



## BrightFolio

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SEC File Number 801-107729

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This wrap fee program brochure provides information about the qualifications and business practices of Truist Advisory Services, Inc. If client has any questions about the contents of this brochure please contact Truist Advisory Services, Inc. at (877) 628-6119. The information in this brochure has not been approved or verified by the United State Securities and Exchange Commission or any state securities authority.

Registration as an investment adviser does not imply a certain level of skill or training. Additional information Truist Advisory Services, Inc. is also available on the SEC's website at

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Investments and Insurance Products:**

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

## MATERIAL CHANGES

The last update to the SunTrust Advisory Services, Inc. ("STAS") BrightFolio Brochure was March 30, 2020.

On December 14, 2020, SunTrust Advisory Services, Inc., a separate, wholly owned subsidiary of Truist Financial Corporation ("TFC") changed its corporate name to Truist Advisory Services, Inc. ("TAS"). However, TAS will continue to conduct business as SunTrust Advisory Services, Inc. ("STAS") for a period of time.

SunTrust Investment Services, Inc. ("STIS"), STAS' affiliated broker-dealer and a separate, wholly owned subsidiary of Truist Financial Corporation, also changed its name to Trust Investment Services, Inc. ("TIS"), effective December 14, 2020; however, it will continue to conduct business as SunTrust Investment Services, Inc. for a period of time.

TFC and BBTS have agreed that, effective February 19, 2021 ("Effective Date"), BBTS will discontinue offering investment advisory services and that all BBTS investment advisory accounts, including all existing BBTS Client investment advisory contracts, related account documentation (including but not limited to account beneficiary designations) and disclosure materials will be (i) assigned to TAS and (ii) amended and restated in their entirety to conform to TAS's then current Client investment advisory contracts, related account documentation and disclosure materials. In connection with this assignment, former BBTS investment advisory accounts will be transitioned to the TAS Asset Management Consulting ("AMC") investment advisory Programs

Additionally, effective December 14, 2020, TAS selected the Truist Investment Services, Inc. Sweep Program's TIS Level Rate Multibank Sweep Feature (taxable accounts) and TIS Level Rate Single Bank Sweep feature (IRA, Qualified Plan and SEP & SIMPLE IRA accounts) as the cash sweep investment vehicle for the core account of each AMC Program Client's brokerage account which is used for settling transactions and holding credit balances. See **"Core Account - TIS Sweep Program"** below.

Effective March 1, 2021, TAS began a pilot offering of the BrightFolio Pro product, which combines the BrightFolio Program with unlimited access to licensed Financial Advisors who can provide advice and guidance as needed.

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## SERVICES, FEES AND COMPENSATION

Truist Advisory Services, Inc. (“TAS”, “Sponsor” or “Investment Manager”) is a separate, wholly owned, non-bank indirect affiliate of Truist Financial Corporation (“TFC”). TAS became an investment adviser under the investment Advisers Act of 1940 (“the Act”), as amended, in April, 2016. As part of the December 6, 2019, merger of SunTrust Banks, Inc. and BB&T Corporation that established Truist Financial Corporation.

As Sponsor, TAS provides the electronic educational and investment advisory services described below by contracting with affiliated and non-affiliated service providers and as Investment Manager, TAS provides management services to key functions of the services more fully described below.

TAS has contracted with its affiliate, SunTrust Bank, now Truist Bank (“TB”), another wholly owned subsidiary of TFC, to offer the services on an electronic basis through TB’s online banking website (“Site”) and with Truist Investment Services, Inc. (“TIS”), another wholly owned subsidiary of TFC, and an SEC registered broker-dealer which provides trade execution services to the BrightFolio Program. TIS is an introducing broker dealer and custody of client assets in TIS accounts is maintained by TIS’s clearing broker, National Financial Services (“NFS”) or one of NFS’s affiliates.

TAS has contracted with FutureAdvisor, Inc. (“FutureAdvisor” or “Sub-Adviser” or “Portfolio Manager”) a registered investment adviser under the Act and a provider of a digital technology and investment advisory platforms to provide Clients with access to FutureAdvisor’s non-discretionary educational service (“BrightFolio Basic Educational Service” or “Service”) and FutureAdvisor’s discretionary investment advisory service which, as described below in more detail, are combined with certain advisory services from STAS (together, “BrightFolio”, “Program”, “BrightFolio Program”, or BrightFolio Pro). See **Advisory Services – Services Provided by TAS** below. FutureAdvisor, is a wholly-owned subsidiary of Blackrock, Inc. (“BlackRock”) and a registered investment adviser under the Act.

In addition, account aggregation services are provided to the BrightFolio Educational Service the BrightFolio Program and BrightFolio Pro by TB which will aggregate other accounts, including those held at third party financial institutions, included in each Client’s “Client Profile”, and acts as a conduit between the financial institutions and the service where Client account information is stored. Clients must accept and agree to the terms and conditions for account aggregation through the Site.

### **BrightFolio Basic Educational Service**

The BrightFolio Basic Educational Service is a service that consists of Client education, including hypothetical investment programs related to retirement planning and services and tools generated through FutureAdvisor’s proprietary, automated, computer algorithms (“Algorithm”) which generates projections based and in reliance on the information provided by Clients and target investment portfolios (“Target Portfolios”) constructed based upon guidance provided by TAS’ Investment Advisory Group (“IAG”). Neither TAS nor FutureAdvisor will have any discretionary investment or trading authority with respect to Client’s account under the BrightFolio Basic Educational Service.

Use of the Service is for Client’s own individual and personal use, for informational and educational purposes only. The Service is not an investment advisory program or investment advisory service. Use of the Service does not constitute investment advice in any form or any other form of investment recommendation and does not create or establish any investment advisory or any other form of

investment relationship between either FutureAdvisor Inc. or TAS and any person using the BrightFolio Basic Educational Service. Clients will be required to agree to FutureAdvisor's Terms of Use for the Service, as may be amended from time to time by FutureAdvisor.

Access to the Service shall cease six months after Client initiates access. The timeframe of continued access to the Service may change at any time and from time to time and with or without advance notice to existing clients as determined by TAS and/or FutureAdvisor in their sole and absolute discretion.

