



## **Wilmington Trust Investment Management, LLC**

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### **PORTFOLIO ARCHITECT WRAP FEE PROGRAM BROCHURE**

**March 27, 2020**

**This wrap fee program brochure provides information about the qualifications and business practices of Wilmington Trust Investment Management, LLC (“WTIM”) and in particular discusses WTIM’s Portfolio Architect wrap fee program. If you have any questions about the contents of this brochure, please contact us at (302) 651-8118. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about WTIM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). WTIM is an investment adviser registered with the SEC. Registration as an investment adviser does not imply any level of skill or training.**

## **ITEM 2 - MATERIAL CHANGES**

The following material changes have been made to this ADV Brochure since the last annual updating amendment dated January 1, 2019: the Brochure has been revised to provide enhanced disclosure regarding the Portfolio Architect Program's Investment Process Governance and Portfolio Management, Principal Investment Risks, Tax Considerations, and Conflicts of Interests with Affiliates.

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## ITEM 4 - SERVICES, FEES AND COMPENSATION

### Overview

Wilmington Trust Investment Management, LLC (“WTIM”, “we”, “our”) is a wholly-owned subsidiary of M&T Bank Corporation, a publicly-traded Financial Holding Company (NYSE: MTB). WTIM provides investment advisory services to three sets of clients: 1) Clients who participate in the Portfolio Architect wrap fee program (“Portfolio Architect”), 2) The Rodney Square Private Funds, which is a family of private investment funds for which WTIM also serves as the general partner or managing member, as applicable, and 3) clients participating in the Global Alpha Opportunities SMA strategy. This Wrap Fee Program Brochure (the “Brochure”) is intended to provide information to those interested in and/or participating in the Portfolio Architect wrap fee program. Additional information about WTIM and its other services is included in the WTIM Form ADV Part 2 Firm Brochure which is available upon request from WTIM or online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Portfolio Architect is a managed account program in which your investment account is overseen by professional money managers from WTIM. Portfolio Architect is what is known in the financial industry as a wrap fee investment advisory program. A wrap fee program is not the same as a brokerage account. In general, in a stand-alone brokerage relationship, a client typically will pay a fee, called a commission, for each trade in their account to cover cost of the transaction, certain related account services and any advice given incidental to the transaction. In comparison, in a wrap fee-based investment advisory account like Portfolio Architect, a client pays a single fee based on the value of the assets in the account. This single “wrapped fee” pays for various services provided in connection with the account, including investment advisory services such as the initial client suitability assessment to determine which investment strategies may be appropriate, ongoing monitoring of the client’s account, subsequent investment advice, the cost of transactions that are affected for the client’s account.

WTIM provides services to Clients (“Client”, “client”, “you” and “your”) in the Portfolio Architect Program in its capacity as a registered investment adviser under the Investment Advisers Act of 1940, (the “Advisers Act”). As an investment adviser, WTIM owes fiduciary duties to you as its client. As a fiduciary, we must avoid conflicts of interest with clients and have an obligation of full and fair disclosure of all material facts relating to our investment advisory relationship with you. This Brochure is an important part of this obligation. It describes WTIM’s role in connection with Portfolio Architect, the advisory services provided through Portfolio Architect, the fees associated with Portfolio Architect, and certain investment risks in participating in the Portfolio Architect program. The Brochure also describes WTIM’s other business activities, financial industry affiliations, and the economic and other benefits involving conflicts of interest in certain situations.

Portfolio Architect may be an appropriate investment option for clients who:

- Seek a medium to long-term investment service with access to professional management of their investment assets.
- Prefer a consistent fee-based price for account transaction activity instead of paying transaction costs separately.

- Seek an arrangement that provides professional investment management, performance reporting, custody, trading and execution services instead of accessing each of those services separately.

While Portfolio Architect is designed to help clients meet a variety of investment goals, it may not be appropriate for clients who:

- Seek a short-term investment service.
- Prefer to maintain significant levels of cash or cash equivalents in their account for extended periods of time.
- Like to maintain investment in certain securities regardless of program investment guidelines.
- Prefer a more transaction-based approach to managing their investments.

### Arrangement with M&T Securities

WTIM has entered into an agreement with its affiliate M&T Securities, Inc. (“MTS”), a broker/dealer and investment adviser registered in various states, to provide distribution, administrative, and support services to the Portfolio Architect program. Therefore, an MTS Financial Advisor (“FA” or “Financial Advisor”) will be a Client’s main point of contact when participating in Portfolio Architect. Initially an MTS FA will help a Client determine if Portfolio Architect is appropriate for them. If a Client elects to engage WTIM’s Portfolio Architect services, an MTS FA will continue to work with the Client to determine which Program and Strategy is appropriate for the Client taking into consideration the Client’s investment philosophy, risk tolerance, and investment objectives.

WTIM compensates MTS (and MTS, in turn, compensates its Financial Advisors) for recommending Portfolio Architect and for providing administrative services and other services in connection with the program. The amount of this compensation may be more or less than MTS or the FA would receive if you paid them directly for “unbundled” or transaction-by-transaction services. That is, MTS and/or its FA may receive more or less for recommending this wrap fee program over other services. Therefore, MTS and/or its Financial Advisors have a financial incentive to recommend that Clients participate in Portfolio Architect in situations where such recommendation results in receiving higher compensation than a recommendation for a Client to engage other services resulting in less compensation. While this involves a conflict of interest, WTIM and MTS seek to mitigate this conflict by having Financial Advisors recommend Portfolio Architect to Clients only after a review of the Client’s financial circumstances to determine whether the program is consistent with the Clients’ investment objectives.

### Services Provided in Connection with Portfolio Architect

#### **Account Establishment and Ongoing Monitoring**

In filling out your Portfolio Architect Account application, you provide information about yourself and your investment objectives. Your Financial Advisor takes this information and assists you with identifying your risk tolerance and investment objectives and then determines the Portfolio Architect Program and Strategy to recommend. Your decision to invest in Portfolio Architect is subject to WTIM’s acceptance. WTIM may decline to manage your account based on your investment objectives, financial situation, requested investment restrictions or other matters.

To access Portfolio Architect's services, you will enter into a written agreement directly with WTIM (the "Agreement"). Once accepted by WTIM, this Agreement will establish WTIM's investment advisory relationship with you as a Client and describe the scope of WTIM's services and obligations to you.

On an ongoing basis, your FA will respond to your questions and meet with you to discuss whether the management of your account continues to reflect your investment objectives. You should promptly notify your Financial Advisor if material changes occur in your financial circumstances, your investment objectives change or if you wish to impose or modify restrictions on the management of your account.

