

## **Asset Management Consulting<sup>SM</sup>**

### **Consulting Services**

### **Financial Planning**

### **AMC Advantage**

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SEC File Number 801-107729

July 31, 2020

This brochure provides information about the qualifications and business practices of SunTrust Advisory Services, Inc. If client has any questions about the contents of this brochure, please contact SunTrust Advisory Services, Inc. at (404) 827-6461. The information in this brochure has not been approved or verified by the United State Securities and Exchange Commission or any state securities authority.

Registration as an investment adviser does not imply a certain level of skill or training.

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

#### **Investment and Insurance Products:**

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

<https://www.suntrust.com/investing-retirement/stas-disclosures>

## **Material Changes**

The last update to the SunTrust Advisory Services, Inc. (“STAS”) Consulting Financial Planning and AMC Advantage Firm Brochure was June 30, 2020. No material updates have been made since the last update.

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## ADVISORY BUSINESS

SunTrust Advisory Services, Inc. ("STAS") is a separate, wholly owned, non-bank indirect affiliate of Truist Financial Corporations ("TFC") and an affiliate of Truist Bank ("TB"). STAS became an investment adviser under the Investment Advisers Act of 1940, as amended in April, 2016.

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

Investment in the AMC Advantage program covered by this brochure requires that Client separately maintain or open an underlying SunTrust Investment Services, Inc., ("STIS") an affiliated broker-dealer and insurance agency, Brokerage Account ("Account") which is governed by a STIS Brokerage Account Customer Agreement ("Brokerage Agreement"). STIS is a member of the Financial Industry Regulatory Authority ("FINRA") and Securities Investor Protection Corporation ("SIPC"). STIS is an introducing broker-dealer clearing its trades through National Financial Services LLC and its affiliate Fidelity Management Trust Company, if client's account is a qualified retirement account ("NFS"), which also provides custody and execution services for client accounts. The requirement to open a brokerage account with an affiliated broker is made by STAS for purposes of efficiently administering its Programs and therefore is a benefit to STAS which creates a conflict of interest. See **CONFLICTS OF INTEREST –Use of Affiliated Broker Dealer** Section below.

Client risk tolerance and investment objectives of a client's underlying STIS brokerage account may not specifically match the investment advisory account risk profile of the managed program account within the Envestnet system which governs how account risk is captured and monitored. The firm regularly updates the STIS brokerage data with the data from the Envestnet system; however, in the case of any discrepancy in risk ratings, each client account shall be managed in accordance with the risk rating applicable to the investment advisory relationship and not in accordance with any risk rating applicable to a pre-existing brokerage relationship.

Clients retain ownership of all cash, securities, and other investments in their Program Accounts.

Clients have the option to purchase investment products that we recommend through other broker-dealers or agents that are not affiliated with STIS.

### **Key Third Party Service Providers**

STAS has contracted with Envestnet Asset Management, Inc. a SEC registered investment adviser ("Envestnet" or "Platform Manager") for administrative services related to the AMC Advantage Program including access to their platform system that creates proposals based on STAS' models and those of other investment managers pursuant to agreements, ongoing monitoring of account positions to investments selected, submission of trade details to NFS and performance reporting.

Clients have the option to purchase investment products that we recommend through other broker-dealers or agents that are not affiliated with STIS.

LifeYield. STAS utilizes LifeYield powered by LifeYield ROI™ program for generating asset location recommendations for existing client accounts consistent with the STAS Investment Advisory Group ("IAG") models. The LifeYield functionality has been incorporated in the Envestnet platform.

This program analyzes the after-tax returns of the investments based on taxable, tax-free and tax-deferred status' and recommends the program's proposed portfolio which has the potential for higher returns.

The program has been integrated with the firm's financial planning software, See **Financial Planning, Integration of LifeYield powered by LifeYield ROI™ program and SummitView** Section below.

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

STAS has contracted with Truist Bank for financial planning services of the Advice and Planning Group.

#### **Client Service Structure**

STAS generally provides investment managed and investment advisory services utilizing one of the following business channels:

Self-Directed Brokerage Accounts – Client Investible Assets Below \$50,000;  
Client Advisory Center ("CAC")

Brokerage and Investment Advisory Accounts — Client Investible Assets between \$50,000 and \$100,000; and  
Full Service Brokerage and Investment Advisory – Client Investible Assets Above \$100,000.

#### **Client Advisory Center**

STAS has established a centralized Client Advisory Center. The CAC consists of approximately 40 Financial Advisors (CAC FAs) who assist clients in meeting their financial needs with financial planning and access to the firm's AMC Fund Select Tactical Focus Program, where appropriate. The AMC Fund Select Tactical Focus Program is more fully described in the firm's STAS and Third Party Managed Programs Firm Wrap Brochure. The Programs described in this Brochure are general not offered to new Clients serviced by the CAC but may be serviced by the CAC when associated with an investment management relationship which predates the establishment of the CAC or is later transferred to the CAC.

CAC FAs work as a team and the primary advisor brochure supplement describes this team. Clients who wish to receive a copy of a specific CAC FA's brochure supplement may contact the CAC at (844) 206-8900 and receive this information free of charge.

#### **Services and Program Described in this Brochure**

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

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

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

municipal or government bonds, notes or bills.

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

**Cash Flow Analysis.** STAS provides analysis of cash flow from investment assets including non-marketable assets such as real estate and provides recommended transactions (buy, sell, exchange or hold) related to marketable assets in client's accounts that include, but not limited to, common and preferred stocks, shares of mutual funds, closed-end funds, exchange traded funds, separately managed accounts, options, warrants, rights and corporate, municipal or government bonds, notes or bills. The fee for such cash flow consulting cannot be based on a percentage of the underlying non-marketable asset and must be a fixed dollar amount.

Investment Consulting Services are prohibited on STIS brokerage accounts.

### **Financial Planning**

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

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

### **Integration of LifeYield powered by LifeYield ROI™ program and SummitView**

Advisors can access the program from the SummitView application and select the account(s) to include in the report and includes the balance, holdings and asset allocation from SummitView. The recommended asset allocation is also included in the information flow.

