



# SVB WEALTH ADVISORY, INC.

## Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of SVB Wealth Advisory, Inc. If you have any questions about the contents of this brochure, please contact us at 415 764 3145 or at [plandes@svb.com](mailto:plandes@svb.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about SVB Wealth Advisory, Inc., also is available on the SEC's website 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 SVB Wealth Advisory, Inc., is 168116.

SVB Wealth Advisory, Inc., is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise. Moreover, registration does not imply that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.



**Item 2**

**Material Changes**

There are no material changes made since our prior update of April 29, 2019.

**Item 3**  
**Table of Contents**

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

## Item 4

### Advisory Business

#### Description of the Firm

SVB Wealth Advisory, Inc. ("SVB Wealth Advisory") is an investment adviser registered with the SEC under the Advisers Act. We were incorporated in the state of Delaware in May 2013.

We are a wholly-owned subsidiary of Silicon Valley Bank ("SVB"), a California state-chartered bank and a member of the Federal Reserve System. SVB is the principal banking subsidiary of SVB Financial Group ("SVBFG"), a publicly held bank holding company.

We provide discretionary and non-discretionary investment management services and wealth planning for our clients, who are visionaries and influencers in the innovation economy with investable assets and possibly illiquid assets (e.g., private stock, partnership interests, concentrated public company stock, and other illiquid investments). We consider the broad financial needs of our clients and review certain information with clients in offering and tailoring investment solutions, including but not limited to, a client's investment objectives, income, net worth, current financial information, investing time horizon, financial and/or retirement goals and risk tolerance ("Client Information"). Additional factors may apply based upon client discussions with SVB Wealth Advisory.

We work with our clients to develop tailored investment solutions based on Client Information, and implement portfolios that may consist of stocks, bonds, investment funds, exchange traded funds ("ETFs"), cash and cash equivalents, Donor Advised Funds, Certificates of Deposit and other investment products. SVB Wealth Advisory will also advise clients on hedging against existing holdings, concentrated portfolios that are subject to liquidity and transfer restrictions, and on the purchase or sale of positions held in company options or benefit plans. On a case-by-case basis we may provide clients with specific financial planning and we may provide clients with advice regarding Rule 10b5-1 plans and how they can establish a plan with their employer if applicable.

Each client is able to impose reasonable restrictions or limitations on specific securities in which its assets are invested or on the percentage of assets allocated to certain asset classes. Further, from time to time and on a case-by-case basis, in order to meet certain strategic investment objectives of our clients, we invest a client's assets as specifically directed by the client. These non-discretionary, or self-directed accounts are agreed to by SVB Wealth Advisory in its sole discretion. Any restrictions that a client imposes can result in the development of an asset allocation proposal for that client that deviates from the allocation we would otherwise propose. For more information about our investment strategies, see Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss), below.

We create, maintain and implement custom portfolios regarding the assets in each client's account over which we have portfolio management and investment discretion by using a combination of proprietary tools as well as systems and tools provided by third parties. We construct and rebalance these portfolios using proprietary and third-party tools to identify and select the appropriate solutions available to suit client needs. No third party that provides us with any systems or tools that we use to manage client assets has any investment discretion over any of our clients' assets.

In addition, the asset allocation model we recommend for a client includes, where appropriate, allocations to third-party investment managers ("**Sub-Managers**") or to funds or investment vehicles sponsored or managed by Sub-Managers. The Sub-Managers, and/or their investment vehicles or funds that would be allocated certain client assets, are selected by us in our discretion upon consideration of Client Information and other factors. Certain Sub-Managers have minimum funding requirements, and as a result, may not be available to clients that are unable to meet such requirements. **Please refer to the Form ADV Part 2A or relevant disclosure brochure from relevant Sub-Managers for additional information regarding any Sub-Manager that may manage assets of a client.**

As of December 31, 2019, SVB Wealth Advisory managed \$506,039,039 of client assets on a discretionary basis, and \$444,707,611 of client assets on a non-discretionary basis.

## Item 5

### Fees and Compensation

#### Fees

##### **Advisory Fees**

SVB Wealth Advisory charges fees for discretionary investment advisory services performed for clients ("Advisory Fees"). These Advisory Fees are negotiated with each client and based either on (i) a percentage of discretionary assets under management (including balances held in money market funds or cash), up to 1.15%, or (ii) a fixed annual fee. Advisory Fees are based on various factors, including but not limited to, the value of the assets under management, the client's relationship with SVB Wealth Advisory and its affiliates, and whether the client has other accounts or related accounts with SVB Wealth. In negotiating Advisory Fees, it is possible that not all factors will be considered equally, and Advisory Fees will vary based on specific, separately negotiated client situations, resulting in higher fees for some clients as compared to others. SVB Wealth may, in its sole discretion, waive certain fees or otherwise change its fee structure for

certain clients as determined on a case-by-case basis. SVB Wealth Advisory does not charge Advisory Fees for non-discretionary, self-directed accounts but other fees discussed below may apply to such accounts.

