



Item 1: Cover Page

FIRST CITIZENS INVESTOR SERVICES, INC.
First Citizens Investor Services Wealth Strategies
Form ADV Part 2A (Appendix 1 – WRAP Brochure)

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This wrap fee program brochure provides information about the qualifications and business practices of First Citizens Investor Services, Inc. (also referred to as “FCIS”, “we” or “us”). 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 or by any State Securities Authority. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about FCIS is also available on the Internet at www.adviserinfo.sec.gov.

You can view our firm’s information on this website by searching for First Citizen Investor Services, Inc., using our firm’s SEC number, 80157302 or our firm’s CRD number, 44430.

Item 2: Material Changes

The last annual updating amendment to Form ADV Part 2A-Appendix 1-Wrap Fee Brochure was dated March 31, 2020. Material changes to this Wrap Fee Brochure since the March 31, 2020 filing includes amendments to the following item(s):

Item 9-Additional Information: FCIS is providing additional information regarding the affiliation of certain Advisors, management, and support staff with First Citizens Asset Management and First Citizens Investor Services Insurance Agency, and the conflicts of interest that exist as a result of these affiliations.

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Item 4: Services, Fees and Compensation

The Program fees charged by FCIS (the “Fee” or “Fees”) are generally asset-based and are 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 FCIS
- 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 FCIS
- Custody of securities by Pershing and services provided by the Platform Provider associated with the program.

The Fees are set forth below in the First Citizens Investor Services Wealth Strategies Fee Schedule and represent the maximum standard annual rate for each Program. Fees may be negotiated and may differ among Clients based on a number of factors, including the specific Program(s) selected, the type and size of the account, the overall relationship of the Client with FCIS. The Fees on Accounts invested through individually-structured Fixed Income Portfolios in the Third party Manager Program and/or the Consulting Manager Program will be established on a negotiated basis. Fees charged for our asset management services are negotiable based on the advisor providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment Advisor representative, and the total amount of assets under management for the client. The actual rates agreed upon between Client and FCIS with respect to the Program Account will be set forth in Client's First Citizens Investor Services Wealth Strategies Agreement.

The indicated Fee will be applied to all Program assets under an incremental approach. The Fee is assessed quarterly in advance, based on the average daily total market value of Program assets during the previous calendar quarter (or at the time the Program account is funded). The Fee charged at account inception is prorated to capture the number of days remaining in the calendar quarter and charged immediately to the account. The Program services continue in effect until terminated by either party (i.e., FCIS or you) by providing written notice of termination to the other party. If the Program Account is terminated for any reason, you will be entitled to a refund of any pre-paid quarterly fee, prorated by the days remaining in the calendar quarter after termination.

Accounts falling under the First Citizens Investor Services Wealth Strategies Agreement will be assessed fees based on the account value as of the end of the previous quarter, not on an average daily value process. They will be based on the below referenced fee schedules unless previously agreed upon in respective Client Agreements. All other fee processes will be consistent with the above methods.

Program assets will be valued by an independent pricing service, where available, or otherwise in good

faith at the value reflected on Pershing's books and records. The Program Account value used for Fee calculation may differ from that shown on your account statement due to settlement-date accounting, the treatment of accrued income, distributions, or necessary adjustments. Where necessary, the Program asset values will be determined based on the trade date, rather than the settlement date, of transactions.

Neither FCIS nor any Third Party Manager will be compensated on the basis of a share of capital gains or upon capital appreciation of the Program Account. The portion of the Fees paid to any relevant Third Party Manager are set at the discretion of FCIS and the Third Party Manager, but ordinarily range on an annual basis between 0 and 50 basis points of the relevant Portfolio Manager and Manager Program assets. FCIS absorbs many of the transaction, billing, administrative, and marketing expenses that otherwise would be borne by the Third Party Manager.

FCIS believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisors offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisors offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses) and brokerage fees.