### **MyMoney Guide Access**

Clients may request access to the MyMoneyGuide landing page and participate in the financial planning process by entering their data through their STAS Advisor.

STAS has worked with the third party vendor, PIETech to create a client landing page within SummitView called MyMoneyGuide. Through MyMoneyGuide Advisors can give clients access to participate in the financial planning process and enter their own data. Clients are able to access the system to enter their own financial information, including goals, risks, financial data and more. Clients can reach out to their Advisor at any point in the process but are not required to do so.

Clients who are given access to the system can enter their own financial information, including goals, risks, financial data and more. The usefulness of the Report is dependent upon the quality and accuracy of the information entered.

Information entered about assets, financial goals, and personal situation are key assumptions for the calculations and projections in this Report.

Clients can reach out to their Advisor at any point in the process but are not required to do so.

The third party supplier of the services, PIEtech, is available for clients with technological questions about the system and can communicate directly with PIEtech's associates within the system. PIEtech is responsible for monitoring these communications and reporting any complaints related to STAS, as described in the current agreement between the parties.

Should a client choose to implement the recommendations contained in the financial plan, STAS suggests that the client work closely with his or her attorney, accountant, insurance agent and/or securities broker. STAS' Advisors generally make recommendations with respect to products, programs or services offered by STAS and its affiliates. STAS or its affiliates receive commissions or fees from these recommendations which is shared with its Advisors. The decision to implement any such decision, however, rests exclusively with the client, and the client has no obligation to implement any such recommendation through STAS or its affiliates.

#### **Access to Client Data in SummitView Upon Death**

Upon the death of a client, access to the data within SummitView related to the client's information will be treated in the following manner:

- **Single client** – All access to SummitView will be removed (including any children who had access). Once a death certificate and sufficient notice of appointment of Executor, additional access for the client's duly appointed Executor will be created.
- **Married Client**
  - Both clients had their own access to SummitView - Access for the deceased client will be removed and access for the surviving spouse will remain. Upon receipt of death certificate and sufficient notice of appointment of Executor, additional access for the client's duly appointed Executor will be granted.
  - Deceased client is only spouse with access to SummitView – - Access for the deceased client will be removed. Upon receipt of death certificate and sufficient notice of appointment of Executor, additional access for the client's duly appointed Executor will be granted.
- **Power of Attorney**

In the case of an incapacitated client, STAS will review terms of client's power of attorney to determine if client's agent may be granted access to client's SummitView account.

#### **Access to Client Data in SummitView Upon Divorce**

Upon a divorce, access to the data within SummitView related to the client's information will be treated in the following manner:

- **Both Parties Have Access to SummitView**

Access for both parties will remain active until each party submits a written request to STAS to terminate their access for the joint profile and establish an individual profile.

- **One Party Has Access**

Access for a spouse that does not currently have access will not be created without consent of spouse who created account.

**AMC Advantage Program**

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

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

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

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

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

While most Managers are not offered in the AMC Sentry Program or AMC Premier Programs (see specific brochure for program details), clients may select a Manager that is affiliated with STAS or offered in these other AMC Programs. Managers hired by a client are sent information on the client’s financial circumstances, investment goals and objectives, and any special instructions the client may wish to give the Manager regarding the account. As discussed below, AMC Advantage clients generally pay separate investment management fees to the Managers on a basis agreed to between the client and the Manager. Any investment management fee paid to a Manager is in addition to the Program Fee described below or other compensation paid to STAS.

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

**Total STAS AMC Program Assets Under Management as of June 30, 2020**

|                   |                   |
|-------------------|-------------------|
| Discretionary     | \$ 18,096,786,539 |
| Non-Discretionary | \$ 6,318,383,943  |



## FEES AND COMPENSATION

### **Investment Consulting Services Fees**

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

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

#### **Fee Schedule**

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

### **LifeYield Fees**

There are no fees related to the LifeYield system.

### **Financial Planning Fees**

Fees for financial plans prepared by either the Truist Bank Advice and Planning Group or by STAS Advisors are negotiable and depend upon the scope and complexity of the financial plan and generally range from \$2,000 to \$30,000 for plans prepared by the TB Advice and Planning Group for individual plans and from \$15,000 to \$50,000 for plans for business.

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

Truist Reserve clients, those with \$5 million or more in managed assets with Truist Financial Corporation or any of its affiliated investment advisers, including STAS, and who want a financial plan are not charged a fee for planning services provided by the Wealth Planning Group.

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

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

Recommendations may be made to invest client assets in mutual funds or pooled investment vehicles, including ETFs, which, in addition to the consulting fee, incur the internal management and operating fees and expenses, mutual fund

management fees, early termination fees (which may include fees on whole or partial liquidations of these assets), commissions and other fees and expenses that may be assessed by the investment vehicle's sponsor, custodian, transfer agent, adviser, shareholder service provider or other service providers. Such fees are not included in the consulting fee. Further information regarding charges and fees assessed may be found in the appropriate prospectus, and/or annual report and/or custodial agreement.

For purposes of determining the fee charged to a client, STAS uses the custodian's quarterly statement which includes the asset values. Although the information collected by us is believed to be reliable, STAS does not independently verify this information nor does STAS guarantee the accuracy or validity of such information.

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

AMC Advantage accounts will be charged an asset-based fee (the "Program Fee") that includes working with clients and Managers related to how an account is tailored specifically for a particular client, reviewing performance reports and how the Manager fits the client's overall allocation among other client-related services and the custodial, execution, and reporting services provided by NFS except for those charges that, as described below, will be paid by the client. The Program Fee **does not** include portfolio management and other advisory services charged by the Managers (including Managers affiliated with us) selected by the client.

The Program Fees are negotiable and may differ from client to client based upon a number of factors including, but not limited to, the type and size of the client's account, the range of services we provide to the client and the total client relationship with us in terms of assets under management or supervision. The exact fee a client will pay is specified in his or her client investment management agreement.