Advisory Fees that are based on the value of the discretionary assets under management are calculated based on the ending daily market value of a client's assets as of the last business day of the prior quarter. Advisory Fees are calculated and charged in advance. Advisory Fees for newly opened and terminated accounts are calculated on a prorated basis during the quarter. Advisory Fees are deducted directly from clients' accounts on a quarterly basis as described above. Upon termination of any account, any paid Advisory Fees through the date of termination of the account will become refundable to the client on a prorated basis. Clients will receive the refunded fees within 90 days of the end of the quarter that they terminated their account(s). Please contact SVB Wealth Advisory for any questions about the refunded fee.

At the current time, SVB Wealth Advisory calculates the Advisory Fees, however we might use a third-party provider in the future.

SVB Wealth Advisory does not receive any other fees such as transaction or transfer-related fees, additional commissions, or trading spreads or premiums. However, such fees for service costs may be charged to the client by third parties as discussed in greater detail below under Other Third-Party Fees. SVB Wealth Advisory does not reduce clients' Advisory Fees to offset any commissions, mark-ups, or other fees that may be charged.

### ***Custodial and Brokerage Fees***

Assets managed by SVB Wealth Advisory are held in custody by Fidelity Institutional, a third-party custodian. Clients that have non-discretionary, self-directed accounts may incur use fees such as transactional fee for services rendered by the custodian in addition to the normal responsibilities of the custodian. Any use fees that may be charged by Fidelity Institutional would be deducted from the client's account by the custodian when incurred and are disclosed on clients' quarterly statements. SVB Wealth Advisory would not receive any incremental billing revenue from these use fees. Clients do incur any mutual fund or ETF expenses embedded in those solutions but not additional transaction costs of these trades. Clients do have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us. Brokerage fees and expenses, if any, may be borne solely by the client. For more information, see Item 12 (Brokerage Practices) below.

### ***Sub-Manager Fees***

In some instances, a portion of a client's portfolio may be invested with a Sub-Manager through a fund or other product managed by that investment manager (including, without limitation, mutual funds, ETFs and other investment products.). In such cases, separate fees and expenses will be charged by that Sub-Manager that is in addition to the Advisory Fees that SVB Wealth Advisory charges each client. Sub-Manager fees and expenses may be calculated by their third-party service providers and deducted from each client's account on a quarterly basis. The maximum fees and expenses to be charged by a Sub-Manager will be disclosed to the client either in a prospectus or the separate disclosure brochure of the Sub-Manager.

### ***Other Third-Party Fees***

As described in Item 8, we utilize third-party vendors for data, data processing, support services and software in asset allocation and selection analysis. These costs are included in the advisory fees that a client pays to SVB Wealth Advisory.

## **Item 6**

### **Performance-Based Fees and Side-by-Side Management**

SVB Wealth Advisory does not charge any performance-based fees (or fees based on a share of capital gains on or capital appreciation of the assets of the client). Sub-Managers may charge performance-based fees in certain instances, as indicated in the relevant disclosure materials provided by Sub-Managers.

## **Item 7**

### **Types of Clients**

Our clients are primarily individuals who are visionaries and influencers in the innovation economy with investable and illiquid assets (e.g., private stock, partnership interests, concentrated public company stock and other illiquid investments). We primarily open individual accounts as well as Trust accounts.

## **Item 8**

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

#### **Method of Analysis**

SVB Wealth Advisory's investment process includes quantitative and qualitative analysis using SVB Wealth Advisory proprietary tools and other third-party systems and tools to develop asset allocation strategies tailored to the specific needs of our clients. SVB Wealth Advisory may also use widely available public information and economic data to determine asset allocation and duration targets. Our team's research approach includes, among other things, conducting an extensive review of economic and corporate results in the applicable industry or sector, investment managers to whom we may allocate client assets, and macroeconomic trends and company-specific results, as well as reviewing financial publications, prospectuses, certain issuer SEC filings or press releases, independent third-party research, and other material items that might be relevant. Additionally, investments are subject to ongoing surveillance.

SVB Wealth Advisory also utilizes third-party vendors that provide consulting, database, data processing and support services and software (including asset allocation modeling software) on a wholesale fee basis. SVB Wealth Advisory uses these resources to provide advice to clients on asset allocation and selection of investment managers and investment funds for investment of the client's account (which may include Sub-Managers that are unaffiliated with SVB Wealth Advisory and investment funds managed by companies that are unaffiliated with SVB Wealth Advisory), as well as periodic review, reporting and reallocation of client assets.

### **Investment Strategy**

We manage our clients' portfolios based on their investment objectives and we will also consult with our clients to determine their desired benchmark for returns. The benchmark serves as a starting point for us to design an investment portfolio and guides us towards how the portfolio should be managed on a going-forward basis. In developing asset allocation strategies for our clients, we employ long-term purchases, short-term purchases, margin trading, short sales, derivative transactions, investment in investment funds and ETFs (including SEC-registered mutual funds and money-market funds), foreign securities, equities and debt securities, and global currencies as clients' needs arise. SVB Wealth Advisory will also advise clients on hedging against existing holdings, on concentrated portfolios that are subject to liquidity and transfer restrictions, and the purchase or sale of positions held in company options or benefit plans.

### **Risks**

While SVB Wealth Advisory attempts to optimize investment returns for clients' risk tolerance, SVB Wealth Advisory makes no representation or warranty that the client's investment program will be successful and result in profitable investing. Investing in securities involves risk of loss that you should understand and be prepared to bear. Investment performance can never be predicted or guaranteed, and the value of client accounts may fluctuate, potentially significantly, due to market conditions and other factors. Past performance is no guarantee of future results, and any historical returns, expected returns or probability projections provided by SVB Wealth Advisory may not reflect the actual future performance of client accounts.