The Service includes a range of financial information, education, sample analysis and hypothetical investment recommendations ("Sample Illustrations") through FutureAdvisor's Algorithm, based upon Target Portfolios constructed by TAS, see **Services Provided by TAS** section below.

In order to use Service, Client must provide and promptly update and maintain complete and accurate information regarding, among other things, age, risk tolerance, investment horizon and other investment holdings. Information provided by users of the BrightFolio Basic Education Service is used by FutureAdvisor to create a "Client Profile" which is used to generate hypothetical portfolios and provide other educational information. Failure to keep the information current may result in Client receiving Sample Illustrations that are no longer aligned with Client's goals and could materially impact the quality and relevance of the Sample Illustrations. Neither SunTrust nor FutureAdvisor will take steps to test or verify the accuracy of any of information Clients provide.

Clients should read TAS' and FutureAdvisor's brochures, TAS' General Terms and Conditions, FutureAdvisor's Terms of Use for Educational Service and Terms of Use for Premium Service in conjunction with BrightFolio-Basic Service thoroughly before accessing and using the Services. Services described herein are offered on an electronic basis on FutureAdvisor's website through the Site and Client will receive all initial and subsequent documents noted above and other periodic communications electronically. Clients that elect not to receive such communication electronically will have their access and services terminated.

Client is fully responsible for determining whether and when to implement the analysis and recommendations made through the Service, and for making their own investment decisions. The Service does not provide comprehensive financial planning and is not intended to constitute investment advisory, legal, other financial or tax advice or any form of investment recommendation. Neither TAS nor FutureAdvisor are responsible for any use Clients make of the Sample Illustrations made through the Service. The Service is only one of many tools that Client may use as part of a comprehensive investment analysis process. Clients should not rely on the Service as the sole basis for their investment decisions.

#### **BrightFolio Program**

The BrightFolio Program is an online electronic investment management service that is maintained through an online portal ("the Site") on which Clients establish a discretionary, automated investment advisory relationship with TAS, as sponsor, and FutureAdvisor, as Portfolio Manager, of the Program. In administering the Program, FutureAdvisor utilizes its proprietary Algorithm to generate projections and make discretionary investment decisions based in part on TAS' capital markets assumptions, risk categories, asset allocation targets for those categories and purchases eligible investment vehicles for each asset class provided by TAS based on the financial data and goals provided by Clients. Support and guidance by TAS Advisors and Associates for the BrightFolio Program is limited to assisting Clients with certain ministerial aspects of the electronic service including how the service works, tool tip explanations,

investment, trading processes and error messages among other items. However, TAS Advisors and Associates do not offer any investment advice related to the Service or the Program.

### **BrightFolio Pro**

BrightFolio Pro combines the BrightFolio Program with unlimited support and guidance provided by TAS Advisors.

### **Additional Information: BrightFolio Program and BrightFolio Pro accounts (collectively, “BrightFolio”)**

When initiating a BrightFolio account, Clients may select one of the following goals for their account: Retirement, Major Purchase or General Investing. While Client may open multiple BrightFolio accounts, each account may have only a single selected goal. Please review the information below for important details concerning the methodology for investment management of each type of goal.

BrightFolio is intended to assist a Client in reaching their individually selected goal and is not a comprehensive financial planning service. While TAS has designed BrightFolio to be broadly applicable to many Clients, BrightFolio is not appropriate for all Clients. Potential Clients should carefully review the **ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS** Section of this brochure below before deciding to invest in a BrightFolio account. Clients must use an electronic online or web or mobile application to access BrightFolio and determine whether a BrightFolio Program or BrightFolio Pro account is appropriate for them. Clients complete their Client Profile online and are responsible for carefully considering whether their participation in BrightFolio is appropriate for their investment needs and goals prior to enrollment. Clients should periodically review their existing Client Profile and update it when their goals, risk tolerance or other aspects of their financial situation change.

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

In offering the Program, Clients develop a personal profile by responding to a questionnaire in the online system that identifies the Client's investment goals, risk tolerance, time horizon, financial situation, reasonable investment restrictions and other factors that influence the investment approach. The Program produces an investment proposal for the Client. The investment proposal includes an asset allocation strategy based on the Client's responses to the questions posed in the questionnaire. The Program then selects the appropriate Target Portfolio based on this recommendation.

Based on the Client’s assigned Target Portfolio, the Portfolio Manager’s Algorithm personalizes investment recommendations for each Client to seek to maximize tax efficiency, minimize transaction costs and maximize diversification. Using the Algorithm, FutureAdvisor electronically provides regular, ongoing investment management of the investment assets in BrightFolio accounts, monitors client portfolios and generates orders that are routed to NFS for execution, including rebalancing orders, as

dictated by the Algorithm. The Target Portfolios are based on efficient frontier analysis using asset allocation models developed by TAS.

In Client accounts with Retirement and/or Major Purchase as the selected goal, in addition to its Algorithm and the TAS Target Portfolios, FutureAdvisor utilizes a “Glide Path” methodology which decreases a Client’s portfolio allocation to equities and increases the allocation to fixed income investments over time as retirement or other financial goals near. A Client’s risk preferences determine which Glide Path is selected. Glide Paths are not used for accounts for which the Client selects “General Investing” as the goal; these accounts follow a static SAS Strategic Portfolio which may change from time to time in the sole discretion of TAS.

#### Eligible Investment Vehicles

Eligible investment vehicles for purchase are limited to Exchange Traded Funds (ETFs) and a core sweep vehicle (described below). ETFs selected by TAS for inclusion in the Program may be managed, created or sponsored by an affiliate of FutureAdvisor as more fully described in FutureAdvisor’s BrightFolio Program brochure. See FutureAdvisor ADV Part 2A.

