

**Firm Brochure for  
Financial Planning Services  
(Part 2A of Form ADV)**

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This brochure provides information about the qualifications and business practices of U.S. Bancorp Investments, Inc. (referred to as “we”, “us” or “USBI” throughout this document) and our financial planning services that you should consider before becoming a client of this service. 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 is available on the SEC’s web site at [www.adviserinfo.sec.gov](http://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.

**April 1, 2013**

## **Item 2      Material Changes**

This section describes the material changes to our Financial Planning Services since the last annual amendment of our Form ADV on March 29, 2012.

There are no material changes at this time.

### Item 3      Table of Contents

Item 1	Cover Page .....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents .....	3
Item 4	Advisory Business.....	4
Item 5	Fees and Compensation.....	6
Item 6	Performance-Based Fees and Side-By-Side Management.....	6
Item 7	Types of Clients .....	6
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9	Disciplinary Information .....	7
Item 10	Other Financial Industry Activities and Affiliations.....	7
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
Item 12	Brokerage Practices.....	8
Item 13	Review of Accounts .....	8
Item 14	Client Referrals and Other Compensation .....	9
Item 15	Custody.....	9
Item 16	Investment Discretion .....	9
Item 17	Voting Client Securities .....	9
Item 18	Financial Information .....	9

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## Item 4      Advisory Business

USBI offers financial planning services as well as other advisory services. This brochure describes only our financial planning services. We also sponsor wrap fee advisory programs, including several managed account programs (collectively referred to as the “Programs”). Our financial planning services and the Programs are designed to help you meet your investment goals and objectives. Descriptions of services and fees for the Programs we offer can be found in separate disclosure documents and are available upon request. Please contact your Financial Advisor for information on these Programs.

### Firm Description

USBI is owned by U.S. Bancorp and has been incorporated since 1974. We acquired an entity with an investment adviser that was state registered in 1996 and subsequently became SEC registered in 2007.

We are an investment adviser as well as a broker-dealer registered with the SEC. We are a member of the Financial Industry Regulatory Authority, known as FINRA, and also a member of the Securities Investor Protection Corporation, known as SIPC.

### Financial Planning Services Offered

Our financial planning services provide a personalized report to help you assess your financial situation and your ability to achieve specific financial goals.

Financial planning is an investment advisory service that creates a fiduciary relationship. This means that we must place your interests above our own. This brochure explains your rights and obligations in providing you with a financial plan. Please read it carefully and keep it for your records. Please note that although we act as your investment adviser in providing a plan to you, this does not affect any other relationship you may have with your Financial Advisor or USBI. The nature of your existing USBI accounts, your rights and obligations relating to these accounts, and the terms and conditions of any USBI account agreement in effect does not change in any way. Generally, unless you are participating in our advisory program, we will implement securities transactions in our capacity as a broker-dealer. You will be charged any applicable fees for effecting transactions you choose to make, including commissions, a portion of which will be passed to your Financial Advisor.

**You should understand that our financial planning service ends upon our delivery of the plan to you, as will the fiduciary relationship that arises from providing you with this service.** You are not required to open accounts, purchase products, or otherwise transact any business with USBI or any of our affiliates in order to put into action any aspect of your financial plan. If you would like USBI to be involved with helping you develop investment and/or insurance strategies, we would welcome the opportunity to assist you through our brokerage or investment advisory services. Please note that the capacity in which we act when implementing these strategies will depend on, and vary by the nature of your accounts, as will the governing regulatory agency.

Any information presented in a financial plan regarding potential tax considerations is not intended as tax advice and should not be relied upon for the purpose of avoiding any tax penalties. Neither USBI nor any of its employees provide tax or legal advice and our financial planning services are not intended to provide, and should not be construed as providing such advice. You should consult with your legal or tax advisors regarding your personal circumstances.

You should also understand that a financial plan does not address every aspect of a client's financial life. Please note that a topic may not be included in your financial plan for a number of reasons (insufficient data provided, separate analysis to be provided, etc.) and such omission does not indicate that the topic is not applicable to your financial situation. Please consult with your Financial Advisor regarding the specific topics included in your financial plan.

## **Inclusion of Outside Assets in your Financial Plan**

When we develop a financial plan for you, you may choose to include assets held at other institutions. Because these assets are not held at USBI, we will not be able to verify or ensure the accuracy of information regarding these assets. USBI does not provide advice with respect to your assets at other firms, and we will not assume any liability for your activity at other firms.

## **Electronic Delivery**

To the extent permissible by law, we may, with your consent, deliver financial plans, Form ADV disclosure brochures, and other documents and notices related to our services via electronic format.

## **Qualifications of Financial Advisors Who Provide Financial Planning Services**

Most of our Financial Advisors are registered as broker-dealer and investment adviser representatives. We do not impose special requirements (other than the required registrations) for Financial Advisors who participate in our financial planning services.

## **Services Tailored to Individual Client Needs**

The following is intended to provide you with a high-level overview of the different types of services that can be provided by a Financial Advisor at USBI. It is not intended to be a comprehensive explanation of the purpose or the outcomes of each plan. Each is designed to meet the individual investment objectives, financial needs and risk tolerance of the client. Some of the planning services provided by our Financial Advisors require us to collect certain financial information and assess the relative importance of various wealth management topics.

### **1. Goal Based Analysis**

Using information that you provide, tools are available that will provide report(s) that analyze a specific goal that you are looking to achieve. Some of the areas that can be reviewed using these reports include retirement accumulation, retirement distribution, education funding, funding of long term care needs, estate planning options, income replacement (both permanent and disability), and asset allocation goals. Many of these reports will provide 'What-If' modeling (applying potential changes to your existing situation to demonstrate the impact of those changes) within the existing plan. Additionally, each of these tools will allow multiple scenarios to be presented for a side-by-side analysis as well.