The funds and similar investment vehicles used in the Funds Program, as well as mutual funds and similar investment vehicles used in the other Programs, generally impose fees, charges and other expenses, as described in the respective prospectuses for these securities, and the Program Account will bear a proportionate share of these expenses in addition to FCIS' Fees. Pershing, FCIS, the Third Party Manager, Platform Provider/Consultant and/or their affiliates may receive distribution payments or other compensation from such Funds pursuant to the Investment Company Act of 1940 and Rules promulgated by the SEC under that Act, or similar compensation from similar investment vehicles, unless the Program Account is a Retirement Plan or Retirement Account. Cash balances in Program Accounts held by Pershing are

automatically swept to a money market fund or similar investment, or held in a deposit account(s) maintained by an FCIS affiliate that pass-through any available FDIC coverages. The sponsors and/or advisors for those sweep vehicles receive a management fee or other compensation for their services, and may be affiliates of FCIS, Platform Provider and/or the Third Manager. FCIS as Broker Dealer or Pershing may receive trailing commissions or other compensation based on arrangement with mutual fund companies. If FCIS receives trailing commission from mutual fund companies these trailing commissions will be rebated to account. These payments may create a conflict of interest related to the Funds and other investment products.

First Citizens Investor Services Wealth Strategies Fee Schedule

Account Value	Annualized Fee
First \$100,000	1.30%
Next \$150,000	1.20%
Next \$250,000	1.05%
Next \$500,000	0.90%
Over \$1,000,000	0.85%

For the Wealth Strategies Program, Manager fees generally ranging from 0.0 % and .50% are charged in addition to Program fees.

First Citizens Investor Services Wealth Strategies “Funds Program” Fee Schedule

Account Value	Annualized Fee
First \$250,000	1.50%
Next \$250,000	1.25%
Over \$500,000	1.00%

First Citizens Investor Services Wealth Strategies “Manager Program” and “Consulting Manager Program” Fee Schedule

Account Value	Annualized Fee
First \$ 500,000	1.95%
Next \$ 500,000	1.75%
Next \$1,000,000	1.55%
Next \$1,000,000	1.35%
Next \$2,000,000	1.20%
Over \$5,000,000	1.00%

Note: Fixed Income Portfolio/Program fees will be determined on a negotiated basis.

Payments to Advisors

A portion of the Fees will be paid to your Advisor. The Program is only one of a variety of investment options that can be offered by the Advisor in his or her various capacities for which he or she could receive compensation.

Depending upon the size of the account, your ability to negotiate fees or commissions, changes in account value over time and other factors, the Advisor’s compensation through the Program may be more than if you participated in other FCIS programs or paid separately for investment advice, brokerage, and other services. Advisors may therefore have a financial incentive to recommend First Citizens Investor Services Wealth Strategies over other programs or services.

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Additional Information Regarding Fees and Expenses

Any SEC and/or exchange fees arising from Account activity are absorbed by FCIS.

Administrative fees normally applicable to retirement accounts and qualified plans sponsored by Pershing are waived within First Citizens Investor Services Wealth Strategies Accounts, with the exception of 401(k) plan set-up fees, retirement account and qualified plan termination fees, and other fees (such as electronic fund/wire transfer fees) identified in the Pershing documents related to retirement accounts and qualified plans. The Fee does not cover transfer taxes, other charges required by law, regulation, Brokerage or Custodian fees, or rule to be imposed in addition to the Fee, or other charges you agree to pay in addition to the Fee. Some Portfolio Managers may assess additional charges and/or fees for certain products or services which they provide; if the product(s) or service(s) are selected by the Client, the Program Account will pay those amounts in addition to the Fees.

Program Accounts generally are not permitted to effect margin transactions. If FCIS allows a margin transaction in the Account, FCIS and/or Pershing will receive additional compensation that will not be credited back to you in calculating the relevant Fee.

You will pay the public offering price on any securities purchased from an underwriter or dealer involved in a distribution, which may result in the payment of distribution compensation to the underwriter or dealer in addition to the relevant First Citizens Investor Services Wealth Strategies Fee.

We allow these accounts to be collateralized by First-Citizens Bank and Trust Company.

Pershing may act as principal on Program Account transactions. No mark-up or mark-down on such trades will be charged to you. Pershing may receive additional benefit from the dealer spread (i.e., the difference between the bid and the offer prices) and from gain on the value of the security. Wrap program fees vary across different programs and sponsors. The Program may cost you more or less than purchasing the component services separately. Before opening a Program Account, Client should carefully evaluate the Fees and other expenses, giving due consideration to the cost of such services when purchased separately outside the Program, the type and size of the account, the historical and anticipated trading activity in the Account, and the number and range of supplementary advisory and client-related services that will be provided to the Account.