It is important that you read and review all communications, including any performance reports, trade confirmations and monthly account statements that we send to you. These materials could provide you notification of important changes to Portfolio Architect and/or contain important information related to your account. You should promptly notify your Financial Advisor if you have questions about any communications or believe the information provided is inaccurate.

### **Investment Management Services**

Clients entering into an Agreement with WTIM to establish a Portfolio Architect account are appointing WTIM as their agent to invest, reinvest and manage the assets and investments in various discretionary investment programs sponsored by WTIM ("Programs"). Currently, Portfolio Architect has five different discretionary investment Programs:

- **The Core Program.** The Core Program strives for long term capital appreciation, investing in equities, fixed income, real assets, hedging strategies and cash. Generally, the Program invests in mutual funds and exchange traded funds. Most of the funds in the Core Program are actively managed but the Program also includes passively managed funds.
- **The Passive- Oriented Program.** The Passive-Oriented Program strives to achieve long term capital appreciation. It mainly holds passively managed investments- meaning they aim to meet or track a market weighted index- that are either mutual funds or ETFs.
- **The External-Oriented Program.** The External-Oriented Program strives for long term capital appreciation, investing in equities, fixed income, real assets, heading strategies and cash. The equity holdings are investing in mutual funds and ETFs. Most of the funds in the External-Oriented Program are actively managed. The External-Oriented Program invests exclusively in third-party (non-Wilmington) fund families.
- **The Income-Oriented Program.** The Income-Oriented Program's primary objective is to generate income by focusing on equity and fixed income mutual funds that have a history of earning substantial dividends and yields, respectively. The secondary objective is capital appreciation.
- **The Diversified Fixed Income Program.** The Diversified Fixed Income Program is an actively managed all fixed income strategy that invests mostly in investment grade bonds.

Each Program consists of a number of strategy asset allocations reflecting different investment objectives and risk tolerance levels ("Strategies"). While the available Strategies vary by Program, the current Strategies include: Conservative, Moderately Conservative, Moderate, Moderately Aggressive, and Aggressive. WTIM maintains an asset allocation model for each Strategy. Assets are invested in various exchange-traded products, mutual funds, individual securities, closed-end funds, and/or model portfolios (collectively, "Investment Vehicles") pursuant to the asset allocation model for the selected Strategy.

WTIM may use other types of Investment Vehicles in the future as it deems appropriate to pursue the investment objectives for each Strategy. WTIM maintains full and complete discretion over the selection of the Investment Vehicles the Investment Vehicles included in each Strategy.

As noted above, WTIM is primarily responsible for providing investment management services with respect to Portfolio Architect and your account. For accounts in the Programs noted above, WTIM, in accordance with directives from WTIM's Portfolio Management Committee (see Item 6 of this Brochure for more information), executes trades to invest the assets in your account in accordance with the asset allocation model created by the Portfolio Management Committee for the Strategy in which you are invested.

In addition to the Programs identified above, if a Client account meets certain eligibility thresholds (see Item 5 of this Brochure), the Client may elect to invest in Separately Managed Account models ("SMA Models"). The SMA Models consist of an allocation to individual securities. The SMA Models are managed by professional money managers ("SMA Model Managers") in accordance with the SMA Model's investment objectives. If you have selected an SMA Model for all or part of your account, WTIM will invest those assets in securities in accordance with the investment model provided by the SMA Model Manager.

### **Investment Restrictions**

You will have the opportunity to impose reasonable restrictions on the management of your account. You may request that specified securities or, in some cases, categories of securities not be purchased for your account. However, WTIM reserves the ability to decline restrictions it deems unreasonable. You will not be able to impose restrictions on individual holdings in a mutual fund or exchange-traded fund. Please be aware that accounts with investment restrictions may perform differently than accounts without restrictions; performance may be lower or higher for accounts with restrictions than those without restrictions. Restrictions may also cause your account performance to vary from other accounts invested in the same the Strategy.

### **General Administrative Servicing of Your Account**

WTIM has engaged its affiliate, MTS, to provide administrative services to Portfolio Architect clients. Instructions and transactions necessary to service your account such as contributions, liquidations, and changes to investment strategies, are submitted directly by you to your Financial Advisor who, in-turn, submits them to WTIM. WTIM effects any necessary transactions to implement your instructions.

MTS also (directly or through third-parties with which it contracts) performs additional administrative services with respect to Portfolio Architect such as accepting account applications, obtaining information regarding clients' investment profiles, monitoring accounts for compliance with the Bank Secrecy Act and anti-money laundering laws and regulations, distributing all applicable prospectuses, privacy notices, disclosure brochures and account statements, performing annual reviews of your financial situation and investment objectives, and serving as the day-to-day point of contact for your Account.

### **Custodial Services**

WTIM has established procedures to ensure all Client funds and securities are held at a qualified custodian in a separate account for each client under that Client's name. Clients in Portfolio Architect appoint Pershing, LLC to provide custodial services to your Portfolio Architect account. Your account is introduced to Pershing (the "Custodian") by MTS.

The Custodian will hold your account assets in a brokerage account that will be used only for your Portfolio Architect investments; you may not buy and sell other investments through your account. The Custodian will provide each Client with a quarterly statement listing all activity in the client's Portfolio Architect account during the preceding quarter, including all transactions executed in the account, all contributions and withdrawals made by the client, all fees and expenses deducted from the account, and the asset value of the account at the beginning and end of the quarter. You will also receive a statement for any month in which there is activity (such as a re-balance, a change in Investment Vehicles, and/or a contribution/withdrawal) in the account. In addition, you will receive a Quarterly Performance Report that includes asset and total portfolio performance, the asset allocation of the portfolio, and market commentary. Clients should carefully review those statements. Clients who have questions about their account statements should contact their MTS Financial Advisor.

For purposes of the Advisers Act, WTIM is deemed to have custody of Client funds and securities because WTIM has authority to have its fees deducted directly from Client accounts. WTIM has policies and procedures in place designed to ensure fees are calculated correctly in accordance with the clients' agreed upon rates. Please refer to Section 4 of this Brochure for more information.

If your Account is an Individual Retirement Account ("IRA") as defined in Section 408 of the Internal Revenue Code (the "Code"), a custodian (the "IRA Custodian") will administer your account in accordance with the requirements of the Code.

## Brokerage and Trading Practices

### **Best Execution and Brokerage Selection**

WTIM directs trades for Portfolio Architect accounts to Pershing, LLC. Orders are routed to Pershing consistent with WTIM's duty to seek best execution. Portfolio Architect clients do not pay a separate fee to Pershing in connection with program trades effected through Pershing. Instead the Portfolio Architect program fee paid to WTIM pays for the various services provided in connection with the account, including, but not limited to, the cost of transactions in the account.

