the general partner and manager of private equity limited partnerships. BOKF Equity is a general partner in the Private Equity Limited Partnership I ("PELP I") and Private Equity Limited Partnership II ("PELP II"). Clients of BOKF, NA were solicited by BOKF Equity to invest in PELP I and PELP II. Clients of BOSC were not solicited to invest in PELP I or PELP II. BOSC serves as the non-discretionary investment advisor to PELP I and PELP II and receives fees for this service.

No affiliated limited partnerships are included as investment options under CPS, nor are they included in any investment strategy offered by any SMA Manager under the SMA Program.

### ***9.3 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

BOKFA has adopted a Code of Ethics describing its standard of business conduct and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to a prohibition on insider trading, restrictions on the acceptance of gifts and the reporting of certain gifts and personal securities trading procedures, among other things. All employees of BOKFA must acknowledge the terms of the Code of Ethics annually. BOKFA will provide a copy of its Code of Ethics to Clients and prospective Clients upon request, and free of charge.

BOKFA anticipates that securities may be purchased or sold in Accounts invested in CPS in which BOKFA, its employees and affiliates, and Clients, directly or indirectly, also have a position of interest. BOKFA employees are required to follow BOKFA's Code of Ethics in conducting their personal securities transactions. Subject to satisfying this policy and applicable laws, officers,

directors and employees of BOSC may trade for their own accounts in securities that are also recommended to and/or purchased for BOKFA Clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of employees of BOKFA will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own account. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that such securities would not materially interfere with the best interest of BOKFA's Clients.

Because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is monitored under the Code of Ethics, in an effort to reasonably prevent conflicts of interest between BOKFA and its Clients.

It is the policy of BOKFA to not conduct principal brokerage transactions with advisory Clients without having obtained consent from the customer in accordance with the requirements of Rule 206(3)-3T or Section 206(3) of the Investment Advisers Act of 1940. In the event consent is obtained by the customer, BOKFA will provide the customer with certain disclosures as required by law. BOKFA will not place trades through the BOSC broker-dealer on behalf of Clients subject to the Employee Retirement Income Security Act. Please see the section titled, "Investment Company or Other Pooled Investment Vehicle" for additional information about BOSC's relationship with the Cavanal Hill Funds.

## ***9.4 Review of Accounts***

### **9.4.1 Annual Client Account Reviews**

BOKFA advisers will provide Account reviews to Clients at least once every calendar year. The typical review will consist of performance review reporting, including evaluation of any changes in the Client's investment philosophy, objectives and risk tolerance. This evaluation may require changes to the current portfolio and investment plan.

### **9.4.2 Client Reporting**

At a minimum, Clients will receive quarterly Account statements from Pershing. Pershing will provide quarterly statements that include a summary of portfolio activity and an inventory of holdings. The statements for taxable Accounts include a summary of realized gains, dividends, interest and Program Fees.

## ***9.5 Client Referrals and Other Compensation***

**Referrals to BOKFA.** If a Client in CPS is introduced to BOKFA by either an unaffiliated, affiliated, or employee solicitor, BOKFA may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Act and any state or other regulatory requirements. There may be situations where the amount of this compensation could be more than what the solicitor would receive if the Client participated in other programs or paid separately for investment advice, brokerage, and other services. The solicitor, therefore, may have a financial incentive to recommend CPS over other products or services. To address this potential conflict, the referral fee shall be paid solely from the Program Fee and shall not result in any additional charges to the Client. If a Client is introduced to BOKFA by an unaffiliated solicitor, the solicitor shall provide the Client with a copy of BOKFA's written disclosure statement and a copy of the

disclosure statement between BOKFA and the unaffiliated adviser containing the terms and conditions of the referral arrangement, including compensation. Any affiliated or employee solicitor of BOKFA shall disclose the nature of his/her relationship to prospective Clients at the time of the referral and will provide all prospective Clients with a copy of BOKFA's written disclosure statement at or prior to the time a Client agreement is executed.

**Mutual Fund Fees.** BOKFA may retain all or a portion of any 12b-1 and shareholder servicing fees paid by mutual funds held in Client's Account. The amount of a mutual fund's 12b-1 fees are included among normal mutual fund expenses and are reflected on the fund financial statements. Notwithstanding the foregoing, no 12b-1 fees will be received by BOSC with respect to any assets in an Account of a Client which is an employee benefit plan subject to ERISA or an IRA or other account subject to the prohibited transaction rules of the Internal Revenue Code which are substantially the same as ERISA, except that shareholder servicing fees from the Cavanal Hill Funds may be retained for such Accounts.

**BOKFA Referrals to Cavanal Hill.** In addition, BOSC and Cavanal Hill have entered into a Solicitation Agreement where Cavanal Hill has agreed to pay BOSC a fee for the referring, soliciting and ongoing Client servicing of Cavanal Hill Clients. The fee is based on Cavanal Hill's revenues attributable to the Client account placed with Cavanal Hill. This is a revenue sharing fee that continues until the Client is no longer a Client of Cavanal Hill. The fee will be paid in accordance with relevant regulatory requirements, including Rule 206(4)-3 of the 1940 Act, and any state or other regulatory requirements.

BOSC and BOKFA employees who solicit for or refer Clients to Cavanal Hill will disclose the status of their relationship with Cavanal Hill at the time of the solicitation or referral. BOSC pays a cash incentive to its employees who refer to or solicit Clients for Cavanal Hill. Cavanal Hill is solely responsible for paying solicitation and/or referral fees, and the Client will not incur any additional charges.

A conflict of interest exists here because BOSC is incited to refer its Clients to an affiliate, who in turn shares the revenues associated with the referred account with BOSC. BOSC mitigates this conflict in the following ways: (1) the Client is provided with disclosure regarding the arrangement via the firms' Form ADVs, including this Brochure; and (2) BOSC adheres to its suitability process with respect to investment recommendations.

## **9.6 Financial Information**

BOKFA does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance; therefore, a balance sheet is not being provided. The Firm has not been the subject of a bankruptcy petition at any time.

## **10 Requirements for State-Registered Advisers**

This item is not applicable to BOSC, as the firm is not a state-registered adviser.



