



Item 1: Cover Page

FIRST CITIZENS ASSET MANAGEMENT, INC.
Form ADV, Part 2A (Appendix 1-WRAP BROCHURE)

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Date of Brochure: March 31, 2021

This wrap fee brochure provides information about the qualifications and business practices of First Citizens Asset Management, Inc. (also referred to as “FCAM”. “we”, “us”, or “our(s)”). If you have any questions about the contents of this brochure, please contact us at 1-800-229-0205.

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

Additional information about First Citizens Asset Management, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov. You can view our firm’s information on this website by searching for First Citizens Asset Management, Inc. Our firm’s SEC number is 801-79917 and our CRD number is 140777.

Item 2: Material Changes

The last annual updating amendment to Form ADV Part 2A-Appendix 1-Wrap Fee Brochure was dated March 2020. Material changes to this Wrap Fee Brochure since the March 2020 filing includes amendments to the following item(s):

Item 1-Cover Page: FCAM, while formed in South Carolina, is now domiciled in North Carolina. As a result, the business address has been updated.

Item 4-Advisory Business: FCAM is providing additional information regarding the lines of businesses that we are currently engaged in and includes clarifying language about the current and former Program options available to our clients and prospects. FCAM is including additional fee information regarding financial planning and the negotiation of those fees in relation to the wrap fee program.

In January 2021, Paula Heffron replaced Robert Spires as Chief Compliance Officer of FCAM. Paula Heffron is also the Chief Compliance Officer of the affiliate broker-dealer and Investment Adviser, First Citizens Investor Services, Inc.

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Item 4: Services, Fees and Compensation

Advisory Services

FCAM offers advisory services and programs, to include investment education, investment advice, wrap programs (e.g., model portfolios and separately managed accounts), and financial planning. This Brochure is intended to discuss our wrap fee Programs. For information on our other services please contact your Advisor or contact us at 1-800-229-0205.

FCAM sponsors and participates in wrap-fee programs and, as a result, receives all or a portion of the fee charged. The amount retained by FCAM varies by the Program option selected.

FCAM continues to manage and maintain advisory accounts, referred to in this Brochure as the Legacy Program. The Legacy Program, however, is closed to new accounts. The remaining accounts continue to be managed by either a third-party Manager, an Investment Adviser Representative (“Advisor”) of FCAM, or in certain circumstances, a combination of managers.

FCAM offers its former Program account options as wrap fee advisory accounts. An advisory fee applies for investment advisory services (which includes portfolio management or advice concerning the selection of other investment advisors) and the execution of client transactions. Fees charged to a client for advisory services described in this Brochure will result in FCAM receiving all or a portion of the Fee.

First Citizens Asset Management Legacy Programs

Manager Program- closed to new accounts effective June 2017

The Manager Program contains portfolio options managed by third-party investment advisers registered (also referred to as Third Party Managers) with the Securities and Exchange Commission (SEC) within a Separately Managed Account (SMA). FCAM, as the sponsor, has discretionary authority to retain, modify, or discharge Third-Party Manager(s) and portfolio options to its Manager Program.

The Third-Party Manager independently determines whether to accept a client’s Manager Program account based on, among other factors, the Client’s investment profile, restrictions imposed by the Client, and any additional relevant information provided by Client. You give discretionary authority to the Third-Party Manager to include the amount and type of securities

to be bought and sold within your account. The Program, closed to new accounts, does allow existing accounts to deposit additional funds and to add or amend any reasonable restrictions imposed on the account by providing written instructions to FCIS and the Third-Party Manager. If accepted, the Third-Party Manager invests in securities or assets based on factors the Third-Party Manager deems relevant and appropriate to meet the investment objective.

The Manager Program utilizes a Separately Managed Account (“SMA”). An SMA is an account specific to the selected investment objective and Third-Party Money Manager. Item 5- Fees and Compensation lists the fees charged for a Manager Program account.

