

Wrap Fee Program Brochure
(Part 2A Appendix 1 of Form ADV)

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of U.S. Bancorp Investments, Inc. (referred to as “we”, “us” or, “USBI” throughout the document). If you have any questions about the contents of this brochure, please contact us at 800-888-4700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about USBI also is available on the SEC’s web site at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for USBI is 17868.

USBI is a registered investment adviser. However, that registration does not imply a certain level of skill or training.

December 16, 2011

Item 2 Material Changes

This section describes the material changes to our wrap-fee Programs since the last annual amendment of our Form ADV on March 29, 2011.

- Trade Errors – We have a trade error procedure, pursuant to which we resolve trading errors that may occur from time to time. (See Item 9, “Participation or Interest in Client Transactions Margin and Lending, Personal Trading and Trade Errors”.)
- Margin and Lending - A margin and lending feature was added to the Advisor Select Personal Portfolio.

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Item 4 **Services, Fees and Compensation**

We provide investment management services through the USBI Personal Portfolios Program, also referred to as the “Program(s)” and the USBI Strategic Advisor Account Program; however, it is closed to new clients.

The Personal Portfolios Program is a group of account management programs, each of which includes the following services:

- Development of an investment strategy
- Selection of independent portfolio manager(s) and/or selection of portfolios which may include mutual funds, exchange traded funds (“ETFs”), individual equities and fixed income investments
- Brokerage and custodial services
- Quarterly investment performance reporting

We use Envestnet Portfolio Solutions, Inc. (“Envestnet”), a registered investment adviser and provider of asset allocation programs, as a sub-adviser and administrator for the Personal Portfolios Program. We may add to these Portfolios from time to time.

Fund Managed Portfolios

Accounts in these Programs are managed by Envestnet.

FundAdvisor

Within FundAdvisor, Envestnet purchases mutual funds on your behalf based on the appropriate asset allocation strategy developed for you as a result of the information you provided to your USBI Financial Advisor.

Russell Model Strategies

Within Russell Model Strategies, Envestnet purchases Frank Russell Company Investment Management Company (“Russell”) mutual funds on your behalf based on the appropriate asset allocation strategy developed for you as a result of the information you provided to your USBI Financial Advisor. Envestnet will utilize Russell’s mutual fund asset allocation models to develop an investment portfolio for your account.

The funds are offered on a “no-load” or “load-waived basis”. Envestnet acts as portfolio manager on your account, with full authority to supervise and direct your investments, making fund or allocation changes as necessary. Rebalancing will be conducted as needed.

Advisor Select

Accounts in this Program are directed by you. You may purchase mutual funds, ETFs, individual equities, fixed income investments and other certain securities. You will approve all transactions. Financial Advisors may recommend investment vehicles for your portfolio and act on a non-discretionary basis. If necessary we may place trades within your account to make cash available to debit your account for fees.

Advisor Select Separately Managed Account

Accounts in this Program are directed by you. Your account will consist of sub-accounts managed by sub-account managers, who are registered investment advisers recommended by Envestnet through your Financial Advisor. The recommended asset allocation and sub-account managers are based on the appropriate asset allocation strategy developed for you as a result of the information you provided to your USBI Financial Advisor. You will select all sub-account managers and approve all transactions except for transactions made by sub-account managers who act on a discretionary basis.

Unified Managed Account

Accounts in this Program are managed by Envestnet. Envestnet has arrangements with other registered investment advisers who provide Envestnet with purchase and sale recommendations in the form of model portfolios. Envestnet will manage a portion of your account in accordance with these specific investment strategies. Your account may consist of a combination of individual securities selected by the registered investment advisers, mutual funds and ETFs. Mutual Funds are purchased on a “no load” or “load-waived basis.” Recommendations for the model portfolio selection will be based on information provided by you. Envestnet has full authority to supervise and direct your investments within the parameters of the selected portfolio model. Rebalancing of the portfolio will be conducted as needed. As manager, Envestnet will coordinate the trading activity of all underlying investment products.

Discretionary Portfolios

At this time, we do not manage assets on a discretionary basis.

We use Envestnet, a registered investment adviser, as a sub-adviser to provide investment advisory and administrative services for the following managed account.