When evaluating investment risk, financial loss may be viewed differently by each client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive, but you should carefully consider them before opening a SVB Wealth Advisory account and beginning to invest. They should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on you if there is in fact an occurrence. Moreover, to the extent your SVB Wealth Advisory portfolio changes over time you may be subject to additional and different risk factors than those specified here.

- **No Assurance of Investment Returns or Principal Preservation.**  
There can be no assurance that investments will generate any returns or that principal balances will be preserved. Investing in securities of any kind involves a risk of loss, including the risk of a total loss of principal. Investments in securities (including money market funds) are generally subject to a variety of risks, including interest rate risks, credit risks and general market risks; therefore, any actual returns that are generated are inherently unpredictable. There can be no assurance or guarantee that principal balances will be preserved or that client investments will generate returns that will be commensurate with our clients' expectations, their investment objectives or investment strategies.
- **Financial Services Industry Risk.**  
We invest a significant portion of client assets in the obligations of banks and other financial services companies. As such, these investments are subject to various risks generally associated with the financial services industry, such as credit risk, interest rate risk and industry-related regulatory developments.
- **Prepayment Risk and Extension Risk.**  
The principal on mortgage-backed securities, other asset-backed securities or any debt security with an embedded call option may be prepaid at any time, which could reduce yield and market value. The rate of prepayments tends to increase as interest rates decline, which could cause the average maturity of the portfolio to shorten. Extension risk may result from a rise in interest rates, which may make mortgage-backed securities, asset-backed securities and other callable debt securities more volatile.
- **Use of Sub-Managers.**  
SVB Wealth Advisory may recommend the use of Sub-Managers for certain clients. SVB Wealth Advisory uses third party tools as well as our review to continue to recommend such managers, but such recommendations rely, to a great extent, on the Sub-

Managers' ability to successfully implement their investment strategies. In addition, SVB Wealth Advisory does not have the ability to supervise the Sub-Managers on a day-to-day basis.

- **Use of Private Collective Investment Vehicles Not Registered with the SEC.**

SVB Wealth Advisory may recommend investment in privately placed collective investment vehicles for certain clients. The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments that may be traded, and no requirement to diversify. The funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities, which may or may not be adequately disclosed by the fund manager.

- **Use of Margin.**

To the extent that a client authorizes the use of margin, and margin is thereafter employed by SVB Wealth Advisory in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to SVB Wealth Advisory will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin could correspondingly increase the management fee payable to SVB Wealth Advisory if the asset values increased in a bullish market.

- **Derivatives Risk.**

Derivatives can be highly volatile and involve risks in addition to the risks of the underlying investment, index or rate. Derivatives involve special risks, including correlation, counterparty, liquidity, operational, accounting and tax risks. Investing in derivatives also requires a specific skill set and may result in losses. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses. Gains or losses from derivatives can be substantially greater than the derivatives' original cost.

- **Short Selling Risk.**

From time to time, SVB Wealth Advisory may engage in short selling of securities. Short selling may expose the portion of a client's assets committed to these activities to unlimited risk. Unlimited risk occurs where no upper limit exists on the price to which a security may rise. In response to the volatility of global financial markets, regulators have taken action to restrict taking short positions on certain securities. The levels of restriction vary across different jurisdictions and are subject to change in the short- to medium-term. These restrictions have made it difficult, and in some cases impossible, for a number of market participants either to continue to implement their investment strategies or to control the risk of their open positions. As a result, our clients may be constrained in fulfilling their investment objectives.

- **Tax Risks.**

Certain investments or investment strategies that SVB Wealth Advisory may recommend may result in negative tax consequences, may involve tax treatment that may not be clear, or may be subject to re-characterization by the Internal Revenue Service, including certain sales of private company stock. SVB Wealth Advisory does not provide tax advice and all clients are advised to consult with their tax, accounting and legal advisors in this regard.

- **Economic Risk.**

SVB Wealth Advisory client investments are likely to be exposed to risks relating to weakness in various global economies and the economic cycle. Numerous factors, such as market volatility, interest rates, commodity prices, equity prices, currency prices, credit spreads and deflationary and inflationary pressures, may be affected by the economic cycle and long-term economic trends. Predictions about financial market conditions and economic factors are highly uncertain, and the presence, duration and impact of any market or economic conditions could have a materially adverse effect on such investments.

- **Financial Market Disruptions.**

In recent years, disruptions in the global financial markets, the scope and severity of which are without precedent in recent financial history, have had materially adverse, and in certain cases catastrophic, consequences for the values, liquidity and stability of certain types of investments, including the types of SVB Wealth Advisory client investments. Similar or dissimilar disruptions may occur in the future, and their duration, severity and ultimate effect are difficult to forecast. These disruptions could lead to additional regulations or laws, which could have a material adverse effect on client accounts.

- **Correlation Risk.**

Many of the investments made by SVB Wealth Advisory will experience returns that individually or in the aggregate are correlated (possibly highly) with various market indices, including various equity, debt or other markets around the world. On the other hand, there may be periods of time when account returns are not correlated with various market indices or the returns of other investment strategies.