Asset Allocation and Model Programs-closed to new accounts effective June 2017

The Asset Allocation and Model Programs contains investments managed by the FCAM Investment Committee (“Committee”) within a Legacy Unified Managed Account (LUMA). The Committee has discretionary authority to buy, sell, retain, or otherwise modify the portfolios in its Programs.

The FCAM Investment Committee models portfolios based on risk tolerance and asset allocation principles. The Committee may receive guidance from a third party and will take guidance provided by the third party under advisement. There is, however, no obligation for the Committee to implement any third-party recommendations in whole or in part. The Program, closed to new accounts, does allow existing accounts to deposit additional funds and to add or amend any reasonable restrictions imposed on the account by providing written instructions to FCAM. Clients of the Funds Program give discretionary authority to the Committee to include the amount and type of securities to be bought and sold within their account.

The Asset Allocation and Model Program utilizes a Legacy Unified Managed Account (“LUMA”). A LUMA is an account that can encompass a range of investment options (e.g., third-party managed accounts, mutual funds, stocks, bonds, and exchange-traded funds) based on each account registration. The LUMA removes the need to have more than one account and can combine assets into one account within a single registration, placing each strategy in a segment (or sleeve) of the account. The account, being managed for allocation purposes, with each segment managed to its stated objective(s). Item 5- Fees and Compensation lists the fees charged for a Consulting Manager Program account.

FIRST CITIZENS ASSET MANAGEMENT, INC. WRAP BROCHURE

The Model Portfolios utilized in the Funds Program can include the following investment segments:

- Alternative Investments
- Balanced
- Commodity Funds
- Convertible Securities
- Corporate Bonds
- Corporate High Yield Bonds
- Equity Income/Growth & Income
- Global
- Gold or other precious metals
- Government Bonds
- International Bonds
- International Emerging
- International Developed
- Mid Cap Growth
- Mid Cap Value
- Large Cap Growth
- Large Cap Value
- Municipal (local or state)
- Real Estate/Hard Assets
- Small Cap Growth
- Small Cap Value
- Utilities

Financial Planning

FCAM, at its discretion, offers some financial planning services gratis (without charge). Complicated financial plans are referred to associates of First Citizens Bank & Trust (FCB) and incur a fee that is negotiable in advance between you, the Advisor, and FCB. These fees are in addition to any Fees charged for the Programs included in this Brochure. You are under no obligation to use the services of FCB or our other affiliates for financial planning or for any other services provided by them.

The Program fees charged by FCAM (the “Fee” or “Fees”) are generally asset-based, expressed as an annual percentage of the assets in the account. The fees cover a range of available services including management, consulting, and administrative services provided by FCAM, ongoing monitoring of investment managers; services provided by your Advisor (including periodic reviews of your account) execution costs and reporting of transactions with or through FCAM; custody of securities by Pershing and services provided by the Platform Provider associated with the program. The Fees are set forth below in the Fee Schedules and represent the maximum standard annual rate for each Program. Fees are negotiable, differ among clients based on several factors, including the specific Program(s) selected, the type and size of the account, and the client’s overall relationship with FCAM.

FCAM believes that its annual fee is reasonable considering: (1) services provided and (2) the fees charged by other investment advisers offering similar services and programs. However, our annual investment advisory fee is higher than some investment advisors providing similar services or programs. In addition to our compensation, in certain circumstances, you will also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses) and brokerage fees.

FCAM oversees your portfolios based upon your risk profile, investment horizon, financial goals, income (current and potential), tax bracket, portfolio size, net worth and other various aspects of the client's financial profile. The FCAM WRAP Program consists of three programs all of which are offered as "wrap account" programs which bundle advisory, administrative, and transaction charges into one asset-based fee. A portion of the wrap fee is allocated to the administrative fee, which covers administrative and supervisory services provided by FCAM as well as transaction, execution, clearing and custodial services as provided by a third-party clearing firm. FCAM also receives a portion of the fee for advisory services. You should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in your accounts, the value of services that are provided under these programs, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately.