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

| <b>Assets Under Management</b> | <b>Equity</b> | <b>Fixed Income</b> |
|--------------------------------|---------------|---------------------|
| \$0 - \$500,000                | 1.35%         | 0.65%               |
| \$500,001 - \$1,000,000        | 1.15%         | 0.65%               |
| \$1,000,001 - \$2,000,000      | 0.95%         | 0.55%               |
| \$2,000,001 - \$5,000,000      | 0.85%         | 0.50%               |
| \$5,000,001 - \$10,000,000     | 0.60%         | 0.40%               |
| \$10,000,001 - \$20,000,000    | 0.50%         | 0.30%               |
| \$20,000,001 - \$30,000,000    | 0.45%         | 0.30%               |
| \$30,000,001 and Over          | 0.40%         | 0.30%               |

#### **Example of Overall Tiered Fee Calculation**

An equity portfolio of \$1,000,000 would have an effective overall fee of 1.25%:

First \$500,000 at 1.35% would be an annual fee of \$6,750 and the next \$500,000 at 1.15% would be an annual fee of \$5,750. The total fee of \$12,500 (\$6,750 plus \$5,750) equates to 1.25% of the total portfolio value of \$1,000,000.

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

The client must pay any fees charged by Managers (including Managers affiliated with us) separately. Please refer to each Manager's Brochure for more information on charges and expenses.

The initial Program Fee is billed from the date the account is established on Envestnet's systems, through the end of that calendar quarter in advance and is based on the initial value of the assets placed in the account as of the close of business on the day the account is opened and funded. Thereafter, Program Fees are billed quarterly in advance, based on the value of the account assets at the close of the last business day of the previous calendar quarter. If Client invests or withdraws \$10,000 or more in any Account after the inception of a calendar quarter, the Program Fee for that quarter will be recalculated and pro-rated as of the day of the additional investment or withdrawal.

#### Manager Fee

STAS debits fees calculated and submitted by the Manager from the Client's account. Neither STAS nor its Advisors verify Manager's fee before or after the deduction from the client's account.

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

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

Program Fees for quarters in which an account is opened or closed are pro-rated as follows: for opening accounts, actual days charged begin with the day after an account is funded and do not include the day of funding. For additional contributions greater than \$10,000 a partial fee will be charged related to the number of days remaining in the calendar quarter. For closing accounts, actual days charged include all days the account has been under supervision during the quarter, including the day the account assets are transferred out of the account; clients are refunded the difference. Fees will not be returned for client withdrawals made during a quarter.

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

Money market funds and other mutual funds in which clients may invest, or the advisers or principal underwriters of the funds, may make payments to STIS, pursuant to a Rule 12b-1 distribution plan or other arrangement as compensation for distribution, shareholder services, recordkeeping, or administrative services; these payments may be paid from the fund's total assets or may be paid by a fund's adviser or distributor. STIS automatically credits client accounts any 12b-1 fees as well as any other fees for the distribution, shareholder services, recordkeeping or administrative services received during the period an account is managed under an STAS investment management agreement. The Rule 12b-1 distribution plan and other fee arrangements will be disclosed upon request and typically are disclosed in the applicable fund's registration statement.

**Asset Valuation:** For purposes of the computation of the value of any securities or other investments in an AMC Advantage account, securities listed on a national securities exchange will be valued, as of the valuation date, at the closing price on the principal exchange on which they are traded. Shares of mutual funds will be valued at their respective net asset values as calculated on the valuation date (or the most recent net asset value if none is calculated on the valuation date) as determined by pricing sources believed by STAS to be reliable. Any other securities or investments in an account will be valued by NFS in a manner determined in good faith to reflect fair market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in an account. NFS may use a pricing service or other independent evaluator, as well as other independent sources, in computing the value of securities. These values are believed to be reliable, but STAS will not verify the accuracy of the information.

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

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

A portion of the fee may be paid to your STAS Adviser and other employees of STAS and its affiliates. Because of this, STAS Advisers may have a financial incentive to recommend one program over another program. See **CONFLICTS OF INTEREST –Financial Incentive Programs** Section below

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

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

#### **TYPES OF CLIENTS**

STAS offers advisory services to individuals, corporations and other business entities, charitable organizations and not-for-profit organizations. STAS reserves the right to accept, reject or renew any client for advisory services. Our programs and services are not guaranteed by Truist Bank ("TB") or any subsidiary of Truist Financial Corporation. Products, programs sold or recommended by STAS are not insured by the Federal Deposit Insurance Corporation unless specifically stated in a limited number of bank investments.

In general, the minimum account size is \$100,000, but STAS may waive the minimum account size in its sole discretion.

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

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

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

STAS and its Advisors may utilize research reports created by STAS' Investment Advisory Group. A conflict exists when STAS Advisors use the same research that STAS IAG use for managing the STAS AMC program portfolios, see **Conflicts of Interest – Research Reports Created by IAG and Used by STAS Advisors and Affiliated Firms** Section below for details.

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

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

#### **AMC Advantage**

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

The Managing Director of Traditional Investment Research or designee conducts initial and ongoing due diligence reviews related to the investment management firms in the AMC Advantage program and presents findings to the IAG Working Group.

If a manager no longer meets firm criteria, clients will be notified to transition their account to a regular brokerage commissioned account.

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

#### **Cash Balances**

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

#### **DISCIPLINARY INFORMATION**

On December 31, 2016 SunTrust Investment Services, Inc. (STIS), an affiliate of STAS, assigned substantially all of its existing investment advisory contracts to STAS. On September 14, 2017, the U.S. Securities and Exchange Commission, (SEC) issued an administrative order against STIS instituting administrative and cease-and-desist proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(e) and 203(k) of the Investment Advisers Act (IAA), making findings, and imposing remedial sanctions and a cease-and-desist order (the "OIP"). According to the SEC, STIS did not adequately inform its advisory clients of the conflicts of interest presented by its representatives' share class selections and the receipt by STIS and its representatives of 12b-1 fees over the period 2011 to 2015. The SEC found that during this period, STIS and its representatives received \$1,148,071.77 in avoidable 12b-1 fees paid by the funds in which the advisory clients were invested. Without admitting or denying the SEC's findings, STIS consented to the entry of the OIP that censured STIS and found that STIS willfully violated and agreed to cease and desist from committing or causing any future violations of Sections 206(2), 206(4), and 207 of the IAA and Rule 206(4)-7 promulgated thereunder. The OIP imposed a civil monetary penalty of \$1,148,071.77 upon STIS and required STIS to refund to current and former clients fees of \$1,148,071.77 together with interest of \$150,238.74.