#### BrightFolio Program and BrightFolio Pro Account Funding with Existing Investment Positions

Clients that open a BrightFolio account by transferring existing investments from TIS/TAS or another firm will have those investments liquidated unless they have affirmatively elected to maintain a limited percentage of existing assets as permitted by the terms of the program. See **ADVISORY SERVICES- BrightFolio – Client Directed Positions** below for details. In addition, the FutureAdvisor Algorithm performs an analysis on any mutual funds, ETFs and/or equity securities contributed to the BrightFolio Program in kind and, based on internal and external costs such as internal advisory fees of mutual funds and ETFs, trading costs associated with liquidations and potential tax implications, may result in the retention of some or all of the Client’s existing shares of any such mutual fund, ETF and/or equity securities positions (“Transferred Securities”). Clients should be aware and understand that if FutureAdvisor determines to liquidate any existing mutual fund investments, any applicable contingent deferred sales charges will be incurred when such shares are sold. Fixed income securities cannot be transferred into a BrightFolio account. Certain assets are ineligible for transfer (ACAT) into an account, such as limited partnerships, non-traded real estate investment trusts, etc.

For mutual funds transferred into and subsequently held in BrightFolio accounts, an advisory share class is generally used if available. In certain circumstances, a different mutual fund share class may be utilized if no equivalent advisory share class is available. Periodically, TAS will review account mutual fund positions and convert existing mutual fund shares to advisory class shares, when available, without further notification to Clients.

**Neither TAS nor FutureAdvisor provide advice or recommendations related to rollovers from qualified plans. Client should refer to FutureAdvisor’s ADV brochure and review the factors to consider in making a rollover decision.**

**In the case of taxable (non-IRA) BrightFolio accounts, the sale of Transferred Securities will result in the realization of taxable income in the case of appreciated Transferred Securities and losses in the case of depreciated Transferred Securities. Accordingly, Clients should consult with their tax advisers prior to funding a taxable BrightFolio Account with Transferred Securities.**

Except in the case of an unauthorized sale of Client Directed Positions, TAS and FutureAdvisor shall not be liable for any taxes or other expenses incurred in connection with the sale of any Transferred Securities used to fund a BrightFolio Account.

As the Investment Manager responsible for the creation and maintenance of the Target Portfolios, TAS has investment discretion related to the capital markets assumptions, risk categories, asset allocation targets for those categories and eligible investment vehicles for purchase for each asset class and the replacement, reduction or elimination of any investment vehicle in the accounts.

TAS' Automated Investing Group conducts ongoing due diligence on FutureAdvisor and the IAG performs ongoing due diligence on eligible investment vehicles for purchase in the Program.

Clients opening a BrightFolio account also enroll in SIS' sweep program, which automatically sweeps un-invested cash balances in Client's Brokerage Account into the SunTrust Bank, now Truist Bank, Sweep Deposit Option, See **Core Sweep Account** section below. The requirement to utilize Truist Bank's Sweep Deposit Option as the Core Account Sweep Vehicle is a benefit to TAS and/or its affiliates which creates a conflict of interest. See **CONFLICTS OF INTEREST – SunTrust Bank, Now Truist Bank, Sweep Deposit Option** Section below.

During the online application process, Clients agree that records and disclosures for BrightFolio will be delivered, and agreements will be signed, electronically. This is a requirement both now and in the future. This includes the disclosure brochures and other documents relating to Clients' accounts. TAS sends BrightFolio Clients periodic e-mails containing market commentary, alerts, evaluations, and other relevant content. Clients can opt out of the weekly commentary, sales and reengagement and personalized guidance e-mails. Once a BrightFolio account is opened Clients may not opt out of the standard transaction e-mails that notify them of events like rebalancing, investment of cash or the annual review. If clients refuse to accept electronic delivery of these materials or are otherwise unable to or become unable to receive such materials, TAS will terminate Client's BrightFolio account. Clients must maintain an accurate and up-to-date e-mail address with TAS to ensure that the Client has the ability to read, download, print and retain documents received from TAS and FutureAdvisor. If a Client is unable or unwilling to accept electronic delivery the Client's BrightFolio Program account will be terminated, and the Client will be required to transfer the Client's account assets to another account at TAS or an account at another custodian.

Client risk tolerance and investment objectives of a client's underlying TIS Brokerage Account may not specifically match the investment advisory account risk and goal profile of the managed BrightFolio program account within the FutureAdvisor system which governs how account risk is captured and monitored. In the case of any discrepancy in risk ratings, each Client's BrightFolio Program account shall be managed in accordance with the risk rating applicable to such Client's BrightFolio investment advisory relationship with TAS and not in accordance with any risk rating applicable to a pre-existing brokerage relationship.

There is no guarantee that a client's investment goal will be achieved, and past performance is not a guarantee of future results.

#### Total TAS AMC Program Assets Under Management as of December 31, 2020

Discretionary	\$ 17,271,239,163
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Non-Discretionary

\$ 6,786,819,547

## FEES

### BrightFolio - Basic Educational Service

The BrightFolio Basic Educational Service is provided free of charge.

### BrightFolio Program

BrightFolio Program accounts are charged an asset-based advisory fee (the “Advisory Fee”) that includes TAS’ and FutureAdvisor’s ongoing client advice and the execution, clearing and custodial services of NFS except those charges that, as described in the **Other Fees and Charges** section below, will be paid by the Client. The annual Advisory Fee is 0.50% of the market value of the Client's assets calculated on the last billing day of the previous quarter. There is a minimum fee (“Minimum Fee”) of \$90 per account. The Advisory Fee and Minimum Fee are not negotiable and investment balances not aggregated for fee purposes.

Examples of the Fee Calculation:

A BrightFolio Program relationship of \$100,000 consisting of three accounts of \$30,000 (individual taxable), \$20,000 (traditional IRA) and \$50,000 (joint taxable) would have an Advisory Fee of 0.50% which equates to an effective annual fee of \$500 in aggregate and \$150, \$100.00 and \$250 respectively.

Multiple small balance accounts will result in significantly higher fees due to the application of the Minimum Fee. A BrightFolio relationship of \$10,000 consisting of three accounts of \$3,000 (individual taxable), \$3,000 (traditional IRA) and \$4,000 (joint taxable) would have an Advisory Fee of 2.70% which equates to an effective annual fee of \$270 in aggregate and \$90, \$90 and \$90 respectively.