WTIM endeavors to be aware of the current level of charges of eligible broker/dealers and to minimize the expense incurred for effecting transactions to the extent consistent with the interests and policies of accounts. WTIM has no obligation to seek the lowest commission rate for any particular transaction, or to select a broker/dealer on the basis of its purported or "posted" commission rate.

The fact that a transaction may be executed or be capable of being executed through another broker-dealer besides Pershing at prices, commissions, other execution costs and transaction charges more favorable than those available through Pershing will not obligate WTIM to match those terms or account to Clients for the difference. Clients should understand that, subject to its best execution obligations, WTIM will trade through Pershing even if the use of a different broker-dealer may result in more favorable prices or transaction costs.

### **Aggregation of Client Orders and Cross Trades**

When WTIM aggregates trades across multiple client accounts in securities of the same issuer the terms negotiated for the aggregate order will apply equally to each client. In some instances, average pricing may result in higher or lower execution prices than would otherwise be obtainable by a single client. Commission



rates typically will not be affected by such aggregation. Securities will generally be allocated by order size on a pro-rata basis.

WTIM does not currently engage in cross trades in the Portfolio Architect Program.

### **Trade Errors**

WTIM has implemented procedures designed to prevent operational trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is WTIM's policy to correct trade errors in a manner that is consistent with its fiduciary duties.

### **Description of Fees**

WTIM charges an asset-based fee for the services provided through Portfolio Architect. WTIM's fee is an annual fee, which is billed quarterly in advance and is calculated based upon the market value of the account assets on the last day of the preceding calendar quarter ("Account Fee"). The Account Fee includes investment management, brokerage, execution, administrative, custody, and reporting services; however, other fees associated with maintaining a brokerage account (as noted in the "Other Brokerage Charges" section below) apply. The current Portfolio Architect Account Fee for regular and IRA accounts is as follows, subject to a minimum fee of \$90 per quarter:

<b>Account Size</b>	<b>Passive-Oriented</b>	<b>Core, , External-Oriented &amp; Income-Oriented</b>	<b>Diversified Fixed Income</b>	<b>Separately Managed Account</b>
First \$250,000 of assets	1.10%	1.40%	1.00%	1.40%
Assets from \$250,001 - \$500,000	0.90%	1.00%	0.75%	1.00%
Assets from \$500,001 - \$1,000,000	0.80%	0.80%	0.50%	0.80%
Assets in excess of \$1,000,000	0.65%	0.65%	0.50%	0.65%
Minimum Initial Investment	\$25,000	\$25,000	\$25,000	\$100,000*

*\* While \$100,000 is the Minimum Initial Investment required to participate in an SMA on a stand-alone basis, the Minimum Initial Investment to use an SMA Model for a portion of the asset allocation within a Core or Income-Oriented Program account in Portfolio Architect is \$500,000.*

WTIM may, in its sole discretion, elect to reduce or change the applicable fee schedule for particular clients or groups of clients as a result of individual negotiations or account aggregation or similar policies. The exact fee schedule that will apply to your account is indicated in your account opening package with WTIM and any subsequent amendments thereto. If you are an existing Portfolio Architect client a different fee schedule may apply to your account.

The types of services offered through Portfolio Architect may also be available on an "unbundled" or transaction- by-transaction basis with fees that, in the aggregate, may be higher or lower than the Account Fee charged for Portfolio Architect. That is, Portfolio Architect may cost a client more or less than the cost of the same services if purchased separately. The factors that bear on the relative costs of Portfolio Architect compared to unbundled services include the size and frequency of transactions in the account and the costs for each unbundled service or combination of unbundled services. Because wrap fee programs like Portfolio Architect typically do not charge Clients higher advisory fees based on the frequency of their

trading activity, you should be aware that this creates a conflict of interest in that WTIM has an incentive to limit trading activities in your account(s) because we bear the costs for executing trades.

### **Fee Calculation**

At the time your Account is opened, you will pay what we call an “Initial Account Fee”. The Initial Account Fee is calculated by pro-rating the Account Fee for your Program for the period of time remaining in the quarter in which your deposit is made and then multiplying it by the market value of your initial deposit into the Account. This Initial Account Fee will be charged to your Account as part of a monthly billing cycle covering all deposits and withdrawals into Portfolio Architect accounts and covers the period of time from when WTIM begins to manage your assets (pursuant to your Investment Management Agreement) until the end of the then-current quarter.

Thereafter, a “Quarterly Account Fee” will be debited from your Account in the first month of each subsequent quarter. The Quarterly Account Fee is computed by dividing the Account Fee applicable to your Program by four and multiplying it by the market value of the assets in your Account on the last day of the preceding calendar quarter.

Additional deposits into your Account will be charged an advance fee in accordance with the methodology used in the Initial Account Fee described above. If your Account is terminated or you make a withdrawal of assets from your Account before the end of a calendar quarter, you will be credited back with a prorated Account Fee from the date of termination/withdrawal to the end of the calendar quarter in which the termination/withdrawal occurs. The credit will be made to your Account as part of a monthly billing cycle for all deposits/withdrawals into Portfolio Architect accounts.

### **SMA Model Fee**

If your Portfolio Architect Account contains one or more SMA Models, WTIM reserves the right to charge your Account for the cost of acquiring the SMA Model from the SMA Model Manager (“SMA Model Fee”). The SMA Model Fee would be applied only to the assets invested in the SMA Model and would be charged in addition to the Account Fee. At this time, WTIM is voluntarily waiving any applicable SMA Model Fees. This waiver may be discontinued at any time. If the voluntary waiver is discontinued, the cost of a Portfolio Architect Account that contains an SMA Model will increase. An SMA Model Manager generally receives annual fees ranging from 0.25% to 0.45% of the assets invested pursuant to the manager’s SMA Model.

### **Other Asset-Based Fees**

In addition to the Account Fee you will incur a share of the fund-level fees and expenses of any mutual funds or ETFs (collectively, “Funds”) in which your Account is invested. Fund fees and expenses are charged directly to the pool of assets the Fund invests and are reflected in each Fund’s share price. These fees and expenses are an additional cost to you and are not included in the Account Fee reflected on your account statements. Each Fund’s expense ratio (the total amount of fees and expenses charged by the Fund) is stated in its prospectus. The expense ratio generally reflects the costs incurred by shareholders during the Fund’s most recent fiscal reporting period. Current and future expenses may differ from those stated in the prospectus.

Rule 12b-1 under the Investment Company Act of 1940 (“Investment Company Act”) allows mutual funds to use assets of the Fund to pay the costs of marketing and distribution of the Fund’s shares. In general, neither WTIM nor any of its affiliates receive 12b-1 fees in connection with assets invested in Portfolio Architect. If WTIM or any of its affiliates were ever to receive 12b-1 fees in connection with assets invested in your Portfolio Architect Account, it will credit those fees to your Account.