You are billed the asset-based fee in advance based upon the assets under management on either a monthly or quarterly basis, depending upon the program chosen. The timing of such billing is determined, in part, by the particular investment program chosen by you and your registered investment advisor. Details of fees, as well as the timing of such fees, are disclosed in the your existing Agreement.

FCAM WRAP Program Fee Schedule

Account Size	Maximum Fee
\$50,000 - \$100,000	2.00%
\$100,001 - \$200,000	1.75%
\$200,001 - \$500,000	1.25%
\$500,001 AND ABOVE	1.00%

These fee amounts may be negotiated depending upon circumstances including but not limited to: account composition and complexity, account size, employee or family relationships, etc. which may result in different fees being charged by us for client accounts similar in composition and objectives. You should understand that mutual funds, including exchange traded funds and similar investment products, in which your assets are invested by us or by others, impose separate investment management fees and other operating expenses, described in the fund's prospectus, for which you, the client, will be charged separately from the fee paid to us for our services.

FCAM utilizes money market funds as temporary investment vehicles for clients as permitted by law and subject to applicable restrictions. The use of money market funds in "sweep" arrangements, for temporary investment purposes or otherwise, can result in FCAM earning advisory, distribution or other fees described herein. The fees earned by FCAM may vary depending on the money market funds utilized. FCAM is not compensated based on a share of capital gains or capital appreciation in your account or any portion thereof.

You grant FCAM the authority to receive monthly or quarterly fee payments directly from the your account held by an independent custodian. Accordingly, the client provides, in writing, limited authorization to withdraw the contractually agreed upon fees from the account. The custodian of the account is made aware of the limitation of FCAM's access to the account. The custodian sends you a statement, at least quarterly, indicating all the amounts disbursed from the account including the amount of advisory fees paid directly to Advisor which the you should verify for accuracy as to our fee calculation. The custodian of the account holds all customer assets. FCAM does not physically hold or handle customer funds or securities.

The management, certain support staff and the Advisors of FCAM are generally also registered representatives of First Citizens Investor Services, Inc. (FCIS), a securities broker-dealer, investment adviser and insurance agency. In addition, certain management, Advisors, and support staff have employment agreements with our parent company, First Citizens Bank & Trust (FCB). You may work with your Advisor in his or her separate capacity with FCIS or FCB. When acting in his or her separate capacity your Advisor may be registered or licensed to sell securities and insurance to you on a commission basis, advisory services through our affiliate FCIS, for which FCAM is a sub-advisor, or offer banking products such as deposit accounts, loans, and trust services. As such, your Advisor may suggest that you implement advice through FCAM or through one of our affiliated companies. This creates a conflict of interest as your Advisor will likely receive a compensation in his or her separate capacity. Consequently, the

objectivity of the advice rendered to you could be biased. You are under no obligation to use the services of our affiliates for any services they provide.

As described elsewhere in this Brochure, FCAM receives 12b-1 (distribution) fees for the sale of certain mutual funds purchased by advisory clients. Client assets are sometimes invested in shares of registered funds (such as mutual funds) that offer several classes of shares with different fees. Some share classes charge 12b-1 (distribution) fees, shareholder services fees or administrative fees and pay these fees to FCAM. Distribution payments, or 12b-1 fees, compensate FCAM for selling registered fund shares. Shareholder services and administrative fees compensate FCAM for customer account services and administration such as account and trade detail recordkeeping, customer statement preparation and delivery, tax reporting, and other services that the registered mutual fund otherwise would have provided. Distribution, shareholder services and administrative fees are deducted from the mutual fund's assets and indirectly paid by the fund's shareholders. Registered funds often offer one or more share classes that do not charge 12b-1 or shareholder services fees. You may be able to invest in lower-cost share classes directly.