- **Interest Rate Risk.**

The value of clients' investment portfolios may decrease as interest rates fluctuate.

- **Volatility Risk.**

The performance of investment strategies SVB Wealth Advisory deploys may be volatile (both in absolute terms and relative to realized returns), potentially resulting in increased risks, including the risk of substantial losses. Such strategies may have volatility, a greater chance of extreme losses or negative returns, lower average returns, correlation with certain macroeconomic risk factors, asset class concentrations and/or other significant risks, whether in absolute terms, relative to expected returns or relative to certain other strategies that are deployed by SVB Wealth Advisory on behalf of other SVB Wealth Advisory clients.

- **Liquidity Risk.**

High volatility and/or the lack of deep and active liquid markets for a security may prevent SVB Wealth Advisory from placing trades for clients at all, or at advantageous times or prices. Some securities (including ETFs, as described below) that hold or trade derivatives and other financial instruments may be adversely affected by liquidity issues as they manage their portfolios. Clients may not be able to sell securities in a timely manner or at a desired price, or because of a lack of demand or a lack of market.

- **Credit Risk.**

SVB Wealth Advisory investments may be exposed to credit risk. Exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of account securities. The underlying value of securities may decline as a result of certain events, such as if the issuer defaults on its obligations in any material manner, or if the issuer's credit rating is materially downgraded.

- **Risk of ETFs, Mutual Funds, and Other Pooled Investment Vehicles.**

In developing asset allocation strategies for clients, SVB Wealth Advisory may invest in ETFs, mutual fund shares or other index- and non-index-related securities or pooled investment vehicles. These investment products are subject to the risk that they may not effectively achieve the performance of the index, industry or other market they are intended to track, if they do intend to achieve such tracking. Investing in any pooled investment vehicle also involves, in addition to all the risks involved in investing in securities generally (as described under "Securities Investment Risks" below), the risk that the expenses charged to the pooled vehicle reduce its return, that the pooled vehicle's managers are not successful at their stated program, that those managers face conflicts of interest, that the investment is illiquid and that the pooled vehicle's non-investment operations become subject to error and mismanagement, resulting in losses for the pooled vehicle. In any event, such pooled vehicles can be expected to incur additional costs, fees and expenses, thus reducing the returns to clients on investments in those vehicles. These securities may also have exposure to derivative instruments, which may not perform as expected, along with other investment risks described in their prospectuses, statements of information and other disclosure documents.

- **Money-Market Fund Risk.**

Although money-market funds seek to preserve the value of clients' investment at \$1.00 per share, the share price may fall below \$1.00 as a result of changes in credit quality, issuer default, redemption restrictions or pressures, and other similar events. The SEC and other regulatory agencies continue to review the regulation of money market funds, and may take additional regulatory action in the future. These changes may affect the securities and markets in which money market funds invest. These changes may also impact a money market fund's ability to implement its investment strategies as well as its future operations, expenses and/or yields.

- **Securities Investment Risks.**

All securities and other account investments carry some level of risk, including the risk that clients could lose their entire investment. Prices of securities can be volatile and a variety of risks, including market, currency, economic, political, technological, regulatory, social, and business risks, can adversely affect the value of and return on any account investments.

The investment risks of certain types of securities that may be employed pursuant to a client's asset allocation strategy include the following:

- **Market Risk.**

Market events or other external factors, including political, economic and social conditions, may impact the value of securities or other investments.

- **Sector Risk.**

To the extent SVB Wealth Advisory invests more heavily in particular sectors, industries or sub-sectors of the market, the performance of clients' accounts will be especially sensitive to developments that significantly affect those sectors, industries or sub-sectors. An individual sector, industry or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events and may otherwise not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.

- **Equities.**

Common and preferred stocks represent equity ownership in a company. Stock markets are volatile. The price of equity securities will fluctuate and can decline and reduce the value of an equities investment portfolio. The value of

equity securities purchased could decline if the financial condition of the companies in which SVB Wealth Advisory invests declines or if overall market and economic conditions deteriorate. They may decline due to factors that affect a particular industry or industries, such as labor shortages or an increase in production costs and competitive conditions within an industry, or due to general market conditions that are not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or generally adverse investor sentiment.