In addition, affiliates of WTIM or service providers to such affiliates receive administrative and/or shareholder servicing fees from certain mutual funds or their affiliates in connection with the assets invested in Portfolio Architect. For non-retirement accounts, WTIM’s affiliates or its affiliates’ service providers retain these servicing or administrative fees. With respect to accounts owned by an IRA, or other client that is a qualified retirement plan subject to the prohibited transaction provisions of Section 4975 of the Internal Revenue Code, the servicing or administrative fees received by affiliates of WTIM are rebated to your Account, net any vendor sub-accounting charges, which are charged for each mutual fund position.

In selecting mutual funds for inclusion in Portfolio Architect, WTIM’s practice is to seek to utilize the most cost-effective share classes of such funds available. In some instances, however, WTIM may utilize a particular share class of a mutual fund even though a more cost-effective share class exists, for example, in instances where the more cost-effective share class is subject to investment minimums or other eligibility requirements or is otherwise not available on the platform used for the program. In such instances, to the extent that WTIM and/or an affiliate receives greater compensation in connection with such less cost-effective share class, the receipt of such fees creates a conflict of interest in that it may create an incentive for us to select the less cost-effective share class for the program.

#### **Other Brokerage Charges**

The following additional charges associated with maintaining a brokerage account will be charged by MTS:

- **Account Close Out or Full Transfer of Assets:** A fee of \$95 will be charged directly to the Account if it is closed or all assets are transferred out of the Account without closing it.
- **Overnight Delivery:** A fee of \$20 will be charged directly to the Account for overnight mail.

## **ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

As a wrap program, Portfolio Architect is intended for Clients seeking discretionary management of their account for a bundled fee. Portfolio Architect is generally open to investment by individuals, IRAs, certain single-employer retirement plans, certain trusts, and corporations and business entities. The minimum initial deposit required to invest through the Core, Passive- Oriented, External-Oriented, Income-Oriented, and Diversified Fixed Income Programs is \$25,000. The minimum amount required to open a Portfolio Architect account that utilizes an SMA model on a stand- alone basis as the Program allocation is \$100,000. If you have a Portfolio Architect account and your balance is over \$500,000, your Account is eligible (at your discretion) to use an SMA model to replace a portion of the large cap holdings of the asset allocation in a Core or Income- Oriented Program.

## ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

### Methods of Analysis and Investment Strategies

WTIM uses fundamental, technical, and quantitative analysis. Sources of information used to formulate investment analyses include, but are not limited to, financial news sources, research material prepared by others, corporate rating services and annual reports, prospectuses, and other filings with the Securities and Exchange Commission.

The investment strategies utilized by WTIM include asset allocation strategies, quantitative strategies and multi-manager strategies. Each of these strategies permit long term purchases, short term purchases, margin transactions, option writing, including covered options, uncovered options or spread strategies, or other derivatives.

In implementing investment advice to clients, WTIM advises clients with respect to investment of their assets in (i) mutual funds advised by affiliated investment managers as well as mutual funds with independent investment managers, (ii) separate accounts managed pursuant to investment models provided by affiliated managers as well as pursuant to models provided by independent investment managers, or (iii) individual securities.

### Investment Process Governance and Portfolio Management

The Wealth and Institutional Services Division (“WISD”) of M&T Bank Corporation consists, in part, of the investment management businesses of Wilmington Funds Management Corporation (“WFMC”), Wilmington Trust Investment Advisors, Inc. (“WTIA”), and WTIM (collectively, the “WISD Registered Investment Advisers”), the investment management, personal trust, corporate trust, asset administration and related businesses of M&T Bank, Wilmington Trust, N.A., and Wilmington Trust Company (the “WISD Trust Entities”), and the broker-dealer activities of MTS.

The WISD Investment Committee (the “Investment Committee”) exists to assist the Boards of Directors of the WISD Trust Entities (indirectly through other intermediate committees) in fulfilling their responsibilities to oversee the investment-related activities of WISD to ensure the proper exercise of fiduciary powers by the WISD Trust Entities, and to assist the Boards of Directors of the WISD Registered Investment Advisers in fulfilling their responsibilities.

The Investment Committee is bifurcated into two governance structures: the Investment Committee-Investment Strategy Matters (the “IC-ISM”), and the Investment Committee-General Matters (“IC-GM”). The IC-ISM meets formally at least monthly, and is responsible for a variety of tasks and functions, such as:

- setting overall strategy for asset allocation, including risk objectives, types of strategic allocations needed (benchmark relative, absolute return, income oriented, etc.) and types of tactical allocations to be considered;

- developing the methodology for longer-term strategic allocation advice and more intermediate-term tactical allocation advice, including: (i) research, evaluation of efficacy and execution of valuation and price momentum methodologies, as well as reviews of academic research and third-party solutions and support leading to process improvement; (ii) macro factor identification and analysis for use in allocation processes; and (iii) setting of diversified benchmarks for allocation advice, excess return expectations against benchmarks and the target and allowable tracking error of advice against benchmarks; and
- developing methodologies for addressing key characteristics of portfolio construction advice, including: the methodology for assigning portfolio exposures within asset classes between active and passive exposures; (ii) determining the impact to construction and exposures to meet yield expectations; (iii) the positioning and use of trend-following trading strategies to address overall portfolio and asset class exposures; (iv) the use and guidelines of portfolio insurance; (v) the positioning and guidelines for private equity and private real estate solutions within portfolios; (vi) the impact of liquidity within products and the decision set around their use; (vii) the interaction of manager styles, correlations of excess returns and volatility in determining combinations and weights of active managers within portfolios; (viii) the rebalancing methodologies, frequencies and thresholds; and (ix) the consideration of income taxes in portfolio construction.

The IC-GM oversees a variety of other investment-related functions, policies and procedures of the WISD Trust Entities and the WISD Registered Investment Advisers.

Two separate groups are responsible for implementing the overall investment philosophy set by the Investment Committee with respect to each Portfolio Architect Program and Strategy. First, the Manager Research Group is responsible for evaluating SMA Model Managers, mutual fund and exchange-traded fund managers (“Money Managers”), and specific Investment Vehicles and determining which of those SMA Model Managers, Money Managers, and Investment Vehicles will be made available to clients invested in various products offered throughout WISD. With respect to Investment Vehicles, the Manager Research Group focuses on the Money Manager offering the Investment Vehicle in performing its evaluation.

The manager assessment process employed by the Manager Research Group is a multi-step analysis that focuses on both quantitative and qualitative factors. The quantitative factors that are considered include, but are not limited to, benchmark and peer relative performance, risk adjusted returns, portfolio holdings over time; volatility, fees and expenses. The qualitative factors include firm profile, manager’s expertise, investment philosophy and process, investment style, risk management and transparency. These factors for each manager are evaluated independently and compared to other managers in the respective asset class. Once selected, the Manager Research Group monitors the vehicles or manager in accordance with a variety of metrics.