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

SunTrust Investment Services, Inc. is registered as a broker-dealer under the Securities Exchange Act of 1934. The principal business of STIS is that of a registered securities broker-dealer and certain STAS associates are dually registered as registered representatives of the broker-dealer. The management personnel are all securities registered primarily for oversight of the securities business. Generally, management personnel are not actively selling investment products.

STIS is also an insurance agency and certain STAS associates are also insurance licensed and appointed through the insurance agency. There are members of management who are insurance licensed and appointed through STIS primarily

for oversight of insurance business. Like brokerage, management personnel are generally not actively selling insurance products.

STAS has the following agreements with STIS:

**Dual Representative Agreement:** Under this agreement, certain STAS Advisors are registered with STIS and offer brokerage and insurance products and services to STIS clients as well as offering STAS advisory programs and services.

**Research and Other Services Agreement:** Under the agreement, STAS IAG generates reports of due diligence conducted on investment vehicles, creates or negotiates third party advertising, marketing and research materials, design, monitor and update as needed on a continuous basis, capital market assumptions strategic, tactical, and neutral allocations, watch list and ad-hoc manager and performance updates and consultative services.

**Services Agreement:** Under the agreement STIS provides STAS such items as best execution reporting, maintenance of STAS' books and records and AML processes related to clients of the AMC Program. STAS, under the agreement, provides payment of clearing and execution costs related to advisory account trades.

Truist Bank is state chartered bank and trust company authorized under the law of North Carolina to provided banking and trust services. Certain Truist Bank employees are registered with STAS as investment adviser representatives and offer the Programs described in this brochure to their clients, in addition to investment management and trust services provided by Truist Bank.

STAS has the following agreements with Truist Bank:

**Dual Representative Agreement:** Under this agreement, certain STAS Advisors, Investment Strategists, are dually employed by STAS and the Truist Bank and offer investment products and services to Truist Bank clients as well as offering STAS advisory programs and services.

**Administration and Operational Services Agreement:** Such items as business insurance, facilities management allocation, audit/internal control and human resources allocations, among other items are provided to STAS by Truist Bank and allocated by inter-company agreements.

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

**Non-Deposit Retail Sales (Networking) Agreement:** Under the agreement, unregistered Truist Bank employees may refer qualified bank clients to STAS Advisors for a onetime nominal fee of a fixed dollar amount that is not contingent on whether the qualified Client referral results in any advisory activity or the establishment of an investment advisory relationship. STAS reimburses the bank for all referral fees on a quarterly basis.

**Model Manager Agreement:** Under the agreement, STAS' IAG constructs and maintains on a continuous basis one or more model portfolios meeting the investment objectives outlined by TB in connection with its investment management and trust investment activities.

**Research and Other Services Agreement:** Under the agreement, STAS IAG generates reports of due diligence conducted on investment vehicles, creates or negotiates third party advertising, marketing and research

materials, design, monitor and update as needed on a continuous basis, capital market assumptions strategic, tactical, and neutral allocations, watch list and ad-hoc manager and performance updates and consultative services.

STAS has the following agreements with GFO Advisory Services, LLC (“GFO”), an affiliate of STAS:

**Services Agreement:** Certain STAS personnel are also associated with GFO. STAS has entered into shared services agreement with GFO which provides that certain services and costs associated with the use of STAS personnel and services to GFO business functions shall be allocated to and charged to GFO pursuant to inter-company agreement which provides for each entity to share in the costs associated with those associates and the services they provide.

STAS has the following agreements with BB&T Securities, LLC

**Dual Representative Agreement:** Under this agreement, certain Teammates are registered with BB&T Securities and act in a supervisory capacity to STAS Advisors and other Teammates. In addition, several STAS Teammates are registered with BB&T Securities and provide supervisory oversight.

**Research and Other Services Agreement:** Under the agreement, STAS IAG generates reports of due diligence conducted on investment vehicles, creates or negotiates third party advertising, marketing and research materials, design, monitor and update as needed on a continuous basis, capital market assumptions strategic, tactical, and neutral allocations, watch list and ad-hoc manager and performance updates and consultative services.

STAS has the following agreements with Sterling Capital Management, LLC (“SCM”):

**Solicitation Agreements:**

**STAS Soliciting for SCM:** Under the agreement, STAS may refer clients to SCM for investment advisory or asset management services and receives compensation for such solicitations.

**SCM Soliciting for SMC:** Under the agreement, SCM may refer clients to STAS for investment advisory or asset management services and receives compensation for such solicitations.

**Model Manager Agreement:** Under this agreement, SCM provides models to STAS for its AMC Envestnet platform.

**Investment Sub-Adviser Agreement:** Under this agreement, SCM manages STAS client portfolio assets on the AMC Envestnet platform.

**Fee Crediting Agreement** – Under this agreement, SCM will compensate STAS Fee Credits in connection with retirement account(s)’ investments in the SCM mutual funds and STAS will refund those credits to applicable client accounts.

**USE OF THIRD PARTY NON-AFFILIATED SOLICITORS**

STAS does not have any arrangements with third party non-affiliated solicitors.

## CONFLICTS OF INTEREST

In offering the Programs STAS has various potential conflicts of interest, described below.

Securities in Truist Financial Corporation. STAS has identified securities of Truist Financial Corporation or any of its affiliates, excluding Sterling Capital Management Funds (see directly below for details), as presenting conflicts of interest. STAS addresses this conflict of interest by disclosing it to its clients and by prohibiting purchases of such securities and requiring supervisors, or designees, to move any positions received in kind into a managed account to an unsupervised status if they remain for more than 30 days.