Item 5: Account Requirement and Types of Clients

Our clients include individual persons, trusts, estates, charitable organizations, municipalities and other governmental entities, and corporations or similar business entities. You are required to execute a written agreement with FCAM specifying the advisory services in order to establish a client arrangement with FCAM. Generally, our minimum account size is \$50,000 for the Asset Manager Program and Fund Manager Program and \$100,000 for the Unified Managed Account Program although this may be waived based on considerations such as the account's relationship to established clients and other factors.

Item 6: Portfolio Manager Selection and Evaluation

The Investment Committee discretionarily manages the WRAP Program assets, including selecting the specific Funds and any other securities used in the Program. No individuals registered with FCAM act as a Portfolio Manager for FCAM's WRAP Program.

In selecting and reviewing Funds, the Committee uses fund performance information from independent reporting sources, including fund information provided by the Consultant. The

Committee's decision to include or retain a Fund in the program is guided by quantitative and qualitative criteria, which may include:

I. Quantitative Criteria

Quantitative criteria are evaluated both in terms of a Fund's absolute performance and performance relative to its investment-style group or sector, and may include:

- Rate of return
- Standard deviation of returns
- Risk-adjusted rate of return
- Consistency of returns

II. Qualitative Criteria

Qualitative criteria used in Fund evaluations may include:

- Years in the business
- Assets under management
- Investment philosophy
- Adherence to investment philosophy
- Financial, operational, and client servicing resources

The Committee meets monthly and on an as-needed basis. The Committee periodically reviews the current funds used within the Funds Program, and periodically considers the addition of new funds to the Program. FCAM may add or remove funds at its discretion. The Committee may elect to replace a current fund if it determines that it does not meet one or more of the criteria identified above. In deciding whether to replace a fund, the Committee takes into consideration all relevant criteria; no single criterion is necessarily determinative. The Committee's review places emphasis on long-term overall performance from a qualitative and quantitative standpoint. Adverse short-term developments are monitored but are not necessarily sufficient to prompt a decision to remove a fund. A decision to remove or replace may also be driven by a fund's change of terms and/or imposition of new restrictions, such as closing to further investments. Where a fund is removed, FCAM will generally liquidate that investment and reinvest the proceeds in a replacement fund. As discussed below, FCAM and the Committee do not consider the tax consequences, if any, of any such transactions.

If other securities are used within the Funds Program, the Committee follows the same process, using the same or similar criteria and information in the selection and review of those securities.

Item 7: Client Information Provided to Portfolio Managers

Information necessary for FCAM, the Portfolio Manager, and the Platform Provider to effectively trade and service your account is provided.

Item 8: Client Contact with Portfolio Managers

FCAM does not place any restrictions on your ability to contact us or your Advisor.

Item 9: Additional Information

Disciplinary Information

In February 2018, the U.S. Securities and Exchange Commission (“SEC”) announced an industry-wide initiative to identify and remedy conflicts of interest that arise where investment adviser failed to make required disclosures relating to their selection of certain mutual fund share classes that paid the adviser (or its related entities) a fee pursuant to Rule 12b-1 under the Investment Company Act of 1940 (“12b-1 fee”) when a lower-cost share class for the same fund was available to clients. First Citizens Asset Management, Inc. (“FCAM”) elected to participate in this initiative and, based on information that FCAM provided, the SEC issued an Order Instituting Administrative and Cease-and-Desist Proceedings against FCAM on March 11, 2019 (the “Order”). The SEC determined that for the period January 1, 2014 through July 20 2018, FCAM purchased, recommended, or held for advisory clients mutual fund share classes that paid 12b-1 fees to FCAM (or its affiliated broker-dealer) instead of lower-cost share classes for the same funds for which the clients were eligible. The SEC determined that FCAM did not adequately disclose this conflict of interest, and that the failure to do so constituted breaches of FCAM’s fiduciary duties and willful violations of Sections 206(2) and 207 of the Investment Advisers Act of 1940 (the “Advisers Act”). The SEC, among other things, censured FCAM and ordered FCAM to cease-and-desist from any future violations of Sections 206(2) and 207 of the Advisers Act, and to pay \$54,820.40 in disgorgement and \$7,598.04 in prejudgment interest to FCAM’s affected investors, in accordance with procedures set forth in the Order. The SEC did not order a civil monetary penalty or fine. The SEC also directed FCAM to complete certain

remedial undertakings. FCAM consented to the Order without admitting or denying the SEC's findings (except as to jurisdiction, which was admitted).