Wilmington Funds and investment models managed by WTIM’s affiliated advisers (collectively, “Affiliated Funds and Models”) are included in Portfolio Architect Programs and Strategies. As a result, participation in Portfolio Architect is likely to result in the payment of investment management, administrative services fees, and model fees to WTIA, WFMC and/or other WTIM-affiliated investment advisers (“Affiliated Advisers”).

On at least an annual basis accounts in the Portfolio Architect Program will be rebalanced to their current strategy asset allocations. However, the frequency of rebalancing Client accounts on an interim basis is a tactical decision informed by the research and decisions of the IC-ISM as described above. Therefore, determinations of the IC-ISM dictate the number of tactical trades that occur between annual rebalances. In addition to the IC-ISM driven tactical rebalancing, Client accounts are also rebalanced to align with current asset allocation models when a Client invests additional assets into their Account and when a Client withdraws assets from the account causing a portion of the securities held in the account to be sold. Depending on the volume of trades made in a Client's account, Portfolio Architect is potentially a less cost-effective option for the Client as compared to non-wrap offerings or a brokerage account, particularly if client's account makes fewer trades.

### Asset Allocation Process

Asset allocation advice may include asset classes among the equity, fixed income, inflation and other hedges, and alternative strategy categories, as well as style, sector, and capitalization, which are then customized to based on the objectives, risk tolerances, and specific restrictions applicable to different client types. Portfolio Architect employs the Wilmington Trust Investment Committee's asset allocation insights in developing and managing portfolios across a range of investment objectives for clients in consideration of their stated investment objective, risk tolerance, time horizon, financial condition, and other factors.

For any assets in a Portfolio Architect account that are not subject to an SMA Model, the Portfolio Management Committee (selecting from among the Money Managers and Investment Vehicles approved by the Manager Research Group), is responsible for determining the specific Investment Vehicles and allocations that will be utilized for each Program's moderate Strategy. The Portfolio Management Committee is a sub-committee of the Investment Committee. The Portfolio Management Committee reviews each Program in light of the overall investment objectives and market outlook set forth by the Investment Committee. In doing so, the Portfolio Management Committee will determine the specific Investment Vehicles and allocation amongst those Investment Vehicles appropriate to seek the investment objectives of the moderate Strategy of each Program. Once the Portfolio Management Committee has created the model asset allocation for each moderate Strategy, the Firm's Model Portfolio Team will modify the model asset allocations amongst Investment Vehicles in each Strategy to align with the stated risk tolerance (e.g. aggressive, moderately aggressive, moderately conservative, conservative) for the other Strategies available in each Program.

### Investment Risks

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment, Program, or Strategy will be profitable. Investing in securities (including stocks, mutual funds, ETFs and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, WTIM is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. It is not possible to identify all risks associated with investing and the particular risks applicable to a Client account will

depend on the nature of the account, the Portfolio Architect Program and Strategy selected as well as the types of securities held. We encourage you to speak with your Financial Advisor to get a better understanding of how these risks apply to your particular investment selection.

### **Principal Investment Risks**

Losing all or a portion of your investment is a risk of investing in the Portfolio Architect Program. The following additional risks could affect the value of your investment:

- **Cash Position Risk** – If the strategy invests all or a substantial portion of its assets in cash or cash equivalents for extended periods of time, including when it is investing for temporary defensive purposes, it could reduce the strategy’s potential return and prevent the strategy from achieving its investment objective as the limited returns of cash or cash equivalents may lag other investment instruments in a strong market.
- **Counterparty Risk** - Transactions entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty may become bankrupt or otherwise fail to perform its obligations.
- **Currency Risk** –The risk that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.
- **Cyber Security Risk** - With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related 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 the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.
- **Equity Market Risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If the client held common stock, or common stock equivalents, of any given issuer, the client would generally be exposed to greater risk than if the client held preferred stocks and debt obligations of the issuer.
- **ETF and Mutual Fund Risk** – The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Additionally, the account will be indirectly exposed to the risks of the strategies and portfolio assets of the ETF or mutual fund, including but not limited to those of ETNs and equity options, derivatives, currencies, indexes, leverage and replication management.
- **Exchange-Traded Note Risk** – ETNs are subject to the credit risk of the issuer. The value of an ETN will vary and will be influenced by its time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying securities, currency and commodities markets as well as changes in the applicable interest rates, changes in the issuer’s credit rating, and economic,

legal, political, or geographic events that affect the referenced index. There may be restrictions on an account's right to redeem its investment in an ETN, which is meant to be held until maturity. The decision to sell ETN holdings may be limited by the availability of a secondary market.

- **Fixed Income Securities Risk** – Interest rates may go up resulting in a decrease in the value of the fixed income securities held by an account. Credit risk is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that an issuer may “call,” or repay, its high yielding bonds before their maturity dates. Fixed income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time.
- **Foreign and Emerging Market Securities Risk** – Foreign investments may carry risks associated with investing outside the United States, such as currency fluctuation, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. Those risks are increased for investments in emerging markets. Foreign securities can be more volatile than domestic (U.S.) securities. Securities markets of other countries are generally smaller than U.S. securities markets. Many foreign securities may also be less liquid than U.S. securities, which could affect the investments.
- **Government Obligations Risk** – Portfolio Strategies may invest in securities issued by the U.S. government. There can be no guarantee that the United States will be able to meet its payment obligations with respect to such securities. Additionally, market prices and yields of securities supported by the full faith and credit of the U.S. government may decline or be negative for short or long periods of time. •
- **Interest Rate Risk** – A Strategy's performance may be adversely impacted when interest rates fall because the Fund may be exposed, directly or indirectly, to lower-yielding bonds. This risk may increase as bonds selected by the Portfolio Strategy mature. Interest rate risk is typically greater with respect to exposure to short-term bond (or short-term bond funds) and lower for long-term bond (or long-term bond funds).
- **Liquidity Risk** - Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes may be more difficult to value.
- **Management Risk** – The value of the client's investment varies with the success and failure of the client's investment manager's strategies and its research, analysis, and determination of portfolio securities. If these investment strategies do not produce the expected results, the value of the client's investment could decrease.