### BrightFolio Pro

BrightFolio Program accounts are charged an asset-based advisory fee (the “Advisory Fee”) that includes TAS’ and FutureAdvisor’s ongoing client advice and the execution, clearing and custodial services of NFS except those charges that, as described in the **Other Fees and Charges** section below, will be paid by the Client. The annual Advisory Fee is 0.85% of the market value of the Client's assets calculated on the last billing day of the previous quarter. There is a minimum fee (“Minimum Fee”) of \$90 per account. The Advisory Fee and Minimum Fee are not negotiable and investment balances are not aggregated for fee purposes. Therefore, multiple smaller accounts will generate a separate minimum fee for each account created in a separate account capacity, (i.e. IRA Accounts and taxable accounts).

Examples of the Fee Calculation:

A BrightFolio Pro relationship of \$100,000 consisting of three accounts of \$30,000 (individual taxable), \$20,000 (traditional IRA) and \$50,000 (joint taxable) would have an Advisory Fee of 0.85% which equates to an effective annual fee of \$850 in aggregate and \$255, \$170 and \$425 respectively.

Multiple small balance accounts will result in significantly higher fees due to the application of the Minimum Fee. A BrightFolio relationship of \$10,000 consisting of three accounts of \$3,000 (individual taxable), \$3,000 (traditional IRA) and \$4,000 (joint taxable) would have an Advisory Fee of 2.70% which equates to an effective annual fee of \$360 in aggregate and \$120, \$120 and \$120 respectively.

### Fee Information applicable to BrightFolio Program and BrightFolio Pro Accounts

Advisory Fees are charged quarterly, in advance based on assets under management for an account, unless a minimum fee applies. Advisory Fees are pro-rated for accounts that are opened or closed during the quarter.

The initial Advisory Fee is billed approximately a month after the account is opened, through the end of that calendar quarter in advance and is based on the initial value of the assets placed in the account as of the close of business on the day the account is funded and trades are initiated. After the initial billing, Advisory Fees are billed quarterly in advance, based on the value of the account assets at the close of the last business day of the previous calendar quarter. If Client invests or withdraws \$3,000 or more in an account after the inception of a calendar quarter, the Advisory Fee for that quarter will be recalculated and pro-rated as of the day of the additional investment or withdrawal.

Accounts opened and not fully funded where the initial account balance is below \$5,000 will, in the sole discretion of TAS, be terminated. Terminated IRA accounts must be transferred to a self-directed TIS brokerage account or transferred to another institution. Assets and/or funds from other account types will be returned to the Client or their custodian firm. Accounts that are opened and partially funded where the account balance is \$5,000 or more will, at the sole discretion of TAS, be activated for trading to begin.

NFS will automatically deduct any Advisory Fee due and payable from Client's BrightFolio account on each payment date. This is the only method of billing available and Client may not select another billing method. As described more fully in the BrightFolio Terms and Conditions, TAS has the authority to place trades in the Client's Brokerage Account in order to make cash available for Advisory Fee payment without notification to Client. The obligation to pay Advisory Fees may limit Client's ability to sell or otherwise liquidate securities in or to withdraw cash or securities from Client's BrightFolio account.

TAS retains the right to waive or increase or decrease the minimum investment or fee amounts for BrightFolio upon written notice to affected Clients.

The assets in other TAS AMC programs will not be considered for fee discounts and the fees for the other AMC programs will not be impacted by assets held in BrightFolio accounts.

**Wash Sales:** Clients with accounts in other TAS investment advisory program accounts with different investment managers may experience a sale of a security in one program account by the investment manager while purchasing the same security within another program account managed by a different investment manager in a relatively short amount of time. None of TAS, FutureAdvisor, Envestnet Asset Management, Inc. (platform manager of TAS AMC programs), or any investment manager of other TAS investment advisory program account coordinate trades to avoid possible wash sale transactions in connection with the management of a BrightFolio account.

## **OTHER COMPENSATION**

Clients will not be charged a separate commission or other transaction charge for trades executed through TIS via NFS; those charges are included in the Advisory Fee, and TAS will pay TIS NFS' commissions and other transaction charges (as negotiated between TAS and TIS) for transactions for BrightFolio accounts described in this brochure. TAS or one or more of their affiliates incurs additional expenses as the amount of trading in the BrightFolio described in this brochure increases. As a result, TAS has a financial interest in the number of trades recommended and has an incentive to seek to limit the extent of trading activity

of the BrightFolio Program accounts described in this brochure. Client may be charged other fees associated with their account, see **Other Fees and Charges** section below. Also see **CONFLICTS OF INTEREST – Active Trading** section below.

TAS and/or its affiliates may earn greater compensation if you invest in BrightFolio than if you open a brokerage account to buy individual securities. Therefore, if greater compensation is expected to be received from a BrightFolio account than from a brokerage relationship, TAS and/or its affiliates has a financial incentive to offer a client a BrightFolio account rather than an individual brokerage account relationship. See **CONFLICTS OF INTEREST – Advisory vs Brokerage Account** section below.

Pursuant to an agreement between TAS and FutureAdvisor, TAS pays a portion of the BrightFolio Advisory Fee to FutureAdvisor in the amount of nine basis points annually, paid quarterly. In addition, TAS pays FutureAdvisor certain development costs, other licensing and platform fees.

In addition, TAS reimburses TB for data aggregation services associated with the BrightFolio Basic Educational Service, BrightFolio Program and BrightFolio Pro accounts.

#### Termination of BrightFolio Advisory Relationship

Upon termination of a BrightFolio relationship, Clients will be given the opportunity to open an unmanaged TIS brokerage account and transfer assets into this account or to instead transfer their investments and cash balances to another firm. Alternatively, Clients may request that their BrightFolio positions be liquidated and the funds disbursed as directed by the Client.

#### Valuation

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

#### Other Fees or Charges

Clients may also incur separate fees or charges associated with odd-lot differentials, auction fees, transfer taxes, electronic fund and wire transfer fees, SEC fees on NASDAQ trades, any other fees mandated by law, certain fees in connection for special services requested by clients. Some client accounts may hold shares of investment companies, including money market funds, closed-end funds, and/or exchange-traded funds. Those funds have their own expenses, including certain advisory, distribution or other fees, and a Client BrightFolio account invested in those funds will indirectly bear a portion of those expenses. Detailed information concerning the internal operating expenses of each mutual fund and closed-end fund are more fully described in the Prospectus and Statement of Additional Information associated with each fund. Each of the fees discussed above is in addition to the Advisory Fee.