U.S. Bancorp Investments Strategic Advisor Account (Closed to new clients)

This is a comprehensive account management program that includes development of an investment strategy, selection of mutual funds and/or sub-account managers, brokerage and custodial services and quarterly investment performance reporting. Your Financial Advisor and the sub-adviser will develop an asset allocation strategy based on information provided by you that allocates your assets among equity, balanced and fixed income investments. You will select one of several options which include mutual fund allocations or selection of independent sub-account managers. We no longer accept new accounts in this program, but will continue to maintain it for existing clients.

Portfolio Fees

You will pay an annual asset-based fee for the services received. Under certain circumstances, the portfolio fee is negotiable and is agreed upon by you and your Financial Advisor. The following are some examples when the fee may be negotiable:

- overall relationship with U.S. Bancorp
- total client assets under a Program account
- types of investments or strategies being utilized

The portfolio fee is based on various factors including the specific services being provided, the type and size of your account, historical or anticipated transaction activity, and the range of additional services provided to your account

The portfolio fee represents payment for the following services:

- Development and ongoing management of asset allocation and investment strategy
- Portfolio Manager search, due diligence and monitoring services
- Mutual fund due diligence and monitoring services
- Portfolio Manager investment management services
- Account administration and reconciliation services
- Administrative services
- Clearing and custody charges
- Brokerage execution services
- Monthly transaction statement
- Quarterly evaluation of investment performance
- Tax reporting
- Advice provided by your Financial Advisor and sub-adviser

USBI Personal Portfolios Program

Assets	Fund Managed Portfolios	Advisor Select	Advisor Select Separately Managed Accounts	Unified Managed Account
First \$250,000	1.70%	2.00%	2.75%	2.50%
Next \$250,000	1.60%	1.80%	2.50%	2.25%
Next \$500,000	1.50%	1.60%	2.25%	2.00%
Next \$1,000,000	1.30%	1.35%	2.00%	1.75%
On amounts over \$2,000,000	1.00%	1.10%	1.75%	1.50%

USBI Strategic Advisor Account

Assets	Managed Account	Mutual Funds Account	Fixed Income Account
First \$500,000	2.50%	1.50%	1.70%
Next \$500,001	2.25%	1.50%	1.55%
Next \$1,000,001	2.00%	1.25%	1.40%
On amounts over \$2,000,000	Negotiable	Negotiable	Negotiable

Fees are blended which means that, as the portfolio value reaches each threshold in the tables, the assets above that threshold are charged successively lower rates.

Fees will be based on the value of the assets in the Program Account. For this purpose, asset value means the average fair market value of the eligible securities in your Program account, including where applicable, the value of margin loans and options, dividends and accrued interest.

At your direction, you can link together multiple Program accounts for yourself and family members to qualify for a fee breakpoint. Sub-account manager fees are included in the portfolio fee. Their portion of the fee is set by each sub-account manager and will vary. Typically this ranges between .25 - .75% depending on the size of the account and type of services provided.

You should consider that the portfolio fee may be more or less than the cost of services if they were provided separately or from another source. This can depend on several things such as the amount of the portfolio fee, the amount of activity in your account, the value of custodial and other services. You will also receive the value of the consulting service provided by your Financial Advisor and sub-advisor in designing and monitoring your investment strategy. They will also assist you with periodically determining your asset allocation as well as the suitability of the sub-account managers. To determine the reasonableness of the fee, you should consider the costs of the development and ongoing management of an asset allocation or investment strategy, the gathering and monitoring of information on sub-account managers, transaction costs, fees and taxes, commissions or markups/markdowns on transactions, custodial costs, quarterly performance reports, and tax statements.

Custodial fees are included in the portfolio fee except for items such as: interest on debit balances, the public offering price for securities purchased in a distribution; exchange fees, regulatory transaction fees, transfer taxes; liquidation fees for non-cash assets brought to a Program; electronic fund and wire transfer fees; trade-away charges; trust service charges; and short-term redemption fees. Mutual funds also charge their own management fees and expenses which are included in the fund's prospectus. We will also charge interest on any outstanding margin loan balances to clients who borrow money from us. In addition, rebalancing will not occur if the account has a margin debt.

Billing

Quarterly reports holdings and statement of management fees display a total account value less any margin loans held in your account. Because the billing calculation does not deduct the value of margin loans, the amount on which we calculate your fee may be higher than the account value displayed on your report.

For example:

If you have \$1,000,000 in assets and use a margin loan to purchase an additional \$50,000 in securities, the billable account value will be \$1,050,000. The report value will be \$1,000,000.