# INCOME CONSERVATIVE

## Mutual Fund/ETF Wrap



Income Conservative

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

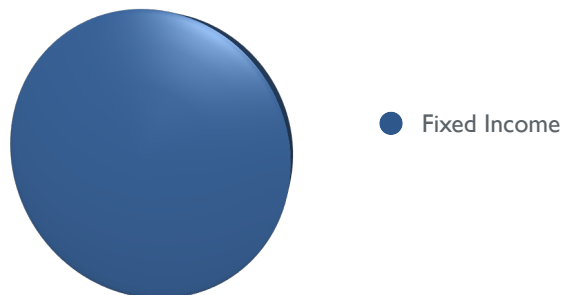
Seeks protection of capital while generating income

### INVESTMENT STRATEGY

The Income Conservative strategy pursues this objective through a diverse fixed income universe that place's sole emphasis on the production of income and stability of principal with low levels of volatility. This strategy has a wide exposure to the U.S. Treasury, corporate, government agency, investment-grade, mortgage- and asset-backed sectors of the fixed income markets as well as international dollar-denominated securities.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Income Conservative Strategy seeks to achieve its objective by allocating up to 100% of its assets to bond funds. The underlying investments maintain a dollar-weighted average maturity consistent with that of the Barclays Capital U.S. Aggregate Bond Index, which currently ranges between 5 and 10 years. Intermediate-term bonds provide the portfolio with an attractive current yield and a moderate level of volatility. The portfolio provides a low-cost, broadly diversified, fixed income investment option. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



The information provided above is shown for illustration purposes only and is not indicative of future portfolio characteristics or returns. Portfolio holdings and allocations are subject to change without prior notice. This document should be considered incomplete without the attached disclosures at the end of Exhibit A.

# INCOME

## Mutual Fund/ETF Wrap



Income

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

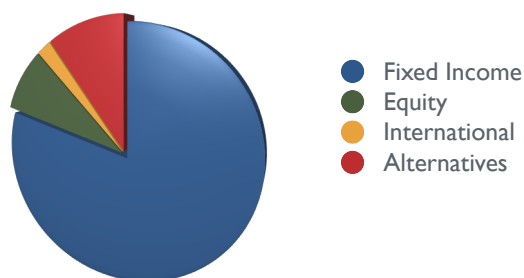
Seeks high and stable rate of current income, consistent with long-term preservation of capital

### INVESTMENT STRATEGY

The Income strategy places sole emphasis on the production of income and the stability of principal through the use of fixed income securities while maintaining a reasonable presence in equities to help outpace inflation. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities, and quality-tiers that seek out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Income strategy seeks to achieve this objective by allocating up to 85% of its assets to fixed income funds, up to 20% of its assets to equity funds, and up to 11% of its assets to liquid alternative investments funds. The fixed income portion of the strategy has a wide exposure to public, investment-grade, taxable, fixed income securities in the United States including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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# INCOME WITH GROWTH

## Mutual Fund/ETF Wrap



Income with Growth

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

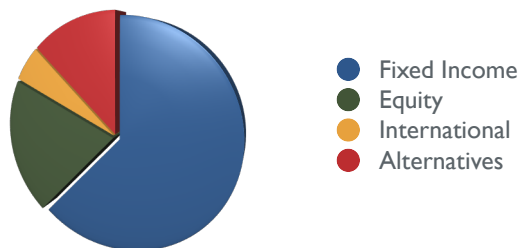
Seeks to maximize income, while maintaining prospects for capital appreciation over the long-term

### INVESTMENT STRATEGY

The Income with Growth strategy emphasizes the production of income and stability of principal through the use of fixed income securities with a moderate emphasis on long-term capital appreciation. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities and quality-tiers that seeks out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Income with Growth strategy seeks to achieve this objective by allocating up to 70% of its assets to fixed income funds, up to 40% of its assets to equity funds, and up to 14% of its assets to liquid alternative investment funds. The fixed income portion of the strategy has a wide exposure to public, investment-grade, taxable, fixed income securities in the United States including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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## BALANCED

## Mutual Fund/ETF Wrap



Balanced

**Allocation**

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

**Diversification**

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

**Systematic**

Systematically rebalanced to maintain target allocations and removes the emotion from investing

**Oversight Manager**

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

**STRATEGY OBJECTIVE**

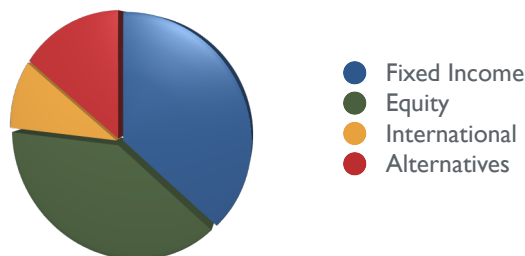
Seeks to provide high long-term total return through capital appreciation and current income

**INVESTMENT STRATEGY**

The Balanced strategy pursues this objective by investing in an appropriate blend of equity and fixed income securities that allow investors to participate in equity market returns with a degree of downside protection. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities and quality-tiers that seeks out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

**PORTFOLIO STRUCTURE**

Under normal circumstances, the Balanced strategy seeks to achieve this objective by allocating up to 50% of its assets to fixed income funds, up to 65% of its assets to equity funds, and up to 15% of its assets in liquid alternative investment funds. The fixed income portion of the strategy has a wide exposure to public, investment-grade, taxable, fixed income securities in the United States including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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# GROWTH WITH INCOME

## Mutual Fund/ETF Wrap



Growth with Income

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

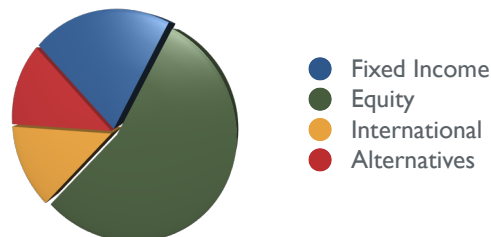
Seeks long-term capital appreciation and growth of current income