Sterling Capital Management LLC – Sterling Capital Funds. STAS has identified Sterling Capital Funds (“Affiliated funds”) as presenting conflicts of interest in that Sterling receives investment management and other fees from the Affiliated Funds on the platform that are separate and distinct from the Program Fee described in this brochure. STAS addresses this conflict of interest by disclosing it to its clients and clients have the right to prohibit their STAS Advisor from investing any of their assets in an Affiliated Funds. Affiliated funds in managed ERISA and IRA program portfolios are credited back fee credits on a quarterly basis. In the case of non-retirement accounts, any Affiliated Fund on the platform is evaluated through the Firm’s due diligence and research process in the same manner as all similar investment vehicles.

Truist Financial Corporation Merger. As of December 6, 2019, STAS became an affiliate to an additional broker-dealer, BB&T Securities LLC which is also a registered investment adviser and Sterling Capital Management LLC, BB&T Institutional Investment Advisers, Inc., and Precept Advisory Group LLC investment adviser firms. STAS programs, investment vehicles, fees and Advisor compensation differ from any of our affiliates. Clients with assets in multiple advisory programs across the affiliated firms can cause a conflict of interest between STAS and the affiliate in any of the areas noted. STAS addresses this conflict of interest by disclosing it to its clients.

Financial Incentive Programs. For the duration of the underlying investment management agreement STAS Advisors are compensated in part by Financial Incentive Programs (“FIP”) which reward them with a percentage of the revenue STAS receives from the Programs described in this brochure. In addition, Advisors can be awarded an annual bonus of up to 8.25% of year-to-date qualifying revenue generated, which is based, in part on net new managed assets. Because of this, Advisors have a financial incentive to recommend the Programs described in this brochure over investment products and programs which are not provided by STAS. STAS addresses this conflict of interest by disclosing it to its clients and by requiring Advisors’ supervisors, or designees, to review each account at account-opening to determine that it is in the best interest of each client and their unique investment objectives and financial circumstances in conformity with STAS’ fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Advisory vs. Brokerage Accounts. Depending upon the level of a client’s investment activity and corresponding brokerage commissions STAS and your Advisor may earn greater compensation from a Program described in this Brochure than if the client instead elected a brokerage relationship and purchased individual securities. If anticipated brokerage compensation is less than the Program Fee, Advisors and STAS will have a financial incentive to recommend one of the Programs described in this Brochure instead of a brokerage relationship. STAS addresses this conflict of interest by disclosing it to its clients and by requiring Advisors’ supervisors, or designees, to review each account at account-opening to determine that it is in the best interest of each client and their unique investment objectives and financial circumstances in conformity with STAS’ fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Non-Deposit Retail Sales (Networking) Agreement: Under the agreement, unregistered TB employees can refer qualified bank clients to STAS Advisors for a one-time nominal fee of a fixed dollar amount that is not contingent on whether the qualified Client referral results in any advisory activity or the establishment of an investment advisory relationship. STAS addresses this conflict of interest by disclosing it to its clients and by requiring Advisors’ supervisors, or designees, to review each account at account-opening to determine that it is in the best interest of each client and their unique investment



objectives and financial circumstances in conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder. Furthermore, TB supervises its unlicensed employee investment referrals in accordance with the requirements of Federal Reserve Board Regulation R, Exceptions for Banks from the Definition of Broker in the Securities Exchange Act of 1934.

Advisory vs. Truist Bank Trust and Investment Management Accounts. If anticipated revenue from a Truist Bank trust or investment management account is less than a client's anticipated Program Fee, Advisors who are also Truist Bank Employees and STAS, will have a financial incentive to recommend one of the Programs described in this Brochure instead of a Truist Bank trust or investment management relationship. In these circumstances Advisors and STAS will have a financial incentive to recommend one of the Programs described in this Brochure. STAS addresses this conflict of interest by disclosing it to its clients and by requiring Advisors' supervisors, or designees, to review each account at account-opening to determine that it is in the best interest of each client and their unique investment objectives and financial circumstances in conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder. STAS's affiliate STIS receives financial benefits in connection with STAS client accounts held in STIS brokerage Accounts. See "National Financial Services, LLC ("NFS") Support" and "Truist Bank Sweep Deposit Option" below.

Clients have the option to purchase investment products that we recommend through other broker-dealers or agents that are not affiliated with STIS.

Use of Affiliated Broker Dealer. STAS requires all clients participating in the AMC Advantage Program described in this brochure to maintain their Program Accounts in a brokerage account established with its affiliated broker-dealer, STIS. The required use of an affiliated brokerage account provides additional revenue to STIS and, through management efficiencies, provide benefits to STAS in reducing the cost of administering the Programs. STAS addresses this conflict of interest by disclosing it to its clients and monitoring STIS for best execution practices through its Product Working Group for conformity with STAS fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Research Reports Created by IAG and Used by STAS Advisors and Affiliated Firms. Research reports are created by IAG and used by STAS advisors for managing client portfolios is also shared with TB and STIS, therefore STAS and specifically, IAG, have a responsibility to ensure it reasonably and fairly allocates investment opportunities when communicating research utilized by all three affiliated firms (STAS, TB and STIS) and their respective clients. In addition, STAS Advisors may not act upon such research at the same time that IAG, TB or STIS does, resulting in the possible differing of trade execution times and prices and therefore performance. STAS addresses this conflict of interest by disclosing it to its clients and by requiring Advisors' supervisors, or designees, to review each account at account-opening to ensure that it is suitable for each client and their unique investment objectives and financial circumstances.