Positions of mutual funds and/or ETF funds are subject to advisory, distribution, early redemption or other fees. When these positions are transferred to TIS, money market funds, other mutual funds, including

ETFs or the advisers or principal underwriters of the funds, may make payments to TIS, an affiliated company of TAS, pursuant to a Rule 12b-1 distribution plan or other arrangement as compensation for distribution, shareholder services, recordkeeping, or administrative services; these payments may be paid from the fund's total assets or may be paid by a fund's adviser or distributor.

TIS automatically credits client accounts with any 12b-1 fees as well as any other fees received by TIS for the distribution, shareholder services, recordkeeping or administrative services received during the period an account is managed under an TAS investment management agreement. The Rule 12b-1 distribution plan and other fee arrangements are typically disclosed in the applicable fund's prospectus or statement of additional information.

TAS uses its reasonable best efforts to purchase lower cost ETFs or institutional class shares, if available on the TIS platform.

Each of the fees discussed above is in addition to the Advisory Fee.

TAS and its affiliates may have a variety of banking, financial or service relationships with ETFs participating in the Program and/or other service providers and their affiliates. Such relationships may involve a receipt of compensation or other benefits by TAS and its affiliates. See **CONFLICTS OF INTEREST – Business Conflicts** section below.

#### Account Transfer to Another Firm

If a Client elects to transfer their account to another firm through an ACAT process, the existing BrightFolio investment advisory relationship will terminate. Any fees, commissions or other charges related to the liquidation of the account assets will be charged to the account prior to transfer.

#### **ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

The BrightFolio relationship minimum assets under management is \$5,000 which can consist of one or more accounts of \$3,000 or greater. Clients contemplating low balance investments in BrightFolio accounts and/or investments in multiple low balance BrightFolio accounts should carefully consider the minimum per account fee discussed above in determining whether to invest in BrightFolio. See **FEES** Section above. If the BrightFolio account relationship falls below the minimum amount, JAS may terminate the advisory relationship in its sole discretion.

BrightFolio accounts are only available to banking clients of Truist Bank who have access to on-line banking or mobile banking access associated with TB's predecessor, SunTrust Bank. Certain Client bank information will pre-populate the questions presented in the online enrollment process.

While TAS has designed BrightFolio to be broadly applicable to many Clients, it may not be appropriate for certain Clients that:

- are already in retirement and drawing down savings;
- have specific investment restrictions (see **ADVISORY SERVICES – BrightFolio Program – Account Restrictions** below for details);
- desire more frequent account reviews for trading opportunities;
- have a very short (less than five years) investment horizon, a significantly high tolerance for market risk, or a desire to invest significantly in alternative asset classes;

- desire a broad financial planning and investment relationship;
- do not wish to delegate investment management to an automated algorithmic manager;
- wish to work directly with an individual portfolio manager (applicable to BrightFolio Program accounts);
- have especially complex investment objectives and needs as Client's current investments consist of illiquid securities, annuities, and/or extremely low basis securities; and/or
- have limited or no access to the internet and other necessary technology because BrightFolio is an online advisory service.

If BrightFolio is inappropriate or if a Client prefers a non-automated, non-algorithmic advisory service featuring a one-on-one relationship with a TAS Advisor and greater ability to control and direct the investment of Client's assets, Client should consider the other advisory services and programs offered by TAS. More information about each of the TAS services and programs is provided in their respective brochures that can be attained by calling the number on the front of this brochure. In addition, Clients should consider a standalone TIS brokerage account, in which Clients pay commissions per trade.

Should a Client determine that BrightFolio is appropriate notwithstanding the above considerations, Client must keep in mind that BrightFolio is structured to assist a Client in reaching their selected account goal(s) and is meant to be a component of their overall investment strategy and not the sole investment strategy. BrightFolio's projections and decisions are limited in scope to the questions asked and information provided by the Client through the creation of the Client Profile when a Client opens a BrightFolio investment advisory account.

As BrightFolio does not provide comprehensive financial planning, there may be additional relevant information or other financial circumstances that BrightFolio does not consider (e.g., Client's debt load or other ongoing financial obligations, extraordinary expenses such as college tuition, personal or family medical expenses, etc.) that could impact Client's financial situation and therefore make BrightFolio unsuitable. Clients are urged to carefully consider BrightFolio's costs, benefits and risk and other information below before opening a BrightFolio investment advisory account and beginning to invest.

Generally, BrightFolio is generally designed to address individuals' goals with a minimum time horizon of five years for retirement goals, TAS reserves the right to accept, reject or renew any Client for BrightFolio accounts.

TAS programs and services, including BrightFolio, are not guaranteed by Truist Bank, any other bank, or any subsidiary of Truist Financial Corporation. Investment vehicles in BrightFolio accounts are not insured by the Federal Deposit Insurance Corporation ("FDIC"), other than the TIS, Sweep Deposit Option, which in turn is subject to FDIC insurance limits.

Allowed accounts types are limited to:

- Individual, joint with rights of survivorship and IRAs (Traditional and Roth) for accounts with Retirement and General Investing goals; and
- Individual and joint taxable for accounts with Major Purchase goals.

BrightFolio Clients must be permanent legal residents of the United States. Clients are not required to have a preexisting relationship with TAS; however, Clients must have an existing online banking

relationship associated with TB's predecessor, SunTrust Bank, in order to access the BrightFolio Site and to participate in BrightFolio. All BrightFolio accounts must be opened and maintained electronically.

### **Class Action Suits**

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

### **PORTFOLIO MANAGER SELECTION AND EVALUATION**

TAS has designated FutureAdvisor as BrightFolio's Portfolio Manager, who has developed and provides the Algorithm that generates BrightFolio's financial, and/or retirement projections and investment decisions, which it implements on Client's behalf. FutureAdvisor also serves as BrightFolio's technology service provider and maintains the proprietary platform on which BrightFolio operates.