### INVESTMENT STRATEGY

The Growth with Income strategy pursues this objective by investing in an appropriate blend of equity and fixed income securities that allow investors to participate in equity market returns with a degree of downside protection. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities, and quality-tiers that seek out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Growth with Income strategy seeks to achieve this objective by allocating up to 35% of its assets to fixed income funds, up to 80% of its assets to equity funds, and up to 14% of its asset in liquid alternative investment funds. The fixed income portion of the strategy has a wide exposure to public, investment-grade, taxable, fixed income securities in the United States including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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## GROWTH

## Mutual Fund/ETF Wrap



Growth

**Allocation**

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

**Diversification**

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

**Systematic**

Systematically rebalanced to maintain target allocations and removes the emotion from investing

**Oversight Manager**

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

**STRATEGY OBJECTIVE**

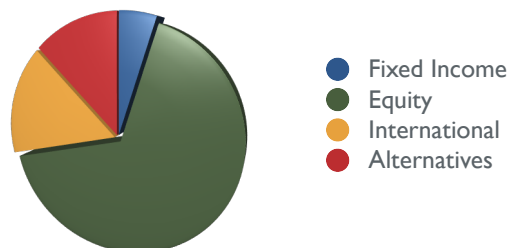
Seeks to provide long-term capital appreciation with minimal need for income

**INVESTMENT STRATEGY**

The Growth strategy pursues this objective by investing primarily in equities with a broad range of market exposure while providing a minor focus on the production of income. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities, and quality-tiers that seek out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

**PORTFOLIO STRUCTURE**

Under normal circumstances, the Growth strategy seeks to achieve this objective by allocating up to 20% of its assets to fixed income funds, up to 95% of its assets to equity funds, and up to 13% of its assets in liquid alternative investment funds. The fixed income portion of the strategy has a wide exposure to public, investment-grade, taxable, fixed income securities in the United States including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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# AGGRESSIVE GROWTH

## Mutual Fund/ETF Wrap



Aggressive Growth

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

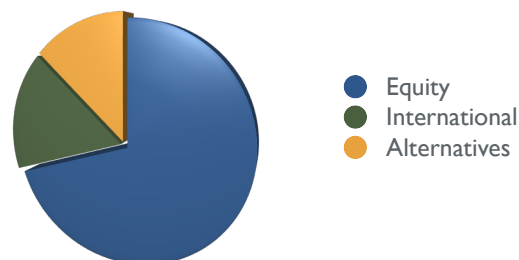
Seeks to provide a high level of capital appreciation, without regard to current income

### INVESTMENT STRATEGY

The Aggressive Growth strategy pursues this objective by investing primarily in equities with a broad range of market exposure. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Aggressive Growth seeks to achieve this objective by allocating up to 90% of its assets to equity funds and up to 11% of its assets in liquid alternative investment funds. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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## Mutual Fund/ETF Wrap

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# TAX-ADVANTAGE INCOME CONSERVATIVE

## Mutual Fund/ETF Wrap



Income Conservative

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

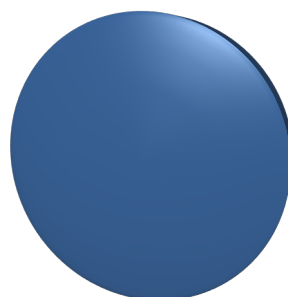
Seeks protection of capital while generating income consisting primarily of tax-advantaged income

### INVESTMENT STRATEGY

The Income Conservative strategy pursues this objective through a diverse fixed income universe that place's sole emphasis on the production of income and stability of principal with low levels of volatility. This strategy seeks exposure to high quality, investment-grade fixed income securities within the United States that provide a moderate and sustainable level of current income that qualifies for favorable federal income tax treatment.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Income Conservative Strategy seeks to achieve its objective by allocating up to 100% of its assets to bond funds. The underlying investments maintain a dollar-weighted average maturity consistent with that of the Barclays Capital U.S. Aggregate Bond Index, which currently ranges between 5 and 10 years. Intermediate-term bonds provide the portfolio with an attractive current yield and a moderate level of volatility. The portfolio provides a low-cost, broadly diversified, fixed income investment option. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



● Fixed Income

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# TAX-ADVANTAGE INCOME

## Mutual Fund/ETF Wrap



Income

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

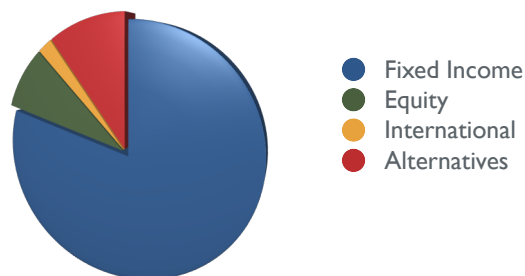
Seeks high and stable rate of current tax-advantaged income, consistent with long-term preservation of capital

### INVESTMENT STRATEGY

The Income strategy places sole emphasis on the production of income and the stability of principal through the use of fixed income securities while maintaining a reasonable presence in equities to help outpace inflation. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities, and quality-tiers that seek out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Income strategy seeks to achieve this objective by allocating up to 85% of its assets to fixed income funds, up to 20% of its assets to equity funds, and up to 11% of its assets to liquid alternative investments funds. The fixed income portion of the strategy seeks exposure to high quality, investment-grade fixed income securities within the United States that provide a moderate and sustainable level of current income that qualifies for favorable federal income tax treatment. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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# TAX-ADVANTAGE INCOME WITH GROWTH

## Mutual Fund/ETF Wrap



Income with Growth

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

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### STRATEGY OBJECTIVE

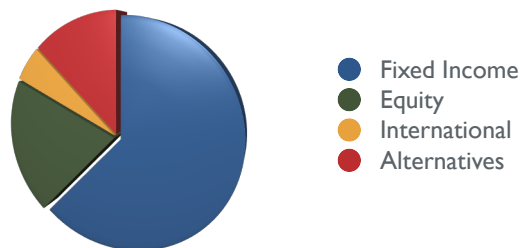
Seeks to maximize income, while maintaining prospects for capital appreciation over the long-term