Business Conflicts. STAS and its affiliates, including Truist Bank, do business with companies, managers and mutual funds covered by STAS IAG or one of its affiliates. Furthermore, Truist Bank and its affiliates and client accounts, may hold a trading position (long or short) in, the securities of companies or funds subject to such research. Therefore, STAS and Truist Bank have a conflict of interest that could affect the objectivity of STAS research reports. STAS addresses this conflict of interest by disclosing it to its clients and by supervising the activities and recommendations made by IAG with supervisory review by its Product Working Group for conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Financial Service Vendor Continuing Education Sessions. Associates may participate in vendor sponsored continuing education sessions (whether or not the product or service provided by the vendor can be recommended to STAS clients or prospective clients). The participation of STAS Advisors in these education sessions could potentially encouraging STAS and/or its advisors to promote and recommend products from those sponsors, thus creating a conflict of interest. STAS addresses this conflict of interest by disclosing it to its clients and by requiring Advisors' supervisors, or designees, to

monitor program accounts and by supervising the activities and recommendations made by IAG with supervisory review by the IAG Working Group which is part of the Product Working Group for conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Marketing Support. STAS has a conflict of interest related to the marketing support (Marketing Support Contributions) received by our affiliated broker-dealer, SunTrust Investment Services, Inc. from sponsors of investment vehicles available on the STAS platform. Both STAS and STIS use the funds to support investment representative education programs like training seminars we offer to advisors, branch office managers and other personnel. In addition, client education is offered with these funds. The receipt of these contributions could potentially encourage STAS and/or its advisors to promote and recommend products from those sponsors that pay more.

Not all sponsors on the STAS or STIS platforms contribute to the education efforts. Neither contribution towards these training and educational expenses, nor lack thereof, is considered as a factor in analyzing or determining whether a sponsor or product should be included or should remain in our programs or on our platform. Contributions can vary by sponsor and event. Some sponsors may decide to contribute at levels different than those we request. Additional contributions may be made by certain sponsors in connection with specialized events or education or training forums. Your STAS advisor does not receive a portion of these payments. However, their attendance and participation in these events, as well as the increased exposure to sponsors who sponsor the events, increases the likelihood that STAS advisors will recommend the products and services of those sponsors who provide or subsidize our educational programs and other supported events as compared to those product providers who do not.

In addition to the Marketing Support Contributions to training and education described above, in the ordinary course of business, STAS and its advisors receive non-cash compensation from sponsors that includes promotional items, occasional gifts, meals, tickets and other entertainment, sponsorship support of training events and seminars. If you have further questions regarding marketing support provided to STIS please feel free to contact your STAS advisor.

Marketing and other support payments from participating sponsors are in addition to the compensation STAS receives as set forth in the Fee Schedule set forth below. These Marketing Support Contributions and other support payments are paid by each product's sponsor and are not an additional charge to you.

To mitigate this conflict, neither STAS advisors nor STIS investment representatives receive additional compensation as a result of Marketing Support Contributions received by STIS.

National Financial Services, LLC ("NFS") Support. STAS has conflict of interests related to compensation received by STIS from NFS, STIS' clearing firm, for the following:

- Fidelity Money Market Sweep Funds – STIS receives shareholder servicing fees of ranging from 10 to 50 basis points in connection with client sweep balances invested in the Fidelity Capital Reserve Class and Daily Money Class of eligible Fidelity core sweep funds;
- Margin Balances (AMC Allocation Plus Program only) – NFS credits STIS 100% of the client margin interest income in excess of the Broker's Call Rate; and
- Credit Interest Cash Balances– NFS credits STIS with 80% of the credit interest on cash balances less any amounts credited to Client related to those accounts in which Client does not elect a sweep option.

STAS addresses this conflict of interest by disclosing it to its clients and supervising the activities and recommendations made by its advisors for conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder. In the case of fees received in connection with Fidelity Money Market Sweep Funds, clients may eliminate this conflict by electing another sweep option currently available on our platform.

Different Advice. Although STAS' IAG manages assets on affiliated firm's platforms (STAS and TB) and also provides models similar to the models IAG utilizes in the AMC portfolios to TB, STAS and TB may give different advice, take different action, receive more or less compensation, or hold or deal in different securities for any other party, client or account (including their own accounts or those of their affiliates) from the advice given, actions taken, compensation received or securities held or dealt for your account. In addition, the advice given by affiliates utilizing their own research may be different than that given by IAG to STAS and its affiliates. STAS addresses this conflict of interest by disclosing it to its clients and by sharing changes to its research, models and other investment research among all its clients simultaneously or as closely as possible, including AMC Program Accounts, Advisor Managed Program Accounts and TB in conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Services Provided to Other Clients. STAS and its affiliates and Managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and commercial and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in the programs described in this Brochure. STAS and its affiliates and managers and their affiliates receive compensation and fees in connection with these services. STAS believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account. Accordingly, it is likely that securities in an account will include some of the securities of companies for which STAS and its affiliates, and managers, and their affiliates perform investment banking, commercial banking or other services. STAS addresses this conflict of interest by disclosing it to its clients and conducting its investment advisory activities in conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Trading for Own and Other Accounts. STAS, the Managers and their affiliates may also develop analyses and/or evaluations of securities sold in a Program described in this Brochure, as well as buy and sell interests in securities on behalf of their proprietary or client accounts. These analyses, evaluations and purchase and sale activities are proprietary and confidential, and STAS will not disclose them to clients. STAS may not be able to act, in respect of clients' account, on any such information, analyses or evaluations. STAS, managers and their affiliates are not obligated to effect any transaction that they believe would violate federal or state law, or the regulations of any regulatory or self-regulatory body. STAS addresses this conflict of interest by disclosing it to its clients and conducting its investment advisory activities in conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Truist Bank Sweep Deposit Option. STAS has a conflict of interest in selecting, recommending or defaulting to the Truist Bank Sweep Deposit Option as a core sweep investment vehicle because Truist Bank, its affiliate, receives interest spread compensation with respect to all of its deposits. STAS addresses this conflict of interest by disclosing it to its clients and recommending its affiliated sweep products only when it determines that based upon yield and other investment characteristics use of affiliated sweep deposit options is appropriate and in accordance with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder. Solo 401K accounts are prohibited from utilizing the Truist Bank Sweep Deposit Options. See section All Programs - Core Account, below.