TAS' Automated Investing Group conducts initial and ongoing due diligence with respect to FutureAdvisor. TAS' IAG identifies and conducts initial and ongoing investment due diligence with respect to the ETFs and their managers purchased in BrightFolio accounts. A representative from IAG presents reports at the monthly TAS IAG Working Group meeting related to managers and the investment vehicle changes made by IAG.

IAG also creates and maintains the underlying strategic asset allocation models upon which the Target Portfolios are based. A representative from IAG periodically presents new or modified strategic asset allocation models to the IAG Working Group for review following implementation. While the Target Portfolios are based upon IAG's asset allocations, adjustments may be made in order to fit within the parameters of the FutureAdvisor Algorithm. These adjustments are made by a member of the Automated Investing Group; see the Brochure Supplement attached to this document for additional information concerning the Automated Investing Group team member.

The Portfolio Manager provides Clients with information by which Clients can track progress to goal and investment activity in their client dashboard available through the Site. TAS believes this information is reliable; however, TAS does not independently verify the accuracy of any information in the client dashboard.

The TAS Product Working Group oversees BrightFolio and reviews the performance information and due diligence and other information provided by IAG and the Automated Investing Group.

Clients can obtain similar digital, goal-based investment advisory services directly from FutureAdvisor at a lower cost. However FutureAdvisor's direct services are not identical to BrightFolio. For example, FutureAdvisor's direct-to-client services may review portfolios more frequently, may rely on different investment services than BrightFolio, and may require clients to use unaffiliated third parties to provide custody of advisory account assets. The fees and expenses Client pays, along with other terms and conditions applicable to Client's Program account, may also differ materially between FutureAdvisor's direct-to-client advisory services and BrightFolio. In particular, FutureAdvisor's direct-to-client advisory services may not be offered for an all-inclusive fee. As a result, the investment performance of those direct-to-client services may differ, potentially materially, from BrightFolio. Additional information about

FutureAdvisor's advisory services is available on its website, <https://www.futureadvisor.com>, and on the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **CONFLICTS OF INTEREST**

In offering the Program TAS has various conflicts of interest, described below.

Securities in Truist Financial Corporation. TAS has identified securities of Truist Financial Corporation or any of their affiliates, (excluding Sterling Capital Management Mutual Funds "Sterling Funds" see directly below for details), as a conflict of interest. TAS addresses this conflict of interest by disclosing it to its Clients and by prohibiting purchases of such securities and by prohibiting such assets from transferring into BrightFolio accounts.

Sterling Capital Management LLC – Sterling Capital Funds. In the case of securities transferred into BrightFolio accounts, TAS has identified investments in Sterling Funds as presenting a conflict of interest in that Sterling Capital Management LLC receives investment management and other fees that are separate and distinct from the Program Fee described in this brochure. TAS addresses this conflict of interest by disclosing it to its clients and by prohibiting purchases of such mutual funds and by prohibiting such assets from being contributed in kind to BrightFolio accounts.

Truist Financial Corporation Merger. As a result of the merger between SunTrust Banks, Inc. and BB&T Corporation TAS is now an affiliate of broker dealer and registered investment advisors formerly affiliated with BB&T Corporation ("BB&T Affiliates"). TAS' programs, investment vehicles, fees and Advisor compensation differ from investment programs offered by the BB&T Affiliates. Clients with assets in multiple advisory programs across TAS and the BB&T Affiliates may be charged higher or lower rates for similar services or offered different services and products. These investment platform inconsistencies present a conflict of interest because TAS and its affiliates may earn higher compensation on one platform than another available investment option on another platform. TAS addresses this conflict of interest by disclosing it to its Clients and acting in conformity with TAS' fiduciary duties to Clients as codified in the Advisers Act, and in its Code of Ethics.

Advisory vs. Brokerage Accounts. Depending upon the level of a client's investment activity and corresponding brokerage commissions TAS and/or its affiliates may earn greater compensation from BrightFolio than if the Client instead elected to open a brokerage relationship and purchased individual securities. If anticipated brokerage compensation is less than the Program Fee, TAS will have a financial incentive when a client elects a BrightFolio account instead of a brokerage relationship. TAS addresses this conflict of interest by disclosing it to its Clients and acting in conformity with TAS' fiduciary duties to Clients as codified in the Advisers Act, and in its Code of Ethics.

Use of Affiliated Broker Dealer. TAS requires all clients opening a BrightFolio account to maintain their account in a brokerage account established with its affiliated broker-dealer, TIS. The required use of an affiliated brokerage account provides additional revenue to TIS and, through management efficiencies, provides benefits to TAS in reducing the cost of administering BrightFolio. TAS addresses this conflict of interest by disclosing it to its clients and monitoring TIS for best execution practices through its Product Working Group of its Policy Committee for conformity with TAS fiduciary duties to clients as codified in the Advisers Act, and in its Code of Ethics.

Clients do not have the option to participate in the BrightFolio Program through other broker-dealers or agents that are not affiliated with TAS.

Active Trading. As described above in the **COMPENSATION** section, Clients are not charged a separate commission or other transaction charge for trades executed through TIS via NFS. TAS or one or more of their affiliates will incur additional expenses as the amount of trading in BrightFolio accounts increases. As a result, TAS has a conflict of interest and financial incentive to limit the number of trades recommended and has an incentive to seek to limit the extent of trading activity within BrightFolio accounts. TAS addresses this conflict of interest by disclosing it to its Clients and delegating trading decisions to FutureAdvisor and its Algorithm and by supervising the activities and recommendations made by IAG with supervisory review by its IAG Working Group which is part of the Product Working Group for conformity with TAS' fiduciary duties to clients as codified in the Advisers Act, and in its Code of Ethics.