### **2. Cash Flow Planning**

Using the information that you provide, these reports may include an analysis in one or more of the following areas: financial goals, current net worth and income statement, current cash flow, and certain financial ratios.

In addition, certain aspects of a financial plan may be available separately to you through our broker dealer affiliate. For instance, we can review your progress toward achieving certain established financial goals through one of our brokerage or investment advisory services. We also have various asset allocation tools that a Financial Advisor may use to develop a proposed asset allocation appropriate for your needs.

## **Assets under Management**

Our financial planning services do not include our management of client assets on a discretionary or non-discretionary basis

Our assets under management in wrap fee programs as of 02/28/2013 are listed below. We do not manage any assets on a discretionary basis. Although this information does not apply to our financial planning services, it provides you additional background regarding our activities as an investment adviser.

### Assets under Management as of 02/28/2013:

- Non-discretionary Programs: \$3,210,866,000

## **Item 5 Fees and Compensation**

### **Description of Financial Planning Fee**

At this time, we do not charge a fee for our financial planning services. Please note that we reserve the right to change this policy at any time without additional notice. If you maintain accounts with us, or if we assist you in implementing your financial plan, you may pay asset based fees, transaction based charges or commissions, account maintenance fees or other charges. Although you are not obligated to implement your financial plan through us, you will incur such fees whether you implement your financial plan with us or at other financial institutions.

### **Compensation to Financial Advisors**

Financial Advisors also may receive certain revenue rewards based on their production amount, business mix and net new assets. We reserve the right, at our discretion and without prior notice, to change the methods by which we compensate our Financial Advisors.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

We do not use a performance based-fee structure in our advisory products.

## **Item 7 Types of Clients**

We advise a wide range of clients, including individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other businesses not listed here.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

We have contracted for financial planning software with various providers to develop planning strategies. When developing asset allocation strategies for those providers that use our analysis, we provide the vendors with our proprietary allocation recommendations. Based on a client's determined risk tolerance, one of these specific asset allocation recommendations is presented within the software. You can choose to implement this recommended solution or work with an advisor to further customize a strategy that meets your needs. The proprietary allocation models from USBI are updated on a periodic basis.

In developing these propriety allocation models, the following is considered:

- Historical market performance and the relationship of different types of assets invested in combination with each other.
- Individual financial objectives and risk characteristics that can impact the structure of a portfolio. This includes a complete accounting for client perspectives on risk and tax considerations.
- Current market and economic trends that could affect the outcome of a strategic asset allocation mix.

### **Investment Strategy**

Your personal investment strategy is based on the objectives you discuss with your Financial Advisor and may be different for each of your accounts. Investment strategies may include asset allocation, long-term purchases, short-term purchases, trading and other strategies your Financial Advisor will discuss with you. Since the financial plan is based on information that you provide, the accuracy of the analysis is dependent upon you providing information that is complete and accurate. In the event your circumstances change, impacting your goals and objectives, your Financial Advisor can develop a new financial plan for you.

## Investing in Securities Involves Risk

If you choose to implement any portion of the financial plan, please be aware that all securities carry some level of risk. You may lose money as the value of the securities fluctuates. You should be prepared to bear the risk for each type of security in which you invest including the possibility of losing some or all of your invested money. Thinking about long-term investment strategies and tolerance for risk can help determine what type of investment is best suited for you. The results presented in your financial plan are not a guarantee of future returns. Our financial plans describe the basis, limitations and potential risks and you should review them carefully.

## Item 9 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.

### 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 it 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 its 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.

## Item 10 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. Our Financial Advisors and other personnel are registered with FINRA, Financial Industry Regulatory Authority, under our Broker Dealer. 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.

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

### **Code of Ethics Description**

Financial Advisors are subject to the USBI 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. 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**

You are not required to have accounts at USBI or implement your financial plan with USBI in order to receive financial planning services.

As part of our financial planning services, a Financial Advisor may provide recommendations as to investment products or securities. To the extent that a Financial Advisor recommends that a client invest in products that will result in compensation being paid to USBI or the Financial Advisor, this presents a conflict of interest. In this regard, a Financial Advisor has a financial incentive to recommend that a financial plan be implemented using certain products over other products.

### **Personal Trading**

Our Code of Ethics prohibits use of material non-public information and regulates personal securities trading by all employees.

From time to time, Financial Advisors and other employees of ours may purchase securities for their personal accounts that are available to our clients. 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.

## **Item 12 Brokerage Practices**

Our financial planning services do not include the review or recommendation of broker dealers for client transactions.

## **Item 13 Review of Accounts**

The financial planning services are not considered on-going advice. We do not review the financial planning analysis, your financial situation or any other matter on an ongoing basis. Our advice is solely contained in the financial planning report that is prepared for you.



## **Item 14      Client Referrals and Other Compensation**

### **Client Referrals**

USBI does not pay any person or entity for client referrals. From time to time, U.S. Bank, National Association, an affiliate, may pay a nominal fee to their employees to refer clients to us that may result in advisory services.

### **Other Compensation**

From time to time, we may offer an incentive program to our Financial Advisors to encourage an increase in assets under management or 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.

## **Item 15      Custody**

If you elect to open an account with USBI to implement all or a portion of the financial plan, assets in the accounts are typically held by USBI as a custodian. We provide periodic account statements which you should thoroughly review.

## **Item 16      Investment Discretion**

We do not have any discretionary authority over client assets.

## **Item 17      Voting Client Securities**

Our Financial Planning Services do not include proxy voting services.

## **Item 18      Financial Information**

A balance sheet is not required in this Firm Brochure 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 website.