FCIS offers those Portfolio Managers that have met the conditions of our due diligence review. There may be other Portfolio Managers that may deliver substantially similar results for you that

may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered.

Currently FCIS does not charge for a Financial Plan created by your Financial Advisor using a financial planning tool with various modules.

As described elsewhere in this Brochure, FCIS receives 12b-1 (distribution) fees for the sale of certain mutual funds purchased by advisory clients. Your 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 FCIS. Distribution payments, or 12b-1 fees, compensate FCIS for selling registered fund shares. Shareholder services and administrative fees compensate FCIS 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. All 12b-1 fees received for mutual funds held in advisory accounts are rebated back to you.

Item 5. Account Requirement and Types of Clients

FCIS' investment advisory clients include individuals, trusts, estates, charitable organizations, pension and profit-sharing plans, high net worth clients, corporations and other business.

You are required to execute a written agreement with FCIS specifying the particular advisory services in order to establish a client arrangement with FCIS.

Minimum Investment Amounts Required

FCIS requires a minimum of \$25,000 in order to open a Program account. There are some portfolio models and Third Party Managers within our program that have a minimum account size of \$100,000. Third-party money managers may have minimum account and minimum fee requirements in order to participate in their programs. Each Third Party Manager will disclose its minimum account size and fees in its Wrap Program Disclosure Brochure.

Item 6. Portfolio Manager Selection and Evaluation

As discussed above, the Investment Committee discretionarily manages the Funds Program assets, including selecting the specific Funds and any other securities used in the 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:

A. 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:

1. Rate of return
2. Standard deviation of returns
3. Risk-adjusted rate of return
4. Consistency of returns

B. Qualitative Criteria

Qualitative criteria used in Fund evaluations may include:

1. Manager tenure
2. Assets under management
3. Investment philosophy
4. Adherence to investment philosophy
5. 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. FCIS 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, FCIS will generally liquidate that investment and reinvest the

proceeds in a replacement Fund. As discussed below, FCIS 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.

Portfolio Manager Designation and Reviews

FCIS has selected the Third Party Managers available in the Manager Program primarily from information that was provided by those firms and/or was publicly available. Performance information used by FCIS is generally provided by the relevant third party management firm; FCIS does not attempt to independently determine or verify the information's accuracy or its compliance with presentation standards. The third party management firms may not calculate performance information on a uniform or consistent basis. FCIS from time-to-time considers additional third party management firms for the Program. In this process, FCIS may obtain and rely upon certain information from independent sources, including a Consultant.

In its reviews and selections, the Committee analyzes the Third Party Managers and candidate firms based upon quantitative and qualitative criteria which may include:

A. Quantitative Criteria

Quantitative criteria are evaluated both in terms of a Portfolio Manager's or a firm's absolute performance and performance relative to its investment style group and may include:

1. Rate of return
2. Standard deviation of returns
3. Risk-adjusted rate of return
4. Consistency of returns

B. Qualitative Criteria

Qualitative criteria used in Portfolio Manager or firm evaluations may include:

1. Years in the business
2. Assets under management
3. Investment philosophy
4. Adherence to investment philosophy
5. Financial, operational, and client servicing resources
6. History of Portfolio Manager

The Committee meets monthly and on an as-needed basis, and periodically reviews the Third Party Managers. When appropriate, the Committee considers removing a firm as a Third Party Manager. The removal of a Third Party Manager may be based upon the criteria described above or upon other information the Committee deems material. The Committee considers all relevant criteria; no one criterion is necessarily determinative. In its review process, the Committee places emphasis on a Third Party Manager's long-term overall performance.