Truist Investment Services, Inc. Sweep Program. TAS has conflicts of interests in selecting, recommending or defaulting to the Truist Investment Services, Inc. Sweep Program (the "Sweep Program") as a core account sweep service made available to BrightFolio accounts because the Sweep Program provides significant financial benefits to TAS' affiliates, TIS and Truist Bank. The Sweep Program provides substantial deposits (including Reciprocal Deposits) to Truist Bank at interest rates that are less than other alternative funding sources available to it. Deposits in Sweep Program at Truist Bank also provide a stable source of funds for Truist Bank. Truist Bank intends to use these funds to support a variety of activities, including, but not limited to, its lending activities, investments, and other business activities, if any. The participation of Truist Bank in the Sweep Program is expected to increase its deposits and, accordingly, overall profits. TIS also benefits from the Sweep Program because TIS receives and retains an annual fee of up to \$100 from Truist Bank on a per-account basis in connection with BrightFolio accounts enrolled in the Sweep Program's bank deposit sweep features. In addition, in the case of multibank Sweep Program features, TIS will receive and retain fee income in connection with the placement of multibank deposits at Program Bank(s). The fees received by TIS in connection with multibank sweep features can vary from Program Bank to Program Bank. The amount of fees received by TIS from Program Bank(s) will inversely affect the interest rate paid by the Program Bank(s) on Sweep Program balances. TAS addresses this conflict of interest by disclosing it to its Clients and by mandating that BrightFolio accounts are permitted to utilize only level rate sweep deposit features made available under the Sweep Program. TAS also monitors the interest rate paid on the Sweep Program's level rate features and will continue to utilize the Sweep Program for idle cash balances only when TAS determines that based upon yield, FDIC insurance protection availability and other investment characteristics, use of the Sweep Program's level rate sweep deposit features is appropriate and in accordance with TAS' fiduciary duties to Clients as codified in the Advisers Act. Client's seeking additional information and disclosures regarding the Sweep Program should contact TAS, and such materials are also available at <https://www.suntrust.com/investing-retirement/overview-guides-disclosures>. Please also see **Core Account** section below.

Business Conflicts. TAS and its affiliates, including Truist Bank, do business with the investment firms that provide the exchange traded funds utilized in BrightFolio accounts and covered by TAS Investment Advisory Group and included in Sample Recommendation. Furthermore, Truist Bank and its affiliates and client accounts, may hold a trading position (long or short) in the funds. Therefore, TAS and Truist Bank have a conflict of interest that could affect the objectivity of inclusion of these ETFs in BrightFolio accounts. TAS manages this conflict of interest by disclosing it to its clients and by conducting its investment advisory business in accordance with its fiduciary duties to clients as codified in the Advisers Act, and in its Code of Ethics.

Educational Conferences by Investment Managers. Managers and issuers of exchange traded funds purchased in connection with the Programs may also sponsor their own educational conferences. TAS' policies require that the training or educational portion of these conferences comprises substantially the entire event. Investment managers may sponsor educational meetings or seminars in which clients as well as Advisors are invited to participate. TAS manages this conflict of interest by disclosing it to its clients and



by conducting its investment advisory business in accordance with its fiduciary duties to clients as codified in the Advisers Act, and in its Code of Ethics.

Different Advice. Although TAS' IAG provides investment advice on affiliated firm's platforms (TIS, GFOAS, and Truist Bank) and also provides research and asset allocation recommendations similar to that which is relied upon in the Program, Truist Bank and Advisors of TAS Advisor Managed Programs may give different advice, take different action, receive more or less compensation, or hold or deal in different securities for any other party, client or account (including their own accounts or those of their affiliates) from the advice given, actions taken, compensation received or securities held or dealt for BrightFolio accounts. TAS addresses this conflict of interest by disclosing it to its clients and by simultaneously (or as closely as possible) sharing changes to its research, models and other investment research among all its clients in conformity with TAS' fiduciary duties to clients as codified in the Advisers Act, and in its Code of Ethics.

Capital Market Assumptions, Asset Allocation Ranges and Benchmarks by IAG do not match Sterling Capital Management LLC's. TAS has identified a conflict of interest related to differences in the capital market assumptions, asset allocation ranges and benchmarks used to manage assets across the enterprise. TAS addresses this conflict of interest by disclosing it to its clients.

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

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

Non-public Information. In the course of commercial and investment banking or other activities, TAS, FutureAdvisor and Truist Bank and each of their respective affiliates and agents may from time to time acquire confidential or material nonpublic information that may prevent them, for a period of time, from purchasing or selling particular securities for client accounts. Client acknowledges and agrees that TAS, FutureAdvisor, and each of their respective affiliates and agents will not be free to divulge or to act upon this information with respect to their advisory business, including their activities with regard to any client account. These restrictions may adversely impact the investment performance of client accounts. TAS

addresses this conflict of interest by disclosing it to its clients and acting in conformity with Federal and state securities laws, TAS' fiduciary duties to clients as codified in the Advisers Act, and in its Code of Ethics.

Other Investment Products Available. Client understands that TAS and its affiliates may offer to the public other investment products such as ETFs and mutual funds with similar investment styles and holdings as those investment products offered through the BrightFolio Program. Such products may be offered at differing fees and charges that may be higher or lower than the fees imposed by TAS under BrightFolio. TAS addresses this conflict of interest by disclosing this limitation to its investment management services to its clients and acting in conformity with TAS' fiduciary duties to clients as codified in the Advisers Act, and in its Code of Ethics.

Block Trades. FutureAdvisor does not direct block trades to TIS. All trades are placed with TIS' clearing firm, NFS.

Trade Rotation. FutureAdvisor's trading process seeks to route trades fairly among Clients and FutureAdvisor's other clients over time through industry standard methods such as randomization or rotation to reasonably assure that no client or set of clients is continually favored or disadvantaged.

TAS Chief Investment Officer and Other TAS Personnel. The TAS Chief Investment Officer is responsible for and supervises IAG and is also the Chief Investment Officer and member of the board of an affiliated investment adviser, GFO Advisory Services, LLC as well as serving as Chief Investment Officer of Truist Banks, Wealth Management segment. IAG provides significant investment services to SAS and Truist Bank; however, the services provided to GFOAS are substantially different than those provided to either TAS or Truist Bank. TAS addresses this conflict of interest by disclosing it to its clients and by simultaneously (or as closely as possible) sharing changes to its research, models and other investment research among all its clients in conformity with SAS' fiduciary duties to clients as codified in the Advisers Act, and in its Code of Ethics.