## Tax Considerations

Clients should understand that all or a portion of their securities may be sold during the course of the management of your account in the Portfolio Architect Program. Each Client is solely responsible for all tax liabilities arising from such transactions, and you are encouraged to seek the advice of a qualified tax professional. Clients should also understand that investments in ETFs by tax-exempt accounts may generate



income that is subject to the unrelated business income tax. Clients are responsible for paying any unrelated business income tax liability associated with your account as well as the timely filing of the applicable tax forms with the Internal Revenue Service (“IRS”). To the extent we act on your instructions to effect tax gain/loss harvesting WTIM cannot guarantee that any particular tax consequences will be obtained. WTIM does not provide legal or tax advice in connection with Portfolio Architect or your account. We encourage you to speak with your tax professional prior to engaging in any tax harvesting strategy.

## **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Generally, WTIM does not share client information with Money Managers or SMA Model Managers.

## **ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Your MTS Financial Advisor will serve as your day-to-day contact with respect to your Portfolio Architect Account. If your FA is not able to address a specific question, he or she may facilitate a discussion between you and an appropriate individual from WTIM who can help address your question.

## **ITEM 9 - ADDITIONAL INFORMATION**

### **Disciplinary Information**

A registered investment adviser is required to disclose in this section all material facts regarding any legal or disciplinary events that would be material to a client’s evaluation of the adviser or the integrity of the adviser’s management. WTIM has no disciplinary information to report under this section.

### **Other Financial Industry Activities or Affiliations**

WTIM can use the services of one or more affiliates or appropriate personnel of one or more affiliates for investment advice, portfolio execution and trading, operational support and client servicing without specific consent by the client, except to the extent explicitly restricted by the client in or pursuant to the Agreement, or inconsistent with applicable law. Additionally, subject to an intercompany agreement, certain of WTIM’s affiliates, including WTIA, MTS, WTNA, and WPMC may lease to WTIM personnel to perform a variety of tasks to support the Portfolio Architect Program, including; investment management, research, analytical, due diligence and similar functions. This practice is designed to make WTIM’s capabilities available to clients in as seamless a manner as practical. In these circumstances, WTIM remains fully responsible for the account from a legal and contractual perspective.

WTIM’s affiliates, WPMC and WTIA, are both investment Advisors registered with the SEC and are the investment advisor and sub-advisor, respectively, to the Wilmington Funds which may be included in your Portfolio Architect Program and Strategy. As a result, WPMC receives investment advisory fees and administrative services fees from the Wilmington Funds and shares a portion of those fees with WTIA. The fees received by WPMC are based on the amount of assets in the Wilmington Funds. WTIA is also a non-discretionary model provider for Portfolio Architect and is entitled to receive compensation for providing such models.

To the extent that any Affiliated Funds and Models are included in the Strategies, the Affiliated Advisors will receive an economic benefit from a client's decision to invest in Portfolio Architect in the form of model fees, advisory fees and mutual fund administrative services fees or other fund-level fees.

WTIM affiliates provide fund administration services to shareholders, and other services to Affiliated Funds and Models, and receives fees for those services. A description of the services provided, and fees charged to the Affiliated Funds and Models is contained in the prospectuses for the fund or fact sheet for the model.

WTIM is not registered as a broker-dealer; however, several of WTIM's officers, directors, and/or employees are also registered representatives of WTIM's broker-dealer affiliate, MTS. In addition to its role as the sponsor of wrap fee programs, WTIM also sponsors and advises a series of private investment funds for which WTIM serves as the general partner or managing member.

As a subsidiary of M&T Bank Corporation (a large financial holding company), WTIM has relationships with several financial services companies that are material to its investment advisory business including each of the entities described below.

**M&T Securities, Inc. (MTS)**

MTS is a broker/dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. MTS is also a state-registered investment adviser and insurance agency. As described in detail in this Brochure, MTS (a wholly owned subsidiary of M&T Bank), has been retained by WTIM to distribute Portfolio Architect and provide administrative services to Portfolio Architect clients. MTS functions primarily as a registered securities broker-dealer recommending mutual funds, annuities, variable products, and fixed income vehicles. MTS performs varying levels of financial planning for clients depending on each client's specific needs or desires. MTS also has an investment banking team focused on securities underwriting that underwrites securities that may, from time to time, be selected as Investment Vehicles for use in one or more Portfolio Architect Programs or Strategies.

To the extent permitted by law, WTIM purchases municipal bonds or other securities from or through MTS. MTS may act as underwriter, dealer, principal or agent, or its services may be limited to brokerage services. MTS receives compensation in the form of a commission, mark-up/mark-down, dealer concession or other usual and customary compensation, depending on the role played by MTS. In certain circumstances, WTIM will direct certain securities transactions to be executed through MTS when WTIM has specifically determined that trading through MTS will provide best execution for the client. WTIM will purchase bonds or other securities from MTS subject to legal and regulatory restrictions on transactions between affiliates, including limits on the amount and rating of securities purchased and limits on compensation that may be paid by WTIM or received by MTS. WTIM has adopted procedures designed to avoid potential conflicts in transactions involving MTS, and ensure that the interests of WTIM clients are protected.

MTS may also have an independent brokerage relationship with a customer who is also a Portfolio Architect client. WTIM, as the investment manager for Portfolio Architect is not responsible for transactions between MTS and its brokerage clients and will not take customers' brokerage accounts into consideration in managing Portfolio Architect Strategies. Because MTS makes available a variety of products (in standard brokerage accounts) that may be considered competitive to Portfolio Architect (such

as certain mutual funds or exchange-traded funds), a potential conflict of interest exists. MTS has implemented a series of controls to ensure recommendations to clients are suitable for each client, including pre-approval requirements for certain transactions and review of transactions by the firm's Principal Review Desk.

#### **Wilmington Funds Management Corporation (WFMC)**

The Wilmington Funds are a family of mutual funds (open-end investment companies) offered for sale to the general public. The Wilmington Funds are included in certain Programs and Strategies made available as part of the Portfolio Architect offering. The Wilmington Funds are managed by our affiliated investment adviser, WFMC which is a wholly owned subsidiary of M&T Bank Corporation and is the named adviser to the Wilmington Funds. The inclusion of the Wilmington Funds in certain Programs and Strategies creates a conflict of interest as a result of the compensation that WFMC earns in connection with the management of those funds. A list of available Wilmington Funds and the prospectuses for each are available at [www.wilmingtonfunds.com](http://www.wilmingtonfunds.com).

#### **Wilmington Trust Investment Advisors, Inc. (WTIA)**

WTIA is a wholly-owned subsidiary of Manufacturers and Traders Trust Company (M&T Bank) and is an SEC-registered investment adviser providing investment advisory services to institutional investors, high net worth individuals and investment companies. WTIA also serves as the principal sub-adviser to the Wilmington Funds and receives compensation from WFMC, the funds' adviser, for its services to the Wilmington Funds. Some employees of WTIA are designated as dual officers and/or employees of WTIM. As dual officers and/or employees, such individuals will perform duties for multiple entities.