### INVESTMENT STRATEGY

The Income with Growth strategy emphasizes the production of income and stability of principal through the use of fixed income securities with a moderate emphasis on long-term capital appreciation. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities and quality-tiers that seeks out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Income with Growth strategy seeks to achieve this objective by allocating up to 70% of its assets to fixed income funds, up to 40% of its assets to equity funds, and up to 14% of its assets to liquid alternative investment funds. The fixed income portion of the strategy seeks exposure to high quality, investment-grade fixed income securities within the United States that provide a moderate and sustainable level of current income that qualifies for favorable federal income tax treatment. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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# TAX-ADVANTAGE BALANCED

## Mutual Fund/ETF Wrap



Balanced

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

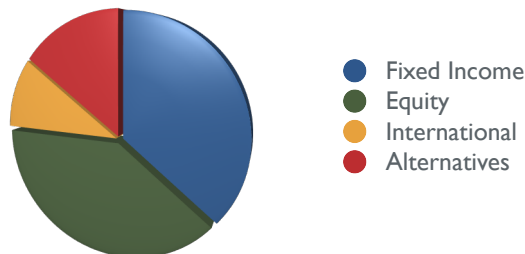
Seeks to provide high long-term total return through capital appreciation and current income

### INVESTMENT STRATEGY

The Balanced strategy pursues this objective by investing in an appropriate blend of equity and fixed income securities that allow investors to participate in equity market returns with a degree of downside protection. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities and quality-tiers that seeks out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Balanced strategy seeks to achieve this objective by allocating up to 50% of its assets to fixed income funds, up to 65% of its assets to equity funds, and up to 15% of its assets in liquid alternative investment funds. The fixed income portion of the strategy seeks exposure to high quality, investment-grade fixed income securities within the United States that provide a moderate and sustainable level of current income that qualifies for favorable federal income tax treatment. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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# TAX-ADVANTAGE GROWTH WITH INCOME

## Mutual Fund/ETF Wrap



Growth with Income

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

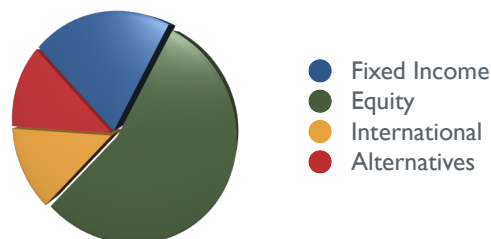
Seeks long-term capital appreciation and growth of current income

### INVESTMENT STRATEGY

The Growth with Income strategy pursues this objective by investing in an appropriate blend of equity and fixed income securities that allow investors to participate in equity market returns with a degree of downside protection. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities, and quality-tiers that seek out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Growth with Income strategy seeks to achieve this objective by allocating up to 35% of its assets to fixed income funds, up to 80% of its assets to equity funds, and up to 14% of its asset in liquid alternative investment funds. The fixed income portion of the strategy seeks exposure to high quality, investment-grade fixed income securities within the United States that provide a moderate and sustainable level of current income that qualifies for favorable federal income tax treatment. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



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# TAX-ADVANTAGE GROWTH

## Mutual Fund/ETF Wrap



Growth

### Allocation

Provides a broadly diversified portfolio targeted to an investor's objectives and risk parameters

### Diversification

Through a single investment, an investor gains access across various asset classes, sectors, investment styles, market capitalization and geographical areas

### Systematic

Systematically rebalanced to maintain target allocations and removes the emotion from investing

### Oversight Manager

Professionally managed by a seasoned team of oversight managers that monitors the underlying management teams, performance, target allocations, and evolving changing market conditions

The Customized Portfolio Solutions program is designed to offer investors access to professionally managed solutions through the use of customized portfolios of mutual funds and exchange-traded funds (ETF's) that seek to manage risk and maximize potential returns tailored to meet the specific investment objectives of the individual investor.

### STRATEGY OBJECTIVE

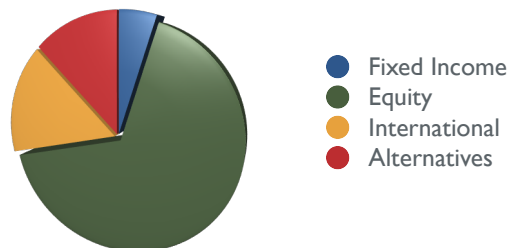
Seeks to provide long-term capital appreciation with minimal need for income

### INVESTMENT STRATEGY

The Growth strategy pursues this objective by investing primarily in equities with a broad range of market exposure while providing a minor focus on the production of income. The fixed income component is aimed at providing income and stability by diversifying across various sectors, maturities, and quality-tiers that seek out attractive yields with low levels of volatility. The equity component within the strategy seeks to maintain an appropriate balance between risk and reward by diversifying across a variety of industries, market sectors, regions and market capitalizations within the domestic market as well as the international and emerging markets.

### PORTFOLIO STRUCTURE

Under normal circumstances, the Growth strategy seeks to achieve this objective by allocating up to 20% of its assets to fixed income funds, up to 95% of its assets to equity funds, and up to 13% of its assets in liquid alternative investment funds. The fixed income portion of the strategy seeks exposure to high quality, investment-grade fixed income securities within the United States that provide a moderate and sustainable level of current income that qualifies for favorable federal income tax treatment. The underlying equity funds seek to track various indices that cover the domestic and international markets. Alternative investment funds seek to reduce the overall volatility of the portfolio. Overall, the portfolio structure provides a low-cost, broadly diversified investment strategy. The Strategy may from time to time take temporary defensive positions that are inconsistent with the Strategy's investment strategy in attempting to respond to adverse market, economic, political, or other conditions. In these, and in other cases, the strategy may not achieve its investment objective.



The information provided above is shown for illustration purposes only and is not indicative of future portfolio characteristics or returns. Portfolio holdings and allocations are subject to change without prior notice. This document should be considered incomplete without the attached disclosures at the end of Exhibit A.



## Mutual Fund/ETF Wrap

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# BOK FINANCIAL ADVISORS

A division of BOSC, Inc.

## FACTS

### WHAT DOES BOK FINANCIAL ADVISORS (BOKFA) DO WITH YOUR PERSONAL INFORMATION?

#### WHY?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### WHAT?

The types of personal information we collect and share depend on the product or service you have with us.