- **Fixed Income.**  
Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of such securities tends to decrease. Conversely, as interest rates fall, the market value of such securities tends to increase. This risk will typically be greater for securities based on longer-term interest rates than for securities based on shorter-term interest rates. Fixed income securities may experience a decline in income when interest rates decrease. During periods of falling interest rates, an issuer may be able to repay principal prior to the security's maturity (*i.e.*, prepayment), causing the vehicle to have to reinvest in securities with a lower yield, resulting in a decline in the vehicle's income. Additionally, fixed income securities may be subject to liquidity risk, whereby a security is difficult to purchase or sell or becomes difficult to sell after being purchased. This risk has been especially pronounced in recent times due to disruptions in the global debt markets and is elevated for high-yield fixed income securities (sometimes called "junk" bonds).
- **Asset-Backed Securities Investment Risk.**  
The impairment of the value of the collateral underlying certain asset-backed securities may adversely affect the value of the securities.
- **Developed Country Securities.**  
Investment in developed countries may subject a portfolio to regulatory, political, currency, security, demographic, and economic risk specific to those countries. Developed countries may be impacted by changes to the economic health of certain key trading partners, regulatory burdens, debt burdens and the price or availability of certain commodities. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other countries or regions.
- **Non-U.S. Securities.**  
International investments involve special risks not typically associated with trading in investments relating to markets and/or issuers solely in the U.S. Depending on the particular countries and investments involved and on the nature of the particular transactions executed outside of the U.S., these special risks may include: changes in exchange rates and exchange control regulations; downgrades in sovereign credit ratings; devaluations or non-convertibility of non-U.S. currencies; failures or disruptions in central banks, banking systems, markets or financial exchanges; changes in monetary policies, interest rates or interest rate policies; political, social and economic instability; adverse diplomatic developments; investment and repatriation restrictions; the nationalization and/or expropriation of assets; government intervention in the private sector; default by public and private issuers on their financial obligations (and limited recourse in connection with such defaults); the imposition of non-U.S. taxes; discrimination against foreign investors; less liquid markets; less information; higher transaction costs; less information regarding legal and regulatory risks; less uniform accounting and auditing standards; greater price volatility; less reliable clearance and settlement procedures; and/or less government supervision of exchanges, brokers, market intermediaries, issuers and other markets and market participants, than is generally the case in the U.S.
- **Foreign Currency Transaction Risk.**  
As foreign securities are usually denominated in foreign currencies, SVB Wealth Advisory may employ strategies intended to protect clients' portfolios from adverse currency fluctuations. SVB Wealth Advisory may also employ strategies intended to increase exposure to certain currencies. Such currency transactions involve additional risks, and if unsuccessful, may decrease the value of client assets.
- **Real Estate-Related Securities.**  
Real estate-related securities may be adversely affected by factors affecting the real estate industry, which may include changes in interest rates and social and economic trends. They may also be subject to the risk of fluctuations in income from underlying real estate assets, poor performance by managers, prepayments and defaults by borrowers, adverse changes in tax laws and, with respect to certain real estate-related securities, their failure to qualify for the special tax and regulatory treatment granted under the federal tax and securities laws (if so desired).
- **Commodities.**  
Commodity-linked securities (*i.e.*, commodity-based ETFs) may be adversely affected by changes in the underlying commodity value, supply and demand and governmental regulatory policies, in addition to overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity.

- **Other Risks.**

Certain securities may have exposure, whether intentional or unintentional, to various market movements, and other sources of risk, whether known or unknown. Such sources of risk may include changes in current or future levels and/or volatility of interest rates, inflation rates, currency prices, commodity prices, sovereign credit spreads, corporate credit spreads and equity, fixed income and other markets, as well as correlations between any of these risks.

- **Reinvestment Risk.**

Future proceeds from investments may have to be reinvested at a potentially lower rate of return.

- **Counterparty Risk.**

The counterparties with whom SVB Wealth Advisory invests or may do business, or to which securities have been entrusted for custodial purposes, may encounter financial and/or operational difficulties that may impact their ability to trade, maintain or otherwise service our clients' security positions.

- **Management Risk.**

Each client portfolio is subject to management risk. This includes the risk that SVB Wealth Advisory may make investment decisions that result in losses to client portfolios. For example, in some cases, certain investments may be unavailable, or certain investments may not be selected by SVB Wealth Advisory or sold prematurely by SVB Wealth Advisory because of market conditions or other reason, when, in retrospect, those investments could have been beneficial to the portfolio.

- **Investment Adviser Regulation.**

As an SEC-registered investment adviser, SVB Wealth Advisory is subject to a variety of regulatory filing and recordkeeping requirements under the Advisers Act, as well as certain requirements and prohibitions as to its substantive activities. If, in the course of its activities, SVB Wealth Advisory was found to have violated any laws or regulations applicable to investment advisers, it could be subject to significant penalties and sanctions and its ability to continue offering investment advisory services could be compromised.

- **Regulatory Change Risk.**

It is possible that changes in applicable laws and regulations will affect SVB Wealth Advisory and client investments. These changes may include: changes in investment adviser, broker-dealer or securities trading regulation; a change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations. The consequences of such changes on the liquidity and the efficient and orderly functioning of the markets in which SVB Wealth Advisory invests cannot be predicted and may materially diminish the profitability of client investments.

- **Litigation Risk.**

From time to time, in the ordinary course of business, SVB Wealth Advisory and its affiliates may be subject to litigation and/or arbitration, which can be costly and consume resources of SVB Wealth Advisory and/or its affiliates. Any litigation or arbitration could have a materially adverse effect on SVB Wealth Advisor's ability to continue offering investment advisory services.

- **Cybersecurity Risk.**

Due to the increased use of technology in our business and the financial services industry in general, SVB Wealth Advisory is subject to cybersecurity risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data or causing operational disruption, including denial-of-service attacks on websites. Cybersecurity failures or breaches with respect to SVB Wealth Advisory or of its third party vendors have the ability to cause disruptions to SVB Wealth Advisory, potentially resulting in financial losses to clients and/or violations of applicable privacy and other laws that adversely affect clients.

Client investments may also be subject to other risks specific to certain securities, which are further described in the underlying prospectus or other disclosure statement from the issuer of those securities. Clients should carefully review all available disclosures of any securities.