Closing your Advisor Select Account

For Advisor Select, we may choose to cover all existing short positions when you close your Advisor Select Account. Those liquidations will be executed in our capacity as broker dealer and creditor and may, as permitted by law, result in executions on a principal basis in your Program account. Upon termination, you are responsible for monitoring the securities in your Program account, and neither USBI nor your Financial Advisor will have any further obligation to act or offer advice with regard to those assets.

Your Financial Advisor will receive compensation for your participation in the Program. This may be more than what the Financial Advisor would receive if you participated in other investment services or paid separately for investment advice, brokerage, and other services. As such, your Financial Advisor may have a financial incentive to recommend the Program over other programs or services.

Item 5 Account Requirements and Types of Clients

The minimum account size generally required for accounts is listed below. Under certain circumstances, accounts may be opened with lower amounts.

Fund Managed Portfolios	Unified Managed Account	Advisor Select	Advisor Select Separately Managed
\$50,000	\$250,000	\$50,000	\$100,000 *

*Some sub-account managers have higher minimums.

We provide advisory services to a wide range of clients including individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and corporations.

Item 6 Portfolio Manager Selection and Evaluation

We use Envestnet as the sub-adviser to provide due diligence, selection and monitoring of sub-account managers. Sub-account managers are selected based on many factors including:

- Referrals from consultants
- Periodicals and databases containing information about investment advisers
- Analysis of portfolio returns
- Review of the sub-account manager's disclosure brochure
- Contact with clients and references provided by the sub-account manager
- On-site visits to the sub-account manager

Envestnet will typically not recommend an affiliated sub-account manager.

If you would like to have some of your assets managed by an investment adviser who is not recommended by us, they may manage your assets as a provisional manager for a period of time while the sub-adviser conducts its normal review. In general, we will not provide any investment advice to you regarding the provisional manager or your assets until the provisional manager has been approved. If the provisional manager is not accepted, you will need to choose an approved sub-account manager. Your assets will become unmanaged until you choose a new approved sub-account manager.

When necessary, we may recommend that you terminate a sub-account manager and will usually recommend a replacement. Reasons may include ownership changes, key employee turnover, adverse or wrongly focused performance record, changes in investment philosophy, failure to follow the stated investment discipline or other similar concerns.

On an ongoing basis, the sub-adviser monitors the performance of each sub-account manager relative to major market indices and to comparable style indices. This monitoring also usually includes a review of the sub-account manager's absolute performance, the risk-adjusted performance and the attributes of the performance, including a study of the equity selections, asset allocations, and the style and sector emphasis of the sub-account manager.

You will receive a quarterly evaluation of investment performance prepared by the sub-adviser using a time-weighted calculation standard to adjust for significant asset flows into the account. Other generally accepted methods of calculation exist which may yield different results. Performance information provided by sub-account managers and mutual funds is not verified by the sub-adviser or us.

Item 7 Client Information Provided to Portfolio Managers

You and your Financial Advisor will discuss your objectives, risk tolerance, anticipated contributions and withdrawals, the importance of liquidity, income, growth, and safety of principal, as well as any reasonable restrictions that you may wish to impose on your account. If applicable to the Program(s) you choose, relevant information including your investment strategies or allocations will be shared with the sub-adviser and sub-account managers of the Program you choose. This information may be shared with some of their employees. You should tell your Financial Advisor immediately of any significant change in your financial circumstances. You will be asked if you wish to change any investment instructions on your account. This information may also be shared with your account sub-adviser and sub-account managers.

Item 8 Client Contact with Portfolio Managers

If you need to contact your sub-account manager(s), it is preferred that you do so through your Financial Advisor.

Item 9 Additional Information

Disciplinary Information

In the past ten years, we have not been involved in any material disciplinary events as an investment adviser. The disciplinary events listed below are related to the activities of USBI acting in our capacity as a broker-dealer.

Reserve Requirement

The NASD alleged violations of NASD Conduct Rule 2110 and SEC Rule 15c3-3, by failing to properly compute our reserve requirement and incurring a reserve deficiency. We submitted a letter of Acceptance, Waiver & Consent on 1-23-2003 for the purpose of proposing a settlement of these alleged rule violations. Without admitting or denying the allegations, we agreed to pay a penalty of \$2,500.