**This information can include:**

- Social Security number and income
- Account balances and payment history

#### HOW?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons BOKFA chooses to share; and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	DOES BOKFA SHARE?	CAN YOU LIMIT THIS SHARING?
<b>For our everyday business purposes —</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	<b>YES</b>	<b>NO</b>
<b>For our marketing purposes —</b> to offer our products and services to you	<b>YES</b>	<b>NO</b>
<b>For joint marketing with other financial companies</b>	<b>YES</b>	<b>NO</b>
<b>For our affiliates' everyday business purposes —</b> information about your transactions and experiences	<b>YES</b>	<b>NO</b>
<b>For our affiliates' everyday business purposes —</b> information about your creditworthiness	<b>NO</b>	<b>NO</b>
<b>For our affiliates to market to you</b>	<b>YES</b>	<b>YES</b>
<b>For nonaffiliates to market to you</b> (only applies to our Mortgage Division)	<b>YES</b>	<b>YES</b>

#### TO LIMIT OUR SHARING

- Call **1-877-781-6889**
- Mail the form below

**Please note:**

If you are a *new* customer, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our customer, we continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

#### QUESTIONS?

Call **1-877-781-6889** or go to **[www.boscinc.com](http://www.boscinc.com)**.



WHAT WE DO	
<b>How does BOKFA protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does BOKFA collect my personal information?</b>	<p><b>We collect your personal information, for example, when you</b></p> <ul style="list-style-type: none"> <li>• open an account or deposit money</li> <li>• create transactions</li> <li>• request information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p><b>Federal law gives you the right to limit only</b></p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account.

DEFINITIONS	
<b>Affiliates</b>	<p><b>Companies related by common ownership or control. They can be financial and nonfinancial companies. Our affiliated companies include:</b></p> <ul style="list-style-type: none"> <li>• Financial institution</li> <li>• Banks</li> <li>• Investment advisory</li> <li>• Trust companies</li> </ul>
<b>Nonaffiliates</b>	<p><b>Companies not related by common ownership or control. They can be financial and nonfinancial companies. The nonaffiliated third parties may include:</b></p> <ul style="list-style-type: none"> <li>• Trust companies</li> <li>• Check printing and data processing</li> <li>• Financial service providers</li> <li>• Companies that provide services for us</li> <li>• Insurance companies</li> <li>• Financial institutions with whom we have a joint marketing agreement</li> <li>• Mortgage bankers</li> <li>• Credit bureaus</li> <li>• Securities broker-dealers</li> <li>• Nonfinancial companies</li> </ul>
<b>Joint Marketing</b>	<p><b>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</b></p> <ul style="list-style-type: none"> <li>• Credit card companies</li> <li>• Insurance companies</li> <li>• Trust companies</li> </ul>

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## MAIL-IN FORM

### Mark any/all you want to limit:

- ☐ Do not allow your affiliates to use my personal information to market to me.
- ☐ Do not share any of my information with any nonaffiliates to market their products and services to me.

<b>Name</b>		<b>Mail to:</b> BOK Financial Advisors Attn: Compliance P.O. Box 2300, Plaza Tulsa, OK 74192-0002
<b>Address</b>		
<b>City, State, Zip</b>		
<b>Account #</b>		

## EXHIBIT C      SMA List

SMA Manager Name	Style Name	Account Minimum	Fees (in bps)
Anchor Capital Advisors, LLC	All Cap Value	\$100,000	50 bps
Atlanta Capital Management Company	High Quality Focused Growth	\$100,000	55 bps
ACR Alpine Capital Research	Equity Quality Return	\$100,000	56 bps
Appleton Partners, Inc.	Intermediate Municipal Fixed Income	\$500,000	30 bps
APEX Capital Management, Inc.	SMID Growth	\$100,000	60 bps
Ariel Investments	Mid Cap Value	\$100,000	50 bps
Ariel Investments	Small-Mid Cap Value	\$100,000	50 bps
Alta Capital Management LLC	Large Cap Quality Growth	\$150,000	50 bps
Eagle Boston Investment Mgmt., Inc.	Small Cap Equity	\$100,000	50 bps
Bahl & Gaynor Investmt Counsel, Inc	Income Growth	\$100,000	55 bps
Bahl & Gaynor Investmt Counsel, Inc	Large Cap Quality Growth	\$100,000	55 bps
Baird Investment Mgmt	Mid Cap Growth	\$150,000	55 bps
Boyd Watterson Asset Management, LLC	Ultra Enhanced Core SMA	\$500,000	30 bps
Cumberland Advisors Inc.	Total Return Tax-Free Municipal	\$500,000	50 bps on the first \$5,000,000 45 bps on \$5,000,000 to \$10,000,000

			40 bps on \$10,000,000 to \$15,000,000
			35 bps on \$15,000,000 to \$20,000,000
			35 bps on \$15,000,000 to \$20,000,000
			30 bps on \$20,000,000 to \$50,000,000
			25 bps over \$50,000,000

NGAM Advisors, L.P.	Loomis Intermediate Term Bond Strategy	\$100,000	35 bps
Cambiar Investors, LLC	International ADR	\$100,000	56 bps
Coho Partners, Ltd.	Coho Relative Value Equity	\$100,000	60 bps
Cornerstone Investment Partners LLC	Cornerstone Concentrated Core	\$250,000	50 bps
Crawford Investment Counsel, Inc.	National Intermediate Municipal Bond Portfolio	\$1,000,000	44 bps
Dana Investment Advisors	Large Cap Blend	\$100,000	50 bps
Dalton, Greiner, Hartman, Maher	Small Cap Value	\$100,000	75 bps
Delaware Investments	Large Cap Value	\$100,000	60 bps
Eagle Asset Management	Equity Income	\$100,000	50 bps
Eagle Asset Management	Mid Cap Growth	\$100,000	50 bps
Eagle Asset Management	Small Cap Growth (Transfer Only)	\$100,000	50 bps
Equity Investment Corporation	All Cap Value	\$100,000	56 bps
Eaton Vance Management	TABS Long Maturity Muni Bond	\$500,000	40 bps on the first \$5,000,000
			35 bps over \$5,000,000
Fayez Sarofim & Co.	Large Cap Growth	\$100,000	50 bps