Additionally, despite SVB Wealth Advisory's affiliation with SVB, client assets managed by SVB Wealth Advisory are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency entity or person, and may lose value.

**Item 9****Disciplinary Information**

There are no legal or disciplinary events relating to SVB Wealth Advisory that are required to be disclosed under this Item 9.

**Item 10****Other Financial Industry Activities and Affiliations****SVB Affiliations**

SVB Wealth Advisory has submitted a New Member Application with FINRA during October 2019 to register as a broker-dealer, which is currently pending. The following management persons of SVB Wealth Advisory also have pending supervisory FINRA registrations with our upcoming broker-dealer:

- Yvette Butler, Director/President & CEO, SVB Wealth Advisory
- Jeffrey Schnitz, Director, SVB Wealth Advisory
- Edward McLaughlin, Relationship Management, SVB Wealth Advisory
- William Scoggins, Investment Operations, SVB Wealth Advisory
- Pamela Landes, Chief Compliance Officer, SVB Wealth Advisory

SVB Wealth Advisory is affiliated with SVB Asset Management (“SAM”), an investment adviser registered with the SEC. The types of advisory services and the client mandates that SVB Wealth Advisory provides and offers are not expected to conflict or overlap materially with SAM’s services and mandates. Nevertheless, certain inherent conflicts of interest may arise from SVB Wealth Advisory’s affiliation with SVB Wealth Advisory, including conflicting investment strategies.

SVB Wealth Advisory is affiliated with SVB Leerink LLC, an institutional broker-dealer and a member of FINRA, through a common corporate parent in SVB Financial Group. The types of advisory services and the client mandates that SVB Wealth Advisory provides and offers are not expected to conflict or overlap materially with the investment program of SVB Leerink LLC. SVB Wealth Advisory could introduce clients to SVB Leerink LLC, although any introductions would not be a part of its discretionary investment advisory services to a client. SVB Wealth Advisory and its advisory personnel would not be compensated for any such introduction, and any client that ultimately decides to invest with SVB Leerink LLC, would do so at their own discretion. Due to SVB Leerink’s affiliation with SVB Financial Group, the firm may have an indirect interest in making client referrals to SVB Leerink LLC.

SVB Wealth Advisory is affiliated with certain other entities that may serve as general partners and/or investment advisers of investment funds (“SVB General Partners”). The types of advisory services and the client mandates that SVB Wealth Advisory provides and offers are not expected to conflict or overlap materially with the investment programs of the SVB General Partners. SVB Wealth Advisory could introduce clients to a SVB General Partner, although any introductions would not be a part of its discretionary investment advisory services to a client, SVB Wealth Advisory and its advisory personnel would not be compensated for any such introduction, and any client that ultimately decided to invest with an SVB General Partner would do so at their discretion. Due to SVB General Partners’ affiliation with SVB Financial Group, the firm may have an indirect interest in making client referrals to SVB General Partners.

SVB Wealth Advisory Relationship Managers may also introduce prospective clients to bank products of Silicon Valley Bank, an affiliate of SVB Wealth Advisory or other products/services of SVBFG, the parent of SVB Wealth Advisory. Such recommendations or introductions are not part of any discretionary investment advisory service to a client of SVB Wealth Advisory. SVB Wealth Advisory Relationship Managers and their management personnel may receive a subjective annual bonus at the discretion of their supervisors but not directly related to the sales of specific products/services. Due to SVB Wealth Advisory Management’s relationship with SVB, the firm may have an indirect financial interest in making such introductions.

In addition, SVB provides a variety of support services to SVB Wealth Advisory including human resources, information technology, facilities, finance, legal and administrative support. SVB Wealth Advisory Management does not believe such support services create a material conflict of interest with clients. SVB Wealth Advisory may refer clients to SVB for banking products such as personal or business loans, cash sweep accounts and other products, and SVB may also invest in or otherwise have an ownership interest in certain SVB Wealth Advisory clients. Clients who use SVB or affiliated products or services will be subject to the fees associated with such service charged by SVB or its affiliates. SVB Wealth Advisory, as a wholly-owned subsidiary of SVB, may have an indirect interest to refer clients to SVB’s banking products and other affiliated business groups. In addition, SVB may refer its clients to SVB Wealth Advisory for investment advisory services.

## Other Activities of SVB Wealth Advisory and its Affiliates

SVB Wealth Advisory may restrict its investment decisions and activities on behalf of a client in various circumstances, including as a result of applicable regulatory requirements and/or information held by SVB Wealth Advisory or SVB Wealth Advisory's affiliates. In addition, SVB Wealth Advisory is not permitted to obtain or use material nonpublic information in effecting purchases and sales in public securities transactions for client accounts. SVB Wealth Advisory may also limit an activity or transaction on behalf of a client account, and may limit its exercise of rights on behalf of the client account, for reputational or other reasons, including where SVB Wealth Advisory or an affiliate of SVB Wealth Advisory is providing, or may provide, advice or services to an entity involved in such activity or transaction, where SVB Wealth Advisory (or an affiliate) or another client account is or may be engaged in the same or a related transaction to that being considered on behalf of the client account, where SVB Wealth Advisory (or an affiliate) or another client account has an interest in an entity involved in such activity or transaction, or where such activity or transaction or the exercise of rights on behalf of or in respect of the client account could affect SVB Wealth Advisory or its affiliates or their respective activities. SVB Wealth Advisory may restrict its activities on behalf of particular client accounts and not others.