The SEC's Order can be found at <https://www.sec.gov/litigation/admin/2019/ia-5123.pdf>.

On the same day that FCAM settled, the SEC settled with 78 other investment adviser for similar conduct. In order to ensure that this conduct is not repeated, among other things, since September 30, 2014, FCAM has been crediting all 12b-1 fees back to advisory accounts.

Other Affiliations

As discussed in the sections on Advisory Business and Fees and Compensation above, FCAM has a material arrangement with an affiliated brokerage firm, First Citizens Investor Services (FCIS) and our parent company First Citizens Bank & Trust. The management, certain support staff and the Advisors of FCAM are generally also registered representatives of First Citizens Investor Services, Inc. (FCIS), a securities broker-dealer, investment adviser and insurance agency. In addition, certain management, Advisors, and support staff have employment agreements with our parent company, First Citizens Bank & Trust (FCB). You may work with your Advisor in his or her separate capacity with FCIS or FCB. When acting in his or her separate capacity your Advisor may be registered or licensed to sell securities and insurance to you on a commission basis, advisory services through our affiliate FCIS, for which FCAM is a sub-advisor, or offer banking products such as deposit accounts, loans, and trust services. As such, your Advisor may suggest that you implement advice through FCAM or through one of our affiliated companies. This creates a conflict of interest as your Advisor will likely receive a compensation in his or her separate capacity. Consequently, the objectivity of the advice rendered to you could be biased. You are under no obligation to use the services of our affiliates for any services they provide.

Advisors of FCAM are also predominately registered representatives of First Citizens Investor Services ("FCIS"), member FINRA, SIPC, a brokerage firm which is affiliated with FCAM and registered with the SEC and with the Financial Industry Regulatory Authority ("FINRA"). In this capacity, they can execute transactions in securities such as mutual funds, equities, bonds, options, annuities and other investment products to clients of FCIS who may also be clients of FCAM and receive normal and customary commissions as a result of securities transactions. They spend approximately 75% of their time on these activities on behalf of FCIS. Advisors of FCAM may also be licensed, registered or approved through insurance companies and through

FCIS to offer insurance products such as life insurance, long-term care insurance, whole life insurance, and term life insurance and receive normal and customary commissions as a result of such a purchase. These insurance products may be offered to clients of FCIS who are also clients of FCAM. They spend 5% of their time on these activities on behalf of FCIS.

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

FCAM has established a Code of Ethics that will apply to all of its supervised persons. As a fiduciary, it is an Advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our Insider Trading and Personal Securities Transaction Policies and Procedures. FCAM requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.

Upon employment or affiliation, when changes occur, and no less than annually, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the Code of Ethics. FCAM has the responsibility to make sure that the interests of all clients are placed ahead of FCAM's Management or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. FCAM Management and its supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our fiduciary duty.

This disclosure is provided to give a summary of FCAM's Code of Ethics. If the client wishes to review FCAM's Code of Ethics in its entirety, a copy will be provided upon request.

Employee Personal Securities Transactions Disclosure

You should know that the Advisor may buy or sell securities that are also recommended to clients. In order to minimize this conflict of interest, FCAM only recommends and purchases securities which are widely held and publicly traded.

To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the President and Chief Compliance Officer of FCAM.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Conflicts of Interest

Discounting

The Advisor has the ability to discount the fees you pay on certain programs. These discounts create a conflict of interest between your interests and the Firm’s because the Firm’s compensation is negatively impacted when commissions are discounted.