Glenmede Investment Management, LP	Small Cap Core Equity	\$100,000	50 bps
Geneva Advisors	All Cap Growth	\$100,000	66 bps
Geneva Advisors	Equity Income	\$100,000	66 bps
Geneva Advisors	Large Cap Growth	\$100,000	66 bps
Gannett Welsh & Kotler, LLC	Small Cap Core (Transfer Only)	\$100,000	55 bps
Haverford Financial Services	Quality Dividend Value	\$100,000	50 bps
Hahn Capital Management, LLC	Hahn Mid-Cap	\$100,000	56 bps on the first \$5,000,000 51 bps on the next \$10,000,000 46 bps over \$15,000,000
Invesco Advisers, Inc.	Invesco Large Cap Core	\$100,000	55 bps
Invesco Advisers, Inc.	Invesco International ADR Growth	\$100,000	55 bps
ING Investment Management	ING Large Cap Growth	\$100,000	50 bps
J.A. Glynn & Co.	Enhanced Core Fixed Income	\$500,000	35 bps
Janus Capital Management LLC	Perkins Mid Cap Value Managed Account	\$100,000	43 bps
Kayne Anderson Rudnick Inv. Mgmt.	Large Cap Value	\$100,000	50 bps
Kayne Anderson Rudnick Inv. Mgmt.	Small Cap Sustainable Growth	\$100,000	50 bps
Kayne Anderson Rudnick Inv. Mgmt.	Small Cap Quality Value	\$100,000	50 bps
Kayne Anderson Rudnick Inv. Mgmt.	Small/Mid Cap Core	\$100,000	50 bps

Knightsbridge Asset Management, LLC	Opportunistic Value	\$250,000	75 bps
Lazard Asset Management	U.S. Strategic Equity	\$100,000	50 bps
Lazard Asset Management	Global Equity Select ADR	\$100,000	50 bps
Lazard Asset Management	International Equity Select with Emerging Markets	\$100,000	50 bps
Lazard Asset Management	International Equity Select ADR	\$100,000	50 bps
Montag & Caldwell, LLC	Large Cap Growth	\$100,000	45 bps
BlackRock Investment Management, LLC	Equity Dividend	\$100,000	52 bps
MFS Institutional Advisors, Inc.	U.S. Equity Large Cap Value	\$100,000	50 bps
MFS Institutional Advisors, Inc.	International Equity	\$50,000	50 bps
Miller Howard Investments Inc.	Income Equity - Non MLP	\$100,000	75 bps on the first \$1,000,000 50 bps over \$1,000,000
Miller Howard Investments Inc.	Income Equity	\$100,000	75 bps on the first \$1,000,000 50 bps over \$1,000,000
Navellier & Associates	Large Cap Growth	\$100,000	50 bps
NorthCoast Asset Mgmt	CAN SLIM	\$100,000	125 bps on the first \$2,000,000 100 bps on the next \$8,000,000 85 bps over \$10,000,000
Neuberger Berman, LLC	International ADR	\$100,000	50 bps
Neuberger Berman, LLC	REIT	\$100,000	50 bps
Northroad Capital Management LLC	International Equity	\$100,000	50 bps

Northern Trust Investments, Inc.	Large Cap Value	\$100,000	50 bps
NWQ Investment Management Co., LLC	Large Cap Value	\$100,000	50 bps
Polen Capital Management, LLC	Large Cap Growth	\$100,000	56 bps
Parametric Portfolio Associates	Tax-Managed Core/MSCI EAFE-ADR	\$250,000	45 bps on the first \$250,000 42 bps on the next \$250,000 40 bps on the next \$500,000 36 bps over \$1,000,000
RNC Genter Capital Management	Dividend Income	\$100,000	50 bps
Rothschild Asset Management	Large Cap Core	\$100,000	55 bps on the first \$10,000,000 50 bps over \$10,000,000
Reinhart Partners, Inc.	Mid Cap Private Market Value	\$100,000	55 bps
Riverbridge Partners, LLC	All Cap Growth	\$100,000	50 bps
Riverbridge Partners, LLC	SMID Cap Growth	\$100,000	55 bps
Santa Barbara Asset Management, LLC	Dividend Growth	\$100,000	50 bps
Segall, Bryant & Hamill	All Cap Core	\$100,000	50 bps
Segall, Bryant & Hamill	Core Fixed Income	\$5,000,000	35 bps on the first \$5,000,000 30 bps on the next \$45,000,000 25 bps on the next \$50,000,000 20 bps over \$100,000,000
Tactical Allocation Group, LLC	Tactical Moderate	\$100,000	58 bps

TCW Investment Management Company	TCW Relative Value Large Cap	\$100,000	50 bps
Tocqueville Asset Management, L.P.	International	\$100,000	65 bps
Templeton Separately Managed Accounts	Templeton International Equity SMA	\$100,000	60 bps
Victory Capital Management	Large Cap Growth	\$100,000	50 bps
Valley Forge Asset Management Corp.	Large Cap Core Opportunistic Equity	\$100,000	50 bps
McDonnell Investment Management, LLC	Medium Term Muni Bond (10 Year)	\$100,000	30 bps
McDonnell Investment Management, LLC	Government/Credit (Fixed Income)	\$250,000	30 bps
WCM Investment Management	Focused Growth International	\$100,000	100 bps
William Blair & Co. LLC	International Equity	\$100,000	50 bps
Wedgewood Partners, Inc.	Large Cap Focused Growth	\$100,000	50 bps
Zacks Investment Management, Inc.	Zacks Rank Strategy	\$100,000	50 bps

## EXHIBIT D.1

### **Risks Associated with Certain Investments Used in Mutual Fund/ETF Wrap (MF/ETF Wrap) Accounts**

Despite the analysis undertaken by BOKFA, it is important to remember that all investments carry at least some degree of risk. Risk may include loss of some, or even all, of your investment. No particular type of investment, or approach to investing, is guaranteed to perform well, and there may be other investment vehicles or approaches that may perform as well or better. You should consider these factors carefully before deciding to invest. The risks associated with the investments BOKFA uses in the MF/ETF Wrap Program are described below.

Below is a more complete discussion of the types of risks inherent in the securities and investment techniques listed above as well as those risks discussed in "Primary Risks." Because of these risks, the value of the securities held may fluctuate, as will the value of your investment. Certain investments are more susceptible to these risks than others.