## Third Parties

We have from time to time recommended our clients' assets to be invested in certain funds offered by Fidelity, which is affiliated with Fidelity Institutional, the primary custodian used by SVB Wealth Advisory. (See Item 5 (Fees and Compensation), above.) We receive no compensation from Fidelity for such investments, and do not believe that our recommendation of Fidelity funds poses a material conflict of interest, as we only recommend Fidelity funds to our clients if we believe these funds offer attractive investment opportunities and are aligned with our clients' investment objectives.

Affiliates of SVB Wealth Advisory have a financial interest in Founders Circle Capital ("**FCC**"), an SEC-registered investment advisor. The types of advisory services and the client mandates that SVB Wealth Advisory provides and offers, respectively, are not expected to conflict or overlap materially with services of FCC. SVB Wealth Advisory may introduce clients to FCC, although any such introduction would not be a part of SVB Wealth Advisory's discretionary investment advisory services to a client, SVB Wealth Advisory and its advisory personnel would not be compensated for any such introduction, and any client that ultimately decided to invest with FCC would do so at his or her own discretion. Due to SVB Wealth Advisory's indirect financial interest in FCC, we may have an indirect incentive in making client referrals to FCC.

## Item 11

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

SVB Wealth Advisory has established and implemented a Code of Ethics (the "**Code**"), pursuant to Rule 204A-1 under the Advisers Act that applies to all employees, including supervised persons, of SVB Wealth Advisory ("**Covered Persons**"). The Code sets forth a standard of business conduct expected of all persons covered under the Code, including ethical standards and prohibitions of fraudulent, deceptive or manipulative conduct.

Our Code emphasizes and implements fundamental governing principles to which SVB Wealth Advisory personnel must adhere in the course of their work for SVB Wealth Advisory, including the duty to act in our clients' best interests and to address actual or potential conflicts of interest.

Our Code sets forth prohibitions against the misuse of material nonpublic information. Covered Persons are prohibited from trading for themselves or others in any security while in possession of material nonpublic information relating to the issuer of such security, as well as communicating or sharing that information to anyone else. SVB Wealth Advisory requires Access Persons to receive prior written approval for transacting in securities that are listed on our restricted list either for their personal accounts or recommending transactions in clients' accounts as well as buying for an initial public offering or private placement in their personal accounts. Access Persons are allowed, from time to time and consistent with SVB Wealth Advisory's Code of Ethics, personally invest in the same or similar securities that are purchased on behalf of clients. Our Code also covers our policy on giving or receiving gifts and entertainment in a business setting, as well as protecting the confidentiality of client information.

A copy of our Code of Ethics is available upon request to any client or prospective client. Requests should be directed to the contact listed on the cover page of this brochure.

We do not anticipate having clients engage in cross-transactions, nor do we anticipate engaging with clients in principal transactions. Any such transactions we may conduct or engage in, however, will comply with the requirements of the Advisers Act.

**Item 12****Brokerage Practices****Broker Dealers for Client Transactions**

It is the practice of SVB Wealth Advisory that portfolio transactions for equities, mutual funds, ETFs, bonds, foreign currency, foreign equity securities, options and Certificates of Deposit are executed through our primary custodian, Fidelity Institutional. Sub-Managers may place trades at a different broker-dealer at their choice but still will clear through Fidelity Institutional.

SVB Wealth Advisory does not have any arrangements in which we utilize research, research-related products and other services obtained from broker-dealers or third parties on a soft-dollar commission basis. We do not send transactions to Fidelity Institutional based on any research or related products and services that they may provide to us. However, as referenced in Item 4 above, we recommend client allocations to Sub-Managers or to funds or investment vehicles sponsored or managed by Sub-Managers. These Sub-Managers may have entered into soft dollar agreements, which will be further described in the Sub-Manager's Form ADV Part 2A or relevant disclosure brochure from relevant Sub-Managers.

We derive our research through paid subscribed services, as well as through generally available public sources. We may also receive information from broker-dealers with whom we execute transactions, as well as those with whom we do not.

We review the current SSAE16 of our primary custodian, Fidelity, as well as quarterly report cards produced by Fidelity to determine if controls are in place with their best execution practices.

As discussed in Item 5 (Fees and Compensation) above, we do not add any trading spreads nor charge any commissions or mark-ups to our managed account clients. Clients who hold self-directed assets are subject to commissions, mark-ups and/or other transaction fees charged by the custodian and executing brokerage firm or Sub-Managers.

We generally do not permit clients to direct that their transactions be executed by a broker-dealer. However, exceptions could be made as approved by SVB Wealth Advisory, and in such cases and as applicable, the client may not achieve most favorable execution of its transactions and such arrangements may result in more costs to the client. Additionally, we do not select or recommend a broker-dealer based on client referrals from that broker-dealer or other third party.