#### **Manufacturers and Traders Trust Company (M&T Bank) and Wilmington Trust, N.A. (WTNA)**

M&T Bank and WTNA are both banks within the M&T Bank Corporation organizational structure. M&T Bank predominantly provides retail and commercial banking services such as checking and savings accounts, certificates of deposit, credit cards, and loans. M&T Bank also provides wealth advisory services to clients, such as financial planning and trust services. WTNA offers various fiduciary and non-fiduciary services, including trustee, custodial, agency, investment management and other services.

M&T Bank and its affiliates provide an array of investment management services for customers and clients other than Portfolio Architect and M&T Bank and its officers, directors, controlling persons, employees or affiliates may purchase or sell interests in Investment Vehicles included in Portfolio Architect Strategies for their own accounts. WTIM is not required to purchase or sell for your Account interests in Investment Vehicles that any such persons may, from time to time, be purchasing or redeeming. WTIM and MTS have adopted policies and procedures or codes of ethics that govern personal trading of their respective employees and that are intended to ensure that securities transactions affected for the personal account of an employee are conducted in a manner that addresses any actual or potential conflicts of interest with clients. WTIM (or its agent) has examined the code of ethics (or similar procedures) and the compliance policies and procedures of any SMA Model Managers participating in Portfolio Architect to ascertain that each SMA Model Manager has policies and procedures in place to manage or avoid any actual or potential conflicts of interest with Portfolio Architect clients in an appropriate manner.

#### **Conflicts of Interest with Affiliates**

WTIM and its affiliates offer a broad range of financial and investment products and services. In the normal course of business, actual and potential conflicts of interest with clients may arise. These conflicts

may include: recommending, or using its investment discretion to invest in or utilize, products or services offered by an affiliate; including investment products such as mutual funds, private funds and model accounts, securities brokerage, and loans and other banking products (which may result in additional, incremental revenue for WTIM or its affiliate); managing client assets for which WTIM or an affiliate provides custody services; engaging in certain types of permissible trading activities; using affiliates as service providers; and offering or receiving compensation for client solicitations. Conflicts may also involve individual employees, such as personal trading in securities recommended or purchased for clients, compensation incentives, or outside business activities.

WTIM has developed policies and procedures that it believes address these conflicts of interest in the manner required by applicable laws and rules. Additional information regarding conflicts for specific products or service offerings is available in the offering materials for those products or services. If you have any questions regarding actual or potential conflicts of interest, please contact your MTS Financial Advisor.

#### **Conflicts Created Through Use of M&T Securities**

WTIM compensates MTS and its Financial Advisors for recommending Portfolio Architect and for providing the administrative services described above. The amount of this compensation may be more or less than the FA would receive if you paid for “unbundled” or transaction-by-transaction services. That is, MTS and/or its FA may receive more or less compensation for recommending this wrap fee program over other services. In addition, the MTS FA is paid more to recommend certain Programs within Portfolio Architect than others. Therefore, MTS and/or its Financial Advisors have a financial incentive to provide certain recommendations in those situations where that recommendation results in receiving higher compensation than a recommendation for a Client to engage other services resulting in less compensation. While these compensation incentives create a conflict of interest, WTIM and MTS seek to mitigate this conflict by having Financial Advisors recommend Portfolio Architect and its investment Programs to Clients only after a review of the Client’s financial circumstances to ensure the referral is consistent with the Clients’ investment objectives.

#### **Conflicts Created Through Use of Affiliated Investment Advisers and Affiliated Mutual Funds**

To the extent that Affiliated Funds and Models which are managed by Affiliated Advisers are included in Portfolio Architect, then the Affiliated Adviser will receive an economic benefit from a client’s decision to invest in Portfolio Architect in the form of model fees, advisory fees and mutual fund administrative services fees. Other than the shareholder services fees discussed, neither WTIM nor any of its affiliates receive any monetary benefit from other Investment Vehicles that are included in Portfolio Architect Programs and Strategies.

If your Account is an IRA, WTIM will credit the account with an amount equal to all mutual fund administrative services fees that any Affiliated Adviser receives in connection with your Account. This credit in effect reduces the Account Fee paid to WTIM.

#### **Conflicts Created by Other Client Relationships**

WTIM, MTS, WFMC, WTIA, and Model Managers all have clients in addition to those investing in Portfolio Architect and each of them and their respective employees may give advice or take action in performing duties to other clients, or for their own accounts, that differs from advice given to or action taken for Portfolio Architect clients. WTIM and its affiliates and employees are not obligated to buy, sell or recommend any security or other investment for a Portfolio Architect client that it or its affiliates and

employees may buy, sell or recommend for any other client or for their own accounts.

In addition, WTIM and its affiliates may provide services to, or solicit business from, various companies, including issuers of securities, that WTIM, Money Managers, or SMA Model Managers may recommend or purchase or sell for Portfolio Architect accounts. In providing these services, WTIM and its affiliates may obtain material, non-public or other confidential information that, if disclosed, might affect an investor's decision to buy, sell or hold a security. If in receipt of such material, non-public information, WTIM and its affiliates are prohibited from using this information for their personal benefit or for the benefit of any other person, including clients. Accordingly, a client account may not be able to participate in an investment opportunity that it may otherwise wish to participate in because WTIM or its affiliates are in possession of material, non-public information. WTIM and its affiliates seek to minimize the instances in which client accounts may be disadvantaged as a result of trading restrictions due to the receipt of material, non-public information by it or its affiliates. In addition, WTIM reviews the insider trading policies and procedures of each SMA Model Manager and Money Manager prior to selecting an SMA Model Manager or Money Manager to participate in Portfolio Architect. This review is to ensure that the SMA Model Manager or Money Manager has adopted policies and procedures reasonably designed to prevent instances of trading on material, non-public information or otherwise engaging in client abuses.

#### **Conflicts Created by Allocation of Investment Opportunities.**

Potential conflicts of interest may arise with regard to the allocation of investment opportunities among accounts that WTIM and its affiliates advise. WTIM will seek to allocate investment opportunities believed appropriate for Portfolio Architect and other accounts advised by it or by its affiliates on an equitable and fair basis. To the extent applicable, the policies of each SMA Model Manager and Money Manager will be reviewed to ensure that each SMA Model Manager and Money Manager has addressed the manner in which client investments will be allocated among client accounts in an equitable and fair manner. There can be no assurance that a particular investment opportunity that comes to WTIM's attention or to the attention of its affiliates or an SMA Model Manager or Money Manager will be allocated in any particular manner or that Portfolio Architect accounts will receive any allocation at all.