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**Credit Risk.** The risk that the issuer of a security, or the counterparty to a contract, will default or otherwise become unable to honor a financial obligation. Credit risk is generally higher for non-investment grade securities. The price of a security can be adversely affected prior to actual default as its credit status deteriorates and the probability of default rises. Credit risk includes the risk that performance may be affected by political and economic factors at the state, regional or national level, including budgetary problems and declining tax bases. With respect to government sponsored entities such as FHLB, TVA, Fannie Mae, FFCB and Freddie Mac, although the issuer may be chartered or sponsored by Acts of Congress, their securities are neither insured nor guaranteed by the U.S. Treasury and therefore have more issuer default risk than any direct obligations of the U.S. Treasury. In the event that those government sponsored entities cannot meet their obligations, there can be no assurance that the U.S. government would provide support, and the strategy's performance could be adversely affected. Direct obligations of the U.S. Treasury generally present minimal credit risks. However, repurchase agreements with respect to such obligations involve the risks of a default or insolvency of the other party to the agreement, including possible delays or restrictions on our ability to dispose of the underlying securities.

**Foreign Investment Risk.** The risk associated with higher transaction costs, delayed settlements, currency controls and adverse economic and political developments. This also includes the risk that fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect an investment. Exchange rate volatility may affect the ability of an issuer to repay U.S. dollar denominated debt, thereby increasing credit risk. Foreign securities may also be affected by incomplete or inaccurate financial information on companies. There is a risk of loss attributable to social upheavals, unfavorable governmental or political actions, seizure of foreign deposits, changes in tax or trade statutes, and governmental collapse and war. These risks are more significant in emerging markets.

**Hedging Risk.** The risk associated with utilizing hedging strategies. Hedging instruments such as options and certain ETFs are typically intended to limit or reduce investment risk, but can also be expected to limit or reduce the potential for profit or result in losses. No assurance can be given that any particular hedging strategy will be successful and achieve its desired objective, or will make any profit, or will be able to avoid incurring losses. Certain hedging transactions may involve the use of leverage, which could result in losses exceeding the amount committed in the transaction.

**Income Risk.** Income risk involves the possibility that the strategy's yield will decrease due to a decline in interest rates.



**Interest Rate Risk.** The risk that debt prices overall will decline over short or even long periods due to rising interest rates. A rise in rates typically causes a fall in bond values, while a fall in rates typically causes a rise in bond values. In general, bonds with longer maturities have more interest rate risk than shorter term bonds. In addition, certain securities such as mortgage-backed obligations are subject to optional and mandatory redemption and therefore subject to risk regarding the interest rates at which redemption proceeds may be reinvested.

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by BOKFA) will be profitable or equal any specific performance level(s).

**Investment Style Risk.** The risk that returns from growth and/or value stocks will trail returns from the overall stock market.

**Issuer Specific Risk.** The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, earnings and sales trends, investor perceptions, financial leverage and reduced demand for the issuer's goods or services.

**Management Risk.** There is no guarantee that the investment techniques and risk analyses used will produce the desired results.

**Market Risk.** The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industrial sector of the economy or the market as a whole. Finally, key information about a security or market may be inaccurate or unavailable. This is particularly relevant to investments in foreign securities.

**Mortgage Market Risk.** The mortgage market in the United States has experienced difficulties that may adversely affect the performance and market value of certain mortgage-related investments. Losses on mortgage loans (especially subprime and second-lien mortgage loans) and increased investor yield requirements have led to reduced demand for mortgage loans and limited liquidity in the secondary market for some mortgage-related securities.

**Portfolio Turnover Risk.** The risk that portfolio securities may be sold without regard to the length of time they have been held. A higher portfolio turnover rate may involve paying higher brokerage commissions, taxes, and other transaction costs.

**Regulatory Risk.** The risk that a change in laws or regulations will materially impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape. Regulatory risk also includes the risk associated with federal and state laws which may restrict the remedies that a lender has when a borrower defaults on loans. These laws include restrictions on foreclosures, redemption rights after foreclosure, federal and state bankruptcy and debtor relief laws, restrictions on "due on sale" clauses, and state usury laws.

**Small Company Risk.** Small and micro cap companies may be more vulnerable to adverse business or economic developments than larger companies. They may also be less liquid and/or more volatile than securities of larger companies or the market averages in general. Small and micro cap companies may be adversely affected during periods when investors prefer to hold securities of large capitalization companies.

**Tax Risk.** The risk that the issuer of securities will fail to comply with certain requirements of the Internal Revenue Code, which could cause adverse tax consequences. There is also a risk that

the use of investment practices that seek to minimize tax consequences will lead to investment decisions that do not maximize the returns on an after-tax basis. Economic developments or unforeseeable investor redemptions may also reduce returns without any corresponding increase in tax efficiency.

## EXHIBIT D.2

### Risks Associated with Certain Investments Used in SMAs

Despite the analysis undertaken by BOKFA, it is important to remember that all investments carry at least some degree of risk. Risk may include loss of some, or even all, of your investment. No particular type of investment, or approach to investing, is guaranteed to perform well, and there may be other investment vehicles, SMA Managers or approaches that may perform as well or better. You should consider these factors carefully before deciding to invest. The risks associated with the investments BOKFA uses in the SMA Program are described below. Because of these risks, the value of the securities held may fluctuate, as will the value of your investment. Certain investments are more susceptible to these risks than others.

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**Credit Risk.** The risk that the issuer of a security, or the counterparty to a contract, will default or otherwise become unable to honor a financial obligation. Credit risk is generally higher for non-investment grade securities. The price of a security can be adversely affected prior to actual default as its credit status deteriorates and the probability of default rises. Credit risk includes the risk that performance may be affected by political and economic factors at the state, regional or national level, including budgetary problems and declining tax bases.