Licensing of Advisors

First Citizens Asset Management is registered as an Investment Adviser and therefore neither FCAM nor its Advisors are able to offer brokerage services. FCAM has entered into an agreement with our affiliate, First Citizens Investor Services, Inc. (FCIS) for brokerage services. Additionally, Advisors of FCAM are also registered representatives of FCIS. Any recommendations made by a registered representative of FCIS are those of FCIS and not of FCAM. Because of the differences in compensation payable with respect to these products, this does creating a conflict for you, the Advisor and the Firm.

Rollovers

When you invest with us as a result of a recommendation to rollover or transfer the your assets from an employer-sponsored plan, another brokerage firm or investment Advisor, FCAM receives compensation. This compensation creates a potential conflict between your interests and the Firm's because the Firm's compensation is based, in part, on the assets placed with us

Distributions

Compensation and performance incentives cause a conflict between your interests and FCAM's when the Advisor provides recommendations for distributions from any of your IRAs. When you make a distribution from an IRA, commissions, o sales charges, or fees are be generated. If you have both a transaction-based IRA and an advisory program IRA, the Firm has an incentive to advise you to take a distribution from the your transaction-based IRA and not your advisory program IRA, because the distribution would generate additional transactional revenue and would not affect the amount of your asset-based fee in the advisory program IRA.

Transaction-based IRAs vs. Advisory Programs IRAs

You may be eligible to invest retirement assets in an advisory program IRA. Instead of paying a commission per transaction, you would pay a fee based on a percentage of the market value of the assets held in the your account for the services the Firm provides. Fee-based IRA accounts may offer additional types of investment options, including mutual fund share classes with lower ongoing expenses. Depending on your circumstances, including the number of transactions you anticipate making and what services you want, an advisory program can be more or less expensive than a transaction-based IRA. Typically, the Firm would earn more in upfront commissions in a transaction-based IRA. On the other hand, the Firm would typically earn more over time if you invest in one of the Firm's fee-based advisory programs. These differences in compensation create a conflict between your interests and ours when recommending the type of account most appropriate for you.

Non-Cash Third-Party Incentives:

The Advisors of FCAM are often dually registered with our affiliate broker-dealer, Investment Adviser and insurance agency, FCIS. As a result, FCIS and the Advisor receives Third-Party payments with respect to investment recommendations, on behalf of FCIS as follows:

Annuities

Insurers that issue variable annuity contracts pay FCIS the following types of Third-Party payments:

- “Up-front” insurance commissions at the point-of-sale, including gross dealer concessions;
- Trailing commissions or “trails” (or “renewal fees”) for ongoing services as long as the annuity remains in force; and/or
- Revenue sharing, marketing fees, administration fees and other similar fees relating to sales and support services.

The amount of these Third-Party payments varies between different variable annuities and different annuity issuers.

Fixed Indexed Annuities

Insurers that issue fixed indexed annuity contracts pay FCIS the following types of Third-Party payments:

- “Up-front” insurance commissions at the point-of-sale, including gross dealer concessions;
- “Trailing commissions” or “trails” (or “renewal fees”) for ongoing services as long as the annuity remains in force; and/or
- Revenue sharing, marketing fees, administrative fees and similar fees relating to sales and support services.

The amount of these Third-Party payments varies between different fixed indexed annuities and different annuity issuers.

Mutual Funds

Mutual funds pay FCAM and FCIS the following types of Third-Party payments:

- Up-front sales commissions or “loads” at the point-of-sale;
- 12b-1 distribution fees; and/or
- Fees for sub-accounting services, sub-transfer agency services, and/or other revenue sharing or similar payments for services to the funds.