Auction Rate Securities

FINRA alleged the following rule violations:

NASD rules 2110, 2211, and 3010(a) and 3010(b) and MSRB rule G-27:

- Used sales materials that were not fair and balanced and did not provide a sound basis for evaluating the facts in regard to purchases of Auction Rate Securities (ARS).
- The materials used failed to adequately disclose the risks of investing in ARS, that investments in ARS could become illiquid, and that customers might be unable to obtain access to funds invested in ARS for substantial periods of time.
- Failed to establish and maintain adequate procedures, including written procedures, reasonably designed to ensure that we marketed and sold ARS in compliance with federal securities laws and applicable NASD and/or MSRB rules.
- Failed to maintain procedures reasonably designed to ensure registered representatives accurately described ARS during sales presentations and that representatives provided customers with adequate disclosure of the risks of ARS, including the risk that ARS auctions could fail and investments could become illiquid.
- Added ARS to our approved product list without using our usual due diligence process.
- Failed to provide adequate training to registered representatives regarding the features and characteristics of ARS and the differences between ARS and other investments.

We submitted a letter of Acceptance, Waiver & Consent for the purpose of proposing a settlement of the alleged rule violations previously described. Without admitting or denying the allegations, we agreed to a censure and fine of \$275,000. The terms of the letter of Acceptance, Waiver & Consent were accepted by FINRA on 2-12-10. The fine was paid on 3-9-10.

Callable Certificates of Deposit

The NASD alleged violations of NASD conduct Rule 2110, 2340, 3110 and SEC Rule 17A-3 in connection with offers and sales of Callable Certificates of Deposits, that we, acting through our registered representatives, made material misrepresentations of fact regarding Callable Certificates of Deposits.

We submitted a letter of Acceptance, Waiver & Consent for the purpose of proposing a settlement of the alleged rule violations previously described. Without admitting or denying the allegations, we agreed to

pay a censure and monetary fine of \$75,000. The terms of the letter of Acceptance, Waiver & Consent were accepted by the NASD on 12-31-03.

Other Financial Industry Activities and Affiliations

We are an affiliate of U.S. Bank, National Association, a national bank, providing traditional banking and trust services. In addition to providing financial advice to clients, some Financial Advisors may offer insurance and investment products through our affiliates. The Financial Advisors may also be licensed insurance agents of U.S. Bancorp Insurance Services, LLC, an affiliate.

Financial Advisors may refer clients who request portfolio management and trust services to our affiliates. Clients may incur additional charges for such services provided by affiliates.

Financial Advisors may utilize First American Money Market Funds, mutual funds that are advised by U.S. Bancorp Asset Management, Inc., an affiliate. Mutual funds, including First American Money Market Funds, charge their own management and other fees as set forth in the fund's prospectus.

Code of Ethics

Financial Advisors are subject to the U.S. Bancorp Investments, Inc. Investment Adviser Code of Ethics ("the Code"). We understand that our business is built on trust – trust between you and us, our suppliers, our business partners and one another. The Code covers a wide range of business practices and procedures for carrying out each employee's responsibilities on our behalf and observing the highest standards of ethical conduct. Our employees must conduct themselves according to these standards and must seek to avoid even the appearance of improper behavior. The Code prohibits use of material non-public information and regulates personal securities trading by employees. Our employees are responsible for reviewing the Code annually and for acting in compliance with the Code.

In addition to the Code, all of our employees also agree to abide by the U.S. Bank Code of Ethics and Business Conduct. It represents building values of our organization and helps instill ethically sound behavior and accountability among our employees. Every employee certifies compliance with our standards annually.

We will provide copies of both upon request.

Participation or Interest in Client Transactions, Margin and Lending, Personal Trading and Trade Errors

Participation or Interest in Client Transactions

As a matter of practice, we make investments in various securities for our benefit, but these securities are not offered to our retail clients. There is no discussion that occurs between our traders who handle our client orders and the traders that handle our business, because we consider that self-dealing. As such, we generally do not trade securities with you on a principal basis without your consent.

Should a situation arise that an investment made for our benefit was considered appropriate for retail clients, the investment would go through a rigorous due diligence process to ensure it was an appropriate investment. Also, your risk tolerance would need to be matched with the risk of the investment.