Non-public Information. In the course of commercial and investment banking or other activities, TB, STIS, STAS, the Managers, and each of their respective affiliates and agents may from time to time acquire confidential or material nonpublic information that may prevent them, for a period of time, from purchasing or selling particular securities for client accounts. Client acknowledges and agrees that STAS, the Managers, and each of their respective affiliates and agents will not be free to divulge or to act upon this information with respect to their advisory or brokerage activities, including their activities with regard to any client account. This may adversely impact the investment performance of client accounts. STAS addresses this conflict of interest by disclosing it to its clients and acting in conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Other Investment Products Available. Client understands that Managers may offer to the public other investment products such as mutual funds with similar investment styles and holdings as those investment products offered through the AMC Programs. Such products may be offered at differing fees and charges that could be higher or lower than the fees imposed by STAS under an AMC Program. A separate account investment product and a mutual fund investment product may utilize the same investment manager and investment strategy, but involve different minimum investment amounts and fees. A client's portfolio may include a mutual fund investment product even where a similar but lower cost separate account investment product is available, and STAS will not necessarily change to the separate account investment product if a client's assets increase to above the minimum investment amount required for the separate account investment product. In addition, STAS affiliates may offer investment products that are not offered in an AMC program or service. STAS addresses this conflict of interest by disclosing this limitation to its investment management services to its clients and acting in conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

Block Trades. Manager may direct some block trades to STIS for execution. STIS, as an affiliate of STAS, may obtain a benefit from executing these block trades as a result of the increased trading volume attributable to these blocks.

Tools and Software Available via NFS. STAS, its Advisors and affiliated broker-dealer, STIS have access to tools and software made available by STIS' clearing firm, NFS, at costs that may be lower than STAS, its Advisors or affiliates could purchase directly with the providers of the tools and services.

STAS Chief Investment Officer.

The STAS Chief Investment Officer ("CIO") is responsible for and supervises IAG and is also the Chief Investment Officer and member of the board of an affiliated investment adviser, GFO Advisory Services, LLC as well as serving as Chief Investment Officer of Truist Bank, Private Wealth Management Segment. IAG provides significant investment services to STAS and TB; however, the services provided to GFOAS are substantially different than those provided to either STAS or TB. STAS addresses this conflict of interest by disclosing it to its clients and by simultaneously sharing changes to its research, models and other investment research among all its clients, including AMC Program Accounts, Advisor Managed Program Account and TB in conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder.

In relationship to services provided to GFOAS by other STAS IAG personnel, typically investment analysts who prepare reports for the GFOAS Oversight Committee ("Committee") and serve as voting members of the Committee related to manager sourcing, due diligence, research of third-party managers and other assignments as needed for the GFOAS private funds.

Additionally, certain senior management personnel of STAS serve in senior management and/or board membership of GFOAS and/or STIS.

Program Selection. For the duration of the underlying investment management agreement, STAS shares these Advisory Fees with client's Advisor and other employees of STAS and its affiliates. Because of this, Advisors have a financial incentive to recommend a Program which pays higher compensation to STAS and its affiliates over another Program. STAS addresses this conflict of interest by disclosing it to its clients and by requiring Advisors' supervisors, or designees, to review each account at account-opening to determine that it is in the best interest of each client and their unique investment objectives and financial circumstances in conformity with STAS' fiduciary duties to clients as codified in the Advisers Act, regulations thereunder and in its Code of Ethics.

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

### **Code of Ethics**

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

### **Participation in Client Transactions**

STAS and our investment personnel may recommend securities in which STAS or our investment personnel or employees have a financial interest or control relationship directly or indirectly, and STAS or our investment personnel may buy and sell securities that STAS or they recommend to advisory clients for purchase and sale. They may also give advice and take action in the performance of their duties to clients that differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts. Personal trading by STAS employees must be conducted in compliance with all applicable laws and procedures adopted by STAS.

### **Personal Trading**

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

### **Political Contributions**

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

## **BROKERAGE PRACTICES**

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

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

### **AMC Advantage**

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

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

or government or agency issuers. Clients may forego benefits that a Manager may be able to obtain for its other clients through, for example, negotiating volume discounts on block trades.

Managers will execute equity transactions through a broker or dealer other than STIS only when a Manager reasonably believes in good faith that such other broker or dealer will provide better execution (after taking into consideration the net impact of commissions or other transaction charges) than would be the case if the transaction were executed through STIS. In evaluating which broker or dealer will provide better execution, a Manager may consider the full range and quality of a broker's or dealer's services, including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility and responsiveness. A Manager may select broker-dealers that provide the Manager with research or other transaction-related services and may cause the client to pay such broker-dealer commissions for effecting transactions in excess of the commissions other broker-dealers may have charged. Brokerage commissions and other fees and charges imposed if a Manager chooses to effect equity securities transactions for the client's account with or through a broker-dealer other than STIS are not included in the Program Fee, , but will be included in the net purchase or sales price of the security and in addition to the Program Fee. For details regarding a Manager's execution practices, the client should consult the Manager's Brochure.

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

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

Clients may elect among several money market mutual funds and the Truist Bank Sweep Deposit Option as the sweep vehicle for their core account. The Truist Bank Sweep Deposit Option is a commingled deposit account with STAS's affiliate, Truist Bank, as a cash sweep investment option in the core account of their brokerage account which is used for settling transactions and holding credit balances. Clients electing this feature will have cash balances in their account automatically swept into an interest-bearing deposit account at Truist Bank, a federally insured banking institution. Cash balances held at Truist Bank will be eligible for FDIC insurance coverage up to \$250,000 (principal plus accrued interest) per depositor per insurance capacity, in accordance with applicable FDIC rules. All deposits (for example, deposits clients may make at Truist Bank outside of the Truist Bank Sweep Deposit Option plus the bank sweep cash balance) held by an individual in the same right and legal capacity at the same bank are aggregated and insured up to \$250,000. Special rules apply to FDIC insurance of trust deposits. All FDIC insurance coverage is in accordance with FDIC rules. See **CONFLICTS OF INTEREST – Truist Bank Sweep Deposit Option** Section above.