With respect to government sponsored entities such as FHLB, TVA, Fannie Mae, FFCEB and Freddie Mac, though the issuer may be chartered or sponsored by Acts of Congress, their securities are neither insured nor guaranteed by the U.S. Treasury and therefore have more issuer default risk than any direct obligations of the U.S. Treasury or obligations guaranteed by the U.S. government. In the event that those government sponsored entities cannot meet their obligations, there can be no assurance that the U.S. government would provide support, and the Fund's performance could be adversely affected. Direct obligations of the U.S. Treasury and obligations guaranteed by the U.S. government generally present minimal credit risks. However, repurchase agreements with respect to such obligations involve the risks of a default or insolvency of the other party to the agreement, including possible delays or restrictions on a Fund's ability to dispose of the underlying securities.

**Derivative Risk.** The risk of investing in derivative instruments, including liquidity, interest rate, market, credit and management risks, mispricing or improper valuation. Changes in the value of derivative may not correlate perfectly with the underlying asset, rate or index, and the Fund could lose more than the principal amount invested.

**Emerging Market Risk.** The risk of investing in emerging market securities, primarily increased foreign (non - U.S.) investment risk.

**Foreign Investment Risk.** The risk associated with higher transaction costs, delayed settlements, currency controls and adverse economic and political developments. This also includes the risk that fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect an investment. Exchange rate volatility may affect the ability of an issuer to repay U.S. dollar denominated debt, thereby increasing credit risk. Foreign securities may also be affected by incomplete or inaccurate financial information on companies. There is a risk of loss attributable to social upheavals, unfavorable governmental or political actions, seizure of foreign deposits, changes in tax or trade statutes, and governmental collapse and war. These risks are more significant in emerging markets.

**Income Risk.** Income risk involves the possibility that the Fund's yield will decrease due to a decline in interest rates.

**Interest Rate Risk.** The risk that debt prices overall will decline over short or even long periods due to rising interest rates. A rise in rates typically causes a fall in values of interest bearing securities, while a fall in rates typically causes a rise in values of such securities. Interest rate risk should be modest for shorter term securities, moderate for intermediate-term securities, and high for longer-term securities. In addition, certain securities such as mortgage-backed obligations are subject to optional and mandatory redemption and therefore subject to risk regarding the interest rates at which redemption proceeds may be reinvested.

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by BOKFA will be profitable or equal any specific performance level(s).

**Issuer Specific Risk.** The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, earnings and sales trends, investor perceptions, financial leverage and reduced demand for the issuer's goods or services.

**Leverage Risk.** The risk associated with securities or practices that multiply small index or market movements into large changes in value. Leverage is often associated with investments in derivatives, but also may be embedded directly in the characteristics of other securities. Leverage risk is hedged when a derivative (a security whose value is based on another security or index) is used as a hedge against an opposite position that a Fund also holds, any loss generated by the derivative should be substantially offset by gains on the hedged investment, and vice versa. Hedges are sometimes subject to imperfect matching between the derivative and underlying security, and there can be no assurance that a Fund's hedging transactions will be effective.

**Limited Number of Holdings Risk.** As a large percentage of a Fund's assets may be invested in a limited number of securities, each investment has a greater effect on a Fund's overall performance and any change in the value of those securities could significantly affect the value of your investment in the fund.

**Liquidity Risk.** The risk that certain securities may be difficult or impossible to sell at the time and the price that would normally prevail in the market. The SMA Manager may have to lower the price, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on Fund management or performance. This includes the risk of missing out on an investment opportunity because the assets necessary to take advantage of it are tied up in less advantageous investments.

**Management Risk.** There is no guarantee that the investment techniques and risk analyses used by the SMA Manager(s) will produce the desired results.

**Market Risk.** The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industrial sector of the economy or the market as a whole. Finally, key information about a security or market may be inaccurate or unavailable. This is particularly relevant to investments in foreign securities.

**Mid Cap Risk.** The risk that the stocks of mid-capitalization companies often have greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies.

**Mortgage Market Risk.** The mortgage market in the United States has experienced difficulties that may adversely affect the performance and market value of certain of the Fund's mortgage-related investments. Losses on mortgage loans (especially subprime and second-lien mortgage loans) and increased investor yield requirements have led to reduced demand for mortgage loans and limited liquidity in the secondary market for some mortgage-related securities.

**Prepayment/Call Risk.** The risk that the principal repayment of a security will occur at an unexpected time. Prepayment risk is the chance that the repayment of certain types of securities (e.g., asset-backed securities, mortgage-backed securities and collateralized mortgage obligations) will occur sooner than expected. Call risk is the possibility that during periods of falling interest rates, a bond issuer will "call" — or repay — their high-yielding bonds before the bond's maturity date. Changes in prepayment/call rates can result in greater price and yield volatility.

Prepayments/calls generally accelerate when interest rates decline. When mortgage and other obligations are pre-paid, a Fund may have to reinvest in securities with a lower yield. In this event, the Fund would experience a decline in income — and the potential for taxable capital gains. Further, with early prepayment, a Fund may fail to recover any premium paid, resulting in an unexpected capital loss. Prepayment/call risk is generally low for securities with a short-term maturity, moderate for securities with an intermediate-term maturity, and high for securities with a long-term maturity.

**Real Estate Investment Trust (REIT) Risk.** Investments in REITs are subject to many of the risks associated with direct real estate ownership and, as such, may be adversely affected by declines in real estate values and general and local economic conditions.

**Regulatory Risk.** The risk that a change in laws or regulations will materially affect a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape. Regulatory risk also includes the risk associated with federal and state laws which may restrict the remedies that a lender has when a borrower defaults on loans. These laws include restrictions on foreclosures, redemption rights after foreclosure, federal and state bankruptcy and debtor relief laws, restrictions on "due on sale" clauses, and state usury laws.

**Tax Risk.** The risk that the issuer of securities will fail to comply with certain requirements of the Internal Revenue Code, which could cause adverse tax consequences. There is also a risk that the use of investment practices that seek to minimize tax consequences will lead to investment decisions that do not maximize the returns on an after-tax basis. Economic developments or unforeseeable investor redemptions may also reduce returns without any corresponding increase in tax efficiency.

**Small Cap Risk.** Small cap companies may be more vulnerable to adverse business or economic developments. They may also be less liquid and/or more volatile than securities of larger companies or the market averages in general. Small cap companies may be adversely affected during periods when investors prefer to hold securities of large capitalization companies.

**Valuation Risk.** The risk associated with the assessment of appropriate pricing in a changing market where trading information may not be readily available.