#### **Code of Ethics and Personal Trading**

WTIM, along with its advisory affiliates, has adopted a Code of Ethics and Statement of Insider Trading (the "Code of Ethics") that sets forth the standards of business conduct required from employees, including the protection of material non-public information. Reflecting our fiduciary obligations, the Code of Ethics requires our supervised persons to comply with applicable securities laws. The Code of Ethics also includes provisions that require any supervised person to report any violations of the Code of Ethics promptly to the firm's Chief Compliance Officer, and to other persons designated from time-to-time. Each supervised person receives a copy of the Code of Ethics, including any amendments, and acknowledges such receipt in writing.

The Code of Ethics is intended to prohibit or restrict transactions or activities that may be deemed to create, or appear to be, a conflict of interest. The Code of Ethics identifies the specific employees, officers or other persons who are subject thereto and all are required to abide by the provisions thereunder as access persons. WTIM considers all of its employees to be "access persons" as defined in the Code of Ethics. Access persons may engage in personal trading for their own accounts, provided they comply with the specific restrictions, limitations, guidelines and other conditions set forth in the Code of Ethics.

The Code of Ethics requires all access persons to report, and compliance staff to review, all personal securities transactions and holdings no less frequently than quarterly. Access persons are required to file initial holdings report when first becoming an access person, annual holding reports, annual questionnaires, quarterly transactions reports, and quarterly certifications thereafter. In addition, access persons must forward duplicate statements and trade confirmations to compliance staff for each financial account over which they have control and/or beneficial interest.

In general, WTIM believes that it is reasonable for its access persons to invest in securities that it recommends for investment to its clients, subject to those stipulations stated in the Code of Ethics. However, personal trading by access persons is subject to the overriding principle of fair dealing, namely that transactions on behalf of clients take precedence over transactions that will benefit WTIM, its officers, employees, or any employee-related accounts.

Several factors may be used to determine whether a transaction presents a potential conflict of interest. The analysis includes the timing of the transaction, market capitalization of the security under review, and evidence of the misuse of material non-public information or front-running or other security manipulation that would conflict with the interest of an advisory account. These are intended to be general guidelines and do not limit the scope of the review of a particular security transaction.

WTIM also maintains policies and procedures regarding Pay-to-Play as it pertains to Rule 206(4)-5 of the Investment Advisers Act of 1940.

A periodic report will be made to WTIM's management indicating the nature of any conflicts of interest discovered during this analysis, and a summary report will be provided to WTIM's Board of Directors no less frequently than annually. The report will contain the disciplinary or corrective action taken as a result of the conflict of interest. WTIM will provide a copy of the Code of Ethics to any client or prospective client upon request.

### Participation or Interest in Client Transactions

To the extent permitted by law, WTIM may purchase municipal bonds or other securities from or through MTS. MTS may act as underwriter, dealer, principal or agent, or its services may be limited to brokerage services. MTS receives compensation in the form of a commission, mark-up/mark-down, dealer concession or other usual and customary compensation, depending on the role played by MTS.

In certain circumstances, WTIM will direct certain securities transactions to be executed through MTS when WTIM has specifically determined that trading through MTS will provide best execution for the client. WTIM will purchase bonds or other securities from MTS subject to legal and regulatory restrictions on transactions between affiliates, including limits on the amount and rating of securities purchased and limits on compensation that will be paid by WTIM or received by MTS. WTIM has adopted procedures designed to avoid potential conflicts in transactions involving MTS, and ensure that the interests of WTIM clients are protected.

As described more fully in the "Other Financial Industry Activities or Affiliations" and "Conflicts of

Interest with Affiliates” sections above, WTIM has Affiliated Advisers that serve as investment adviser, sub-adviser, or manager of various Affiliated Funds and Models. To the extent that Affiliated Funds and Models which are managed by Affiliated Advisers are included in Portfolio Architect, then the Affiliated Adviser will receive an economic benefit from a client’s decision to invest in Portfolio Architect in the form of model fees, advisory fees and mutual fund administrative services fees.

WTIM has designed internal compliance and operational procedures to help ensure that its investment activities are conducted in accordance with applicable laws and regulations and conflicts of interest are identified and appropriately resolved and disclosed.

## Review of Accounts

As discussed in Item 6 above, the Investment Committee-Investment Strategy Matters meets at least monthly to, amongst other things, set the overall strategy for asset allocation, including risk objectives, types of strategic allocations needed and types of tactical allocations to be considered. The Portfolio Management Committee then reviews the asset allocation models applicable to each Program and Strategy to make changes (if required) as a result of the strategy set by the IC-ISM.

You are responsible for informing WTIM of any significant changes in your financial condition, investment objectives or applicable restrictions that may have an effect on the manner in which WTIM manages your Account. In addition, your MTS Financial Advisor will contact you at least annually to determine if your financial situation or investment objectives have changed, and to ascertain if you wish to impose any reasonable restrictions or remove any previously imposed restrictions on the management of your Account.

As noted above, the Custodian will provide each client with a quarterly statement listing all activity in the client’s Portfolio Architect account during the preceding quarter, including all transactions executed in the account, all contributions and withdrawals made by the client, all fees and expenses deducted from the account, and the asset value of the account at the beginning and end of the quarter. You will also receive a statement for any month in which there is activity (such as a re-balance, a change in Investment Vehicles, and/or a contribution/withdrawal) in the account. In addition, you will receive a Quarterly Performance Report that includes asset and total portfolio performance, the asset allocation of the portfolio and market commentary.

## Voting Client Securities

Unless clients in the Portfolio Architect Program expressly notify WTIM in writing that you wish to retain proxy voting authority for yourself, WTIM, as your agent, will vote proxies, and execute and deliver on your behalf consents, waivers, and other documents regarding corporate actions, with respect to any securities in your account in our discretion, consistent with our proxy voting policies and procedures. We are responsible for dealing only with those shareholder communications received by us in a timely manner. Clients generally may not direct our vote with regard to particular proxy issues. You may revoke the authority granted to us at any time by written notice to us.

WTIM’s procedures require that, if it has proxy voting authority, it must monitor corporate events and vote the proxies in most cases. WTIM seeks to cast proxy votes in a manner consistent with the best long-term

economic interests of the firm's clients as a whole. To that end WTIM has engaged Institutional Shareholder Services, Inc. (ISS) and oversees the voting services provided by this independent third party.

### Client Referrals and Other Compensation

As noted above, Portfolio Architect is offered by Financial Advisors (FAs) of MTS. WTIM compensates MTS (and MTS, in turn, compensates its Financial Advisors) for recommending Portfolio Architect and for providing the administrative services described above. Generally, MTS and your FA receive a portion of the Account Fee you pay to WTIM as compensation for their services.

### Financial Information

Registered investment advisers are required in this Item to provide details of certain financial information or disclosures about their financial condition. WTIM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy petition.