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

Clients who select the Truist Bank Sweep Deposit Option will receive a separate disclosure document that highlights the features and benefits of the sweep program and discloses benefits to Truist Bank and STAS arising in connection with such deposits. The terms of these disclosures are incorporated herein by reference. Funds in the Truist Bank Sweep Deposit Option are part of the advisory Program and as such are subject to the applicable Program Fee.

SunTrust Investment Services, Inc., an affiliated broker-dealer of STAS receives compensation from Truist Bank related to the Truist Bank sweep product. The total compensation received from TB is paid to National Financial Services, LLC, the clearing and execution firm utilized by STIS.

When selecting the share class for the mutual funds, including money markets used as a sweep vehicle, STAS does not, in all instances, select the share class with the lowest fees that is available from the fund company and these decisions are influenced by the additional compensation STAS' affiliated broker-dealer, STIS, receives. The selection of a more expensive share class of a money market fund used as a sweep vehicle will negatively impact your overall investment returns. See **CONFLICTS OF INTEREST –Use of Affiliated Broker Dealer** Section below.

Sweep vehicles are not intended for long-term investments and yields may be lower than those of similar investment vehicles or bank deposit accounts offered outside of the sweep options available on the STAS platform. Clients who desire to maintain money market positions for other than a short-term period should contact their STAS Advisor or contact STAS at the address or phone number on the front of this brochure.

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

Contribution of Existing Securities Positions to Managed Accounts. Liquidation of a client's existing investment positions contributed to a Program in kind will, in the case of taxable Program Accounts result in the realization of taxable income in the case of appreciated investments and losses in the case of depreciated investments. Accordingly, Client should consult with Client's own tax advisers prior to funding a Program Account with existing investment position. Client agrees that, except in the case of an unauthorized sale of investments subject to Client Restrictions, STAS and any Investment manager shall not be liable for any taxes or other expenses incurred in connection with the sale of any existing investment position contributed in kind to a Program Account.

#### Account Transfer to Another Firm

When client elects to transfer their account to another firm through an ACAT process, the investment advisory relationship ends. Any fees, commissions or other charges related to the liquidation of the account assets will be charged to the account prior to transfer.

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

STAS does not have any soft-dollar arrangements.

#### Termination of AMC Advisory Relationship

Upon termination of the AMC Advisory relationship, STAS will reclassify the account to a regular brokerage account.

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

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

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

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

## **REVIEW OF ACCOUNTS**

### **Investment Consulting Services**

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

Each GSS Team Lead and their GSS Team are responsible for reviewing advisory services account opening documentation, recommendations made and the annual review process, among other items for their designated areas.

### **Financial Planning**

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

### **AMC Advantage**

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

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

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

Platform Manager will prepare Quarterly Reports ("Reports") which compares the client's account to leading securities market indices. Platform Manager may rely on information provided by third parties, such as recognized independent quotation and valuation services. STAS believes that this information is reliable; however, STAS will not independently verify the accuracy of the information provided by these services. A copy of the report is available electronically via Welathscape Investor. Client can contact their STAS Advisor for assistance in setting up their electronic delivery or to request paper reports be mailed to them. Reports will be available to the client following the end of each calendar quarter during which the account is open. Clients will not be charged a fee in addition to the Program Fee if they choose to receive Performance Reports. Clients should compare their performance report information to their monthly or quarterly account statements from NFS and should report any discrepancies to their STAS Adviser.



## **CUSTODY**

### **Investment Consulting Services**

Consulting service assets subject to these advisory services are held at other financial institutions. Clients should review these custodian statements carefully due to the STAS fee being calculated on these figures.

### **Financial Planning**

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

### **AMC Advantage**

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

## **VOTING CLIENT SECURITIES**

### **AMC Advantage**

STAS has no authority or obligation to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities in which assets may be invested from time to time. Client (or the plan fiduciary in the case of an account subject to ERISA) or Manager expressly retains the authority and responsibility for the voting of such proxies. The Manager generally will receive all shareholder communications, including proxy statements and proxies, distributed by the issuers of securities held in client accounts without forwarding the same to clients. Clients should review the Manager's Brochure for specifics regarding the Manager's voting policies.

### **CAC Referrals**

Securities registered STAS Private Financial Advisors ("PFAs") may refer clients to the CAC and receive a \$100 referral fee from SunTrust Investment Services, Inc. ("STIS"), the broker-dealer affiliate of STAS which provides account trading and administration services to the STAS Programs. Qualified referrals are based upon the opening of a new account with a portfolio within the CAC between \$50,000 and \$100,000 of investible assets.

### **Referrals of Client Advisors and Premier Bankers**

Truist Bank and STAS Client Advisors ("CAs") and Premier Bankers ("PBs") work together in teams that include STAS advisors to help determine potential solutions for each client's financial goals. Information gathered and reports created are shared among the team members from both entities. Some bank advisors may also be registered investment adviser representatives of STAS. These bank advisors may refer clients to STAS and may be part of the overall client team. Those CAs and PBs who are not registered with STAS are prohibited from referring clients to STAS.

STAS Registered CAs and PBs are indirectly compensated for client referrals to STAS by TB. Such compensation is based on the asset under management amount ("AUM") of clients referred to STAS. When the totality of referred client's AUM reaches certain levels specified in their applicable Financial Incentive Program, a CA's or PB's salary may be adjusted and paid by TB. The receipt of incentive compensation in connection with recommendations to invest in the AMC Programs creates a conflict of interest for the CAs and PBs and the Firm. **See Conflicts of Interest - Financial Incentive Programs Section below.**

## **Truist Private Wealth Management RESERVE**

Truist Bank has partnered with third party vendors to bring additional services to certain segments of its clients, including STAS clients.

The additional services available to STAS clients include:

- Access to jet-leasing services;

- Access to personal excess liability insurance for litigation protection;
- Access to healthcare advocacy and advisory support.

These are optional services, and have an additional fee to be paid to the third party provider and are not included in STIS Program Fee. Your STAS Program Fee is not affected by these services.

Truist Bank conducts initial and ongoing due diligence reviews on all vendors whose services are available to STAS clients related to this program. No compensation is received by Truist or any affiliate as a result of these arrangements.

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