Portfolio Manager Profiles

You receive "Third Party Manager Profiles" created from information provided by the Third Party Manager. The Profiles describe the Third Party Manager's strategies, investments, investment philosophy, management style(s), and other relevant information about the Third Party Manager. Any performance information included in the Third Party Manager Profile is accompanied by important disclosures, including disclosures about the types of accounts included in compiling the performance information. You also receive a copy of the Third Party Manager's Firm Brochure. You should carefully review the Third Party Manager Profile and the Firm Brochure prior to selecting the Third Party Manager. Neither FCIS, Platform Provider, Consultant, nor Pershing guarantees the accuracy of the Third Party Manager Profile or the Firm Brochure. Past performance is no indication of future results. Actual results of any Manager Program account may be materially different from past performance and/or results for other accounts managed by the Third Party Manager because of differences in diversification of securities, transaction and related costs, the inception dates of the accounts, withdrawals and additions, investment objectives and restrictions, and other factors.

Financial Advisors

Within the Consulting Manager Program, your Advisor may manage all or part of the portfolio. In limited circumstances, a Financial Advisor may choose a Fund or Funds used to fulfill the Model Portfolio in a Funds Program Account. Advisors are generally college graduates who possess prior business experience in a securities related field. Advisors receive internal training, and must have successfully passed all examinations and received all licenses necessary for the products and services they offer. Advisors who exercise investment discretion in Consulting Manager Accounts receive additional training and certification on investment consultation and management through outside advisors. Advisors are subject to high standards of business conduct prescribed by FCIS, including its Code of Ethics.

Advisors must have met one of the following securities industry education and certification requirements: (a) successful completion of both the FINRA Series 7 General Securities Registered Representative exam and Series 66 Uniform Combined State Law Exam, or prior equivalent, or (b) successful completion of the FINRA Series 6 Investment Products and Variable Contracts Products Representative exam (for advisory products consisting solely of investment company securities), the Series 63 Uniform Securities Agent State Law Exam, and the Series 65 Uniform Investment Advisers Law Exam.

With this Brochure, you received a Brochure Supplement(s) which provides important information about his/her Advisor(s) and, where applicable, other FCIS Associates who will be involved in managing the Program Account. You should carefully review before opening a First Citizens Investor Services Wealth Strategies Account.

Client Information Provided to Third Party Managers

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

Methods of Analysis

FCIS may use the following methods of analysis in formulating investment advice:

Cyclical – This method analyzes the investments sensitive to business. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins. While most economists and investors agree that there are cycles in the economy, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may be timed incorrectly. If done before the bottom, losses can result prior to any gains. If done after the bottom, then some gains may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in a missed opportunity for further increases in the value of a security, or realized losses in a portfolio.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the First Citizens Investor Services, Inc. WRAP Brochure

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security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or sell short). Fundamental analysis is considered the opposite of technical analysis (described below). Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness (expectation for positive future performance) and bearishness (expectation for negative future performance) in a given security.

There are risks involved in using any analysis method.

To conduct analysis, FCIS may gather information from financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

Investment Strategies

FCIS may use the following investment strategies when managing your assets and/or providing investment advice:

Long term purchases - Investments held at least a year.

Short term purchases - Investments sold within a year.

Tactical asset allocation - Allows for a range of percentages in each asset class (for example Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the portfolio manager to take advantage of market conditions within these parameters. By specifying a range rather than a fixed percentage, the portfolio manager has the flexibility to move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation - Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

Primarily Recommend One Type of Security

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be in the best interest of each client relative to that client’s specific circumstances and needs.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm 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. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systematic risk.
- Equity (stock) 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 you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk, although inflation protected products may also be available.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or

mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.

- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Margin Risk - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and FCIS and held by the account custodian or clearing firm.

These risks include the following:

- **You can lose more funds than you deposit in your margin account.**
- **The account custodian or clearing firm can force the sale of securities or other assets in your account.**
- **The account custodian or clearing firm can sell your securities or other assets without contacting you.**
- **You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.**

- **The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.**
- **The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you advance written notice.**
- **You are not entitled to an extension of time on a margin call.**

Item 7. Client Information Provided to Portfolio Managers

Prior to account opening all new clients are asked for information and complete an investment policy statement. This information and all other information required by FCIS or Portfolio Manager to open the account, is provided to the Portfolio Manager.