The amount of these Third-Party payments varies between different fund families, different funds and different share classes. FCAM generally receives less compensation when 12b-1 fees are reduced or waived completely, or when there is no fee. FCIS has in the past earned and kept these fees. In some years, the amount of these fees has been material to FCIS. In the past, FCIS has credited these fees to some advisory clients' accounts but not others. In an effort to reduce client costs, minimize the conflicts of interest presented by mutual fund 12b-1 fees, and conform treatment of different types of FCIS client accounts, as of 3-11-2016, FCIS will, for all advisory account clients on a going-forward basis, credit these fees to advisory clients' accounts. These credits will be subject to the advisory fee if they remain in a client account at the time of billing.

FCAM has a conflict of interest in recommending these funds or share classes, both in making investment decisions in light of the receipt of these fees and in selecting a more expensive 12b-1 fee paying share class when a lower-cost share class is available for the same fund. The conflict of interest arises from FCAM' financial incentive to recommend or select registered funds or share classes for clients that pay higher 12b-1 fees, because such registered funds or share classes generally result in higher compensation for FCAM.

Although there can be legitimate reasons that a particular client is invested in a more expensive 12b-1 fee paying share class, FCAM has taken steps to minimize the conflict of interest:

- Through advisory account credits beginning on 3-11-2016
- Through disclosure in this Brochure
- Through internal policies and procedures that require investment advice to be appropriate for advisory clients
- By ensuring that individual Advisors are not directly compensated for recommendations to purchase share classes of registered funds that pay such fees to FCAM
- By restricting Advisors' recommendations to funds and share classes on FCAM' approved list
- And by systematically evaluating when a lower fee share class of a registered fund on FCAM' approved list is available.

It will not always be possible or in your best interest for FCAM to select SEC-registered mutual fund investments that do not pay these fees. Accordingly, despite the foregoing efforts to minimize conflicts of interest, FCAM clients should not assume that they will be invested in the registered fund or share class with the lowest possible 12b-1 fees.

Third party providers, including annuity product partners, annuity wholesalers, investment managers, ETF wholesalers, and insurance distributors, may also give Advisors gifts up to a total value of \$100 per provider per year, consistent with industry regulations. Third parties may occasionally provide Advisors with meals and entertainment of reasonable value. These incentives create a conflict between the Client's interests and those of the Advisor and may cause the Advisor to recommend those product partners that provide these noncash incentives.

Training and Marketing Incentives

The Advisors of FCAM are often dually registered with our affiliate broker-dealer, Investment Adviser and insurance agency, FCIS. As a result, third-party providers such as annuity product partners, annuity wholesalers, investment managers ETF wholesalers, and insurance distributors reimburse and/or pay certain expenses on behalf of financial advisors and FCIS, including expenses related to training, marketing, and educational efforts. Training of the Advisor can occur at branch offices, seminars, meetings, or other events. Training focuses on, among other things, the third-party provider's products, suitability, product literature, and product support. These incentives create a conflict between your interests and those of the Advisor and may cause the Advisor to recommend those product partners that provide marketing and educational opportunities and to whom the Advisor has greater access.

Performance Standards and Incentive Compensation for the Advisor

The Advisor's performance can be measured in various ways and performance measurements are positively impacted by the assets under care. These positive impacts in performance measures lead to increased compensation. This incentive creates a conflict between your interests and those of the Advisor when recommending that you rollover or transfer your assets to FCAM, keep your assets at FCAM, and engage in transactions within your account.

Review of Accounts

Your accounts are reviewed at least annually by the Advisor with primary responsibility for your account. Factors which may trigger more frequent reviews include a change in your investment objectives or circumstances, such as retirement or a large contribution or withdrawal to or from an account, significant developments or events specific to a particular security held in the account, or significant developments relevant to market, economic or political matters.

Financial Information

This Item is not applicable as FCAM does not require or solicit prepayment of more than \$1200 in fees, per client, six months or more in advance. Additionally, FCAM is not subject to a financial condition reasonably likely to impair its ability to meet contractual commitments; and, FCAM is not currently nor previously has been the subject of a bankruptcy petition.