**No Aggregation and Allocation of Clients' Orders**

SVB Wealth Advisory does not typically aggregate the purchase or sale of securities given that client portfolios are managed separately based on specific client needs. However, SVB Wealth Advisory may aggregate the purchase or sale of securities based on factors such as:

- The size and nature of the potential allocation
- Fairness for clients to receive same price on a security
- Each client's restrictions or client provided instructions

**Item 13****Review of Accounts**

Each client relationship is internally reviewed by an SVB Wealth Advisory Relationship Manager or Associate on a periodic basis. These reviews can include, among other things, a review of overall performance of investments, a review of asset allocation changes in the portfolio, a determination of actual and expected liquidity needs of the account, a review for cash flow reinvestment planning, and a comprehensive review of each client's overall asset allocation, liquidity position and performance that takes into account both client assets managed by SVB Wealth Advisory and client assets held in private or illiquid investments with third-party custodians. Account reviews may be triggered based on certain events, including changes in client liquidity needs, security offerings in the marketplace, and certain market events. A review may also occur if the performance of the portfolio drifts more than a certain percentage from the chosen benchmarks for that portfolio.

SVB Wealth Advisory provides reports to clients during periodic reviews to discuss portfolio allocation, performance as well as market strategies. Monthly or at least quarterly, the custodian sends statements to our clients.

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

Our firm does not pay referral or solicitation fees to independent persons or firms for introducing clients to us. However, certain personnel of SVB, our parent company, may refer clients to SVB Wealth Advisory. While SVB personnel do not receive any direct incentive compensation for referrals made to SVB Wealth Advisory, these referrals may be among a variety of factors taken into

consideration by SVB in awarding incentive compensation. In addition, in determining the amount, if any, of incentive compensation for its advisory personnel, SVB Wealth Advisory may consider the amount of assets under management attributed to each individual employee. Although such incentive compensation payable to SVB personnel and SVB Wealth Advisory personnel is not guaranteed and is generally paid on a discretionary basis after considering overall employee performance, SVB personnel have a financial incentive to refer clients to SVB Wealth Advisory.

#### **Item 15**

##### **Custody**

SVB Wealth Advisory does not have possession or actual or constructive custody of any client assets. Client assets are held by a third-party qualified custodian under a separate custody agreement. Since SVB Wealth Advisory has the ability to debit fees directly from client accounts, SVB Wealth Advisory may be deemed as having custody solely for the fees we receive as revenue. It is also deemed per SEC guidance to the industry dated February 2017 that SVB Wealth Advisory has limited custody based on effecting third party asset transfers using standing letters of instruction signed by the clients. Both these practices do not rise to the level of requiring an independent auditor to review our custodian practices.

At least quarterly, clients will receive account statements directly from the custodian. It is important for clients to carefully review their statements to verify their accuracy. Clients should contact us directly if they believe that there may be an error in their statement.

#### **Item 16**

##### **Investment Discretion**

SVB Wealth Advisory accepts discretionary investment authority to manage our clients' investable assets. We do not necessarily have discretionary authority to manage our clients' illiquid and private assets, although we take into account such assets in providing overall investment advisory services to our clients. Our discretionary authority is granted to us pursuant to our Investment Advisory agreement, which we enter into with each client. Under our agreement, SVB Wealth Advisory is granted complete and unlimited discretionary trading authorization on the assets of the client's account, subject to any restrictions or limitations imposed by the client, or to any self-directed assets identified by the client. Clients may instruct us to invest certain self-directed assets, over which we exercise no discretion and which we invest solely in accordance with client instructions. The account agreement may be terminated by either party.

We provide discretionary investment management services to a majority of our clients. From time to time and on a case-by-case basis, in order to meet certain strategic investment objectives of our client, we will invest a client's assets as specifically directed by the client. These client-directed arrangements are subject to the acceptance of SVB Wealth Advisory as determined in SVB Wealth Advisory's sole discretion.

#### **Item 17**

##### **Voting Client Securities**

Under SVB Wealth Advisory's proxy voting policy, SVB Wealth Advisory will generally vote any proxies received by SVB Wealth Advisory relating to assets held in client accounts, other than assets held in non-discretionary, or client directed assets. Unless otherwise provided, our account agreement provides for the client's delegation of responsibility for voting proxies to SVB Wealth Advisory or Sub-Managers, as applicable. When voting proxies, SVB Wealth Advisory evaluates and votes proxies in a manner consistent with what we believe is in the client's best interests. SVB Wealth Advisory considers that it acts in the best interest of clients when the firm votes in a manner that it determines best serves the interest of maximizing shareholder value for all clients. SVB Wealth Advisory's policy is to vote all proxies received the same way for each managed client absent qualifying restrictions from a client. While SVB Wealth Advisory may not solicit direction from its clients with respect to proxy voting, clients may place reasonable restrictions on SVB Wealth Advisory's voting authority. Further, there may be times when SVB Wealth Advisory's management determines that refraining from voting a proxy is in a client's best interest.

If we determine that a material conflict of interest exists in voting a proxy, then the matter will be reviewed by SVB Wealth Advisory's senior management, including our Chief Compliance Officer, who will determine whether to give the affected clients an opportunity to vote their proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third-party voting recommendation.

You may obtain information regarding how SVB Wealth Advisory voted your proxies, or request a copy of the firm's proxy voting policy. Such requests for information should be directed to the contact listed on the cover page of this brochure.

#### **Item 18**

##### **Financial Information**

SVB Wealth Advisory has not been the subject of a bankruptcy petition at any time during the past 10 years.