Item 8. Client Contact with Portfolio Managers

FCIS 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 advisers 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 Investor Services, Inc. (“FCIS”) elected to participate in this initiative and, based on information that FCIS provided, the SEC issued an Order Instituting Administrative and Cease-and-Desist Proceedings against FCIS on March 11, 2019 (the “Order”). The SEC determined that for the period January 1, 2014 through July 20, 2018, FCIS purchased, recommended, or held for advisory clients mutual fund share classes that paid 12b-1 fees to FCIS instead of lower-cost share classes for the same funds for which the clients were eligible. The SEC determined that FCIS did not adequately disclose this conflict of interest, and that the failure to do so constituted breaches of FCIS’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 FCIS and ordered FCIS to cease-and-desist from any future violations of Sections 206(2) and 207 of the Advisers Act, and to pay \$359,872.11 in disgorgement and \$42,793.07 in prejudgment interest to FCIS’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 FCIS to complete certain remedial undertakings. FCIS 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-5124.pdf>

On the same day that FCIS settled, the SEC settled with 78 other investment advisers for similar conduct. In order to ensure that this conduct is not repeated, among other things, since March 11, 2016, FCIS has been crediting all 12b-1 fees back to advisory accounts.

Other Affiliations

The management, certain support staff and the Advisors of FCIS are also registered representatives of First Citizens Investor Services, Inc., a securities broker-dealer and insurance agency. Some advisors, management, and support staff are representatives of First Citizens Asset Management, an investment advisor. Certain management, Advisors, and support staff have employment agreements with our parent company, First Citizens Bank & Trust (FCB). may work with your Advisor in his or her separate capacity as a registered representative of First Citizens Investor Services, Inc. or FCB. When acting in his or her separate capacity as a registered representative, your Advisor may be registered or licensed to sell securities and insurance products to you on a commission basis. As such, your Advisor may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment- advisory account. This receipt of commissions creates an incentive to recommend those products for which your Advisor will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

When acting as a representative of FCIS, your Advisor may recommend one of the programs described in Item 4. Some of these programs use third-party managers or “sub-advisors” to implement the selected investment strategy. In their capacity as a representative of FCIS, your Advisor may recommend a program that uses FCAM as a sub-advisor. In these instances, the total compensation received by First Citizens Investor Services and its related affiliates is higher

than it would be if a different sub-advisor were selected. This creates a conflict of interest between the firm and Advisor, as well as between you and the Advisor.

You are under no obligation to use the services of our representatives in this separate capacity or to use First Citizen Investor Services, Inc. and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use First Citizen Investor Services, Inc. prior to effecting any such transactions, and you are required to enter into a new account agreement with First Citizen Investor Services, Inc. The commissions charged by First Citizen Investor Services, Inc. may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment. This does not apply to mutual funds held within a Program account

Neither FCIS nor any of its management persons are registered as or associated persons of any futures commission merchant, commodity pool operator or a commodity trading Advisor.

FCIS has developed several programs, previously described in Item 4 of this disclosure brochure, designed to allow us to recommend and select Third Party Managers for you. Once you select the Third Party Manager to manage all or a portion of your assets, we will split with the Third Party Manager the fees you are charged. Please refer to Items 4 and 5 for full details regarding the programs, fees, conflicts of interest and materials arrangements when FCIS selects other investment Advisors.

You may work with your Advisor in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the Advisor may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your Advisor in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of FCIS by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your Advisor will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your advisor.

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

FCIS 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. FCIS 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. FCIS has the responsibility to make sure that the interests of all clients are placed ahead of FCIS' 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. FCIS 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 FCIS' Code of Ethics. If the client wishes to review FCIS' 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 you. In order to minimize this conflict of interest, FCIS, only recommends and purchases securities which, generally, 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 a 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 FCIS.

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

Conflicts of Interest

Discounting:

The Adviser has the ability to discount the commission or fees you pay on certain investments or programs. These discounts may 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 Advisers:

Not all Advisers are licensed to offer both brokerage and investment advisory products and services. Some Advisers may only be licensed to make a Recommendation regarding investment company (i.e., mutual funds) or variable contract products (i.e., variable annuities) and may not be licensed to make a Recommendation for individual equities or fixed income products (i.e., stocks and bonds) or provide investment advisory products or services. Because of the differences in compensation payable with respect to these products, this could be seen as creating a conflict for the Adviser.