Margin and Lending

For Advisor Select, you may choose to engage in leverage strategies involving the assets in your eligible non-retirement, non-custodial Program accounts. Margin is generally not recommended or permitted in Program accounts. However, we may from time to time, approve margin on an exception basis when requested by a client or for use in specialized strategies available in Advisor Select.

Using margin in a Program account is considered a more aggressive, higher risk approach to pursuing your investment objectives. Before you decide to use margin in your Advisor Select Program account, you must carefully consider:

- whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly greater than if you decide not to invest with borrowed funds.
- that the use of leverage will increase your costs of investing, as well as your risks, and depending upon the return achieved through the use of margin, may make your investment objectives more difficult to realize.
- if we provide a margin loan to you, you will pay us interest on the outstanding loan balance. Since the wrap fee is calculated as a percentage of assets under management, the use of margin to purchase securities will generally increase the amount of (but not the percentage of) the wrap fee that you pay to us. This will result in additional compensation to us, your Financial Advisor and Envestnet.

The decision to use leverage in a Program account rests with you and should only be made if you understand:

- the risks of margin borrowing and the impact of the use of borrowed funds as it relates to leverage
- how the use of margin may affect your ability to achieve investment objectives
- you may lose more than your original investment
- you may not benefit from using margin in a Program account if the performance of your account does not exceed the interest expense being charged on the loan plus the additional wrap account fees incurred by your account as a result of the deposit of loan proceeds.

You should also understand the risks of default. Clients with margin accounts may need to deposit additional cash or collateral or repay all or part of the margin loan if the value of the portfolio declines below the required loan-to-value ratio.

Failure to promptly meet a request for additional collateral or repayment or other circumstances (i.e. a rapidly declining market) could cause us to liquidate, at our discretion, some or all of your funds to meet the margin loan requirements. Depending upon market conditions, the prices obtained for the securities may be less than favorable. Liquidations may impact your long-term investment objectives and may result in adverse tax consequences.

Neither USBI nor its Financial Advisors will act as your investment adviser with respect to the liquidation of securities held in an advisory account to meet a margin call. Liquidations will be executed in our capacity as a broker-dealer and creditor and may, as permitted by law, result in executions on a principal basis in your account.

Personal Trading

From time to time, Financial Advisors and other employees of ours may purchase securities for their personal accounts that are available to our clients. In such cases, Financial Advisors will not effect transactions for their personal accounts which would be contrary to recommendations being made to you. In addition, these Financial Advisors will not compete with clients in connection with such transactions.

Our Financial Advisors' personal trading accounts are monitored so that you are treated fairly, and the securities purchased for you are done so prior to a Financial Advisor personal transaction.

Trade Errors

We have a trade error procedure, pursuant to which we resolve trading errors that may occur from time to time. We require the appropriate supervisory personnel to review and approve the correction. The correction must be processed on a timely basis and may not adversely affect a client. The firm maintains an error account to facilitate handling trading errors. Gains may be offset by losses in the error account.

Review of Accounts

We have various policies and procedures applicable to the review and supervision of client accounts in our Programs. Those policies are designed to comply with the requirements of the Investment Advisers Act of 1940, and where applicable, ERISA and other applicable rules and regulations.

We generally review the managed accounts at least quarterly. Your Financial Advisor will review your accounts with you. During this review, the Financial Advisor may recommend changes in that reflect the changing needs of your situation. At that time you will need to inform us of any changes in your financial condition, goals or objectives that would affect the management of your account.

Periodically, reviews are conducted on selected accounts to conform to company policies and procedures. In addition, we review a percentage of accounts on a random basis during the quarter.

We will review your account at any time you request

We offer a detailed consolidated quarterly investment performance evaluation report. In addition, you will receive a periodic brokerage statement from the custodian reflecting all the holdings and activity in your account during the previous month, unless you specify otherwise. We urge you to compare our reports with the statements received from the custodian.

Client Referrals and Other Compensation

We do not pay any person or entity for client referrals. From time to time, we may offer an incentive program to our Financial Advisors to encourage an increase in assets under management or an increase in sales. These programs may include sales awards such as trips or other prizes. . In addition, some Financial Advisors may be eligible for other compensation upon joining our firm. This could include an upfront cash advance subject to a repayment agreement, one or more backend bonuses, or both.

Financial Information

A balance sheet is not required because we do not require prepayment of fees more than three months in advance. If you would like financial information about our firm, please refer to our Statement of Financial Condition found on our web site.