Approved Product List:

The Firm limits Recommendations to products available through an approved product list. The approved product list does not contain the entire universe of securities products available in the marketplace or that may be available through other broker-dealers or investment advisory firms. In light of the differences in the way some products compensation FCIS and the Advisers as compared to others, this may create a conflict of interest.

Rollovers:

When you invest with the Firm as a result of a Recommendation to rollover or transfer the your assets from an employer-sponsored plan, another brokerage firm or investment adviser, FCIS 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 the Firm. In addition, in a rollover from an employer-sponsored plan, a conflict exists because the compensation received by the Firm and the Adviser will generally be greater than that received in the plan.

Distributions:

Compensation and performance incentives may cause a conflict between your interests and FCIS' when the Adviser provides Recommendations for distributions from any of your IRAs. When you make a distribution from an IRA, certain commissions or sales charges may be generated. Further, if you has both a transaction-based IRA and an advisory program IRA, the Firm may have been incentivized to advise you to take a distribution from 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 your advisory program IRA.

Transaction-based IRAs vs. Advisory Programs IRAs:

You may be eligible to invest retirement assets in an asset-based fee 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 your account for the services FCIS provides. Fee-based IRA accounts may offer additional types of investment options, including mutual funds. Depending on your circumstances, including the number of transactions you anticipate making and what services you are interested in, 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 FCIS' fee-based advisory programs. These differences in compensation create a conflict between the Client's interests and the Firm's when recommending the type of account most appropriate for you.

Non-Cash Third-Party Incentives:

FCIS as a broker dealer receives Third-Party Payments with respect to investment recommendations, 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, administrative fees and 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 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. FCIS 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 March 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.

FCIS 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 FCIS' 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 FCIS.

Although there can be legitimate reasons that a particular client is invested in a more expensive 12b-1 fee paying share class, FCIS 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 Advisers are not directly compensated for recommendations to purchase share classes of registered funds that pay such fees to FCIS; by restricting Advisers' recommendations to funds and share classes on FCIS' approved list; and by systematically evaluating when a lower fee share class of a registered fund on FCIS' approved list is available. It will not always be possible or in your best interest for FCIS to select SEC-registered mutual fund investments that do not pay these fees. Accordingly, despite the foregoing efforts to minimize conflicts of interest, you 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 financial advisors gifts up to a total value of \$100 per provider per year, consistent with industry regulations. Third parties may occasionally provide financial advisors with meals and entertainment of reasonable value. These incentives create a conflict between your interests and those of The Advisor and may cause your financial advisor to recommend those product partners that provide these noncash incentives.

Training and Marketing Incentives:

Third-party providers such as annuity product partners, annuity wholesalers, investment managers, ETF wholesalers, and insurance distributors may reimburse and/or pay certain expenses on behalf of financial advisors and the firm, including expenses related to training, marketing, and educational efforts. Training of the Adviser can occur at branch offices, seminars, meetings, or other events. The 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 Adviser and may cause the Adviser to recommend those product partners that provide marketing and educational opportunities and to whom the Adviser has greater access.

Performance Standards and Incentive Compensation for the Adviser:

The Adviser'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 can lead to increased compensation. This incentive creates a conflict between your interests and those of the Adviser when recommending that the Client rollover or transfer your assets to FCIS, keep your assets at FCIS, and engage in transactions within your account.

Review of Accounts

Through the Investment Committee or its designees, FCIS makes a best effort to review each First Citizens Investor Services Wealth Strategies Account on at least an annual basis. Additional reviews may be triggered by events such as Client deposits or withdrawals, significant changes in the value of the Program account, your requests for substitutions of Third Party Managers or investment criteria, and updates in your information. FCIS instructs the Committee, in performing each review, to address any issues of concern. FCIS does not monitor each transaction effected by Third Party Managers for consistency with your investment objectives or conformance with the Third Party Manager's stated strategies or philosophy. You should understand that FCIS' limited review of a Third Party Manager's transactions within a Manager Account is not a substitute for his/her continuing review of the Third Party Manager's investments and performance.

Financial Information

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