## **ADVISORY SERVICES**

STAS is a separate, wholly owned, non-bank indirect affiliate of Truist Financial Corporation. STAS became an investment adviser under the Investment Advisers Act of 1940, as amended in April, 2016 ("Act"). The differences between the BrightFolio Basic Educational Service, BrightFolio Program accounts and BrightFolio Pro accounts are described above. Additional information concerning BrightFolio accounts is detailed below:

### Client Directed Positions

In addition to the eligible investment vehicles purchased in BrightFolio Program accounts, Clients may direct us to hold existing individual equity securities ("Client Directed Positions") in a BrightFolio account. Fixed income securities and Sterling Funds, however, cannot be held in any BrightFolio Account. Client Directed Positions will be assessed the Advisory Fee; however, neither TAS nor FutureAdvisor will conduct any due diligence/research or give any advice to Client related to these positions and Client Direct Positions can result in conflicts of interest, see **Conflicts of Interest – Business Conflicts**, section above:

- Under the terms of BrightFolio, the total value of all Client Directed Positions in a Client's BrightFolio account(s) associated with a specific goal is limited to 10% of the total market value of the funding balance. Where there are multiple Client Directed Positions, the securities in

aggregate must not exceed 10% of the market value of the accounts associated with a specific goal; and

- Should the value of the Client Directed Positions increase above the initial 10% level, neither the Algorithm nor TAS will reduce the position(s) back to the 10% level automatically, rather TAS will reach out the Client to obtain authorization to reduce the positions(s) back to the 10% level or pursue another acceptable method of resolution (e.g. adding funds to the account).

In addition, Client Directed Positions have the following impacts on a Client's BrightFolio account:

- The generated projections based on the Target Portfolio of ETFs will be adversely impacted and may be inaccurate and result in a failure to meet Client's stated goal; and
- Client Directed Positions that increase above the 10% level can have an adverse effect on the Target Portfolio allocations.

#### Transferred Securities

In addition to the investment vehicles mentioned above, Client accounts funded with securities from another account may hold existing mutual funds, ETFs and individual equity securities in a Program account. FutureAdvisor's Algorithm performs an analysis on any mutual funds, ETFs and/or equity securities contributed to a BrightFolio Account in kind and, based on internal and external costs such as internal advisory fees of mutual funds and ETFs, trading costs associated with liquidations and potential tax implications, may result in the retention of some or all of the shares of the mutual fund, ETF and/or equity securities ("Transferred Securities").

- Transferred Securities of mutual fund or ETF positions into an account from another broker-dealer will reflect SIS as the broker-dealer and as such, TIS may receive payments from the mutual fund and/or ETF or their investment manager or distributor. See **Other Fees or Charges** section above; and
- Any mutual funds or ETFs advised or sub-advised by BlackRock Fund Advisors present a potential conflict of interest due to the fact that BlackRock Fund Advisors is an affiliate of FutureAdvisor. Clients who have these funds should carefully review FutureAdvisor's brochure.

#### Mutual Fund Share Class

Mutual funds and ETFs transferred in kind to a BrightFolio Account may not be the lowest cost share class available to Clients enrolled in BrightFolio. TAS and/or FutureAdvisor may, at their discretion, exchange mutual funds held in a Client's BrightFolio Account for lower cost shares of the same mutual fund if a lower cost share class is contractually available to BrightFolio accounts without prior notice to affected Clients.

#### Services Provided by TAS

Services provided by TAS as Sponsor of the Service and as Sponsor and Investment Manager of BrightFolio include:

##### TAS Model Manager Services

TAS' Investment Advisory Group designs and monitors on a continuous basis, model portfolios and asset allocations meeting the investment objectives provided by TAS, on which the Target Portfolios described in this brochure are based. These services are available to TAS affiliates, including TAS Advisors for use in managing their client assets. TAS has entered into agreements with Truist Bank related to these services. See **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS** Section below.

#### Research and Other Advisory Services

TAS' IAG provides investment recommendations for each Target Portfolio or asset allocation model; initial and ongoing due diligence with respect to ETF investment managers and mutual fund and ETF investments for other TAS programs and to its affiliates, including those related to the services provided in this brochure.

In addition, IAG provides report updates and alerts related to its due diligence; creates or negotiates with third parties related to advertising, marketing and research materials, monitors and updates as needed the capital market assumptions and consultative services with respect to all of its advisory programs and clients, including Truist Bank on a regular or as needed basis.

Several TAS IAG associates serve on GFO Advisory Services, LLC's ("GFOAS") Oversight Committee. GFOAS is an affiliate of TAS and a SEC registered investment adviser. In such circumstances, such TAS IAG associates are acting solely in their capacities as representatives of GFOAS. A conflict of interest exists with respect to associates having simultaneous fiduciary duties to other firms. See **Conflict of Interest – TAS Chief Investment Officer and Other TAS Personnel** above for details.

#### Capital Market Assumptions

TAS' IAG designs, monitors and updates as needed on a continuous basis, the capital market assumptions used by TAS and Truist Bank.

See **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS Section** below regarding agreements TAS has with Truist Bank and TIS related to Research and Other Advisory Services.

#### Account Restrictions

BrightFolio (i) allows clients to maintain up to 10% in Client Directed Positions (see **ADVISORY SERVICES – BrightFolio Program – Client Directed Positions** above), (ii) permits clients to contribute Transferred Securities which may be retained or sold at the discretion of FutureAdvisor (as described above), and (iii) provides that with respect to the balance of a Client's BrightFolio Account, that the only eligible investment vehicles purchased in the Program are preselected ETFs and the TIS Sweep Deposit Option. Due to the automated nature of the Algorithm which FutureAdvisor uses to manage each BrightFolio Account, BrightFolio Clients cannot place any additional restrictions on the investments in their BrightFolio Account and cannot specify particular securities or types of ETFs that should not be purchased. Should a client desire to place other investment restrictions (ex – desire to not invest in certain industries), such restrictions will not be considered reasonable or otherwise appropriate for BrightFolio accounts. TAS offers other investment advisory programs that may be able to accommodate unique client restrictions.

#### Other

TAS does not have any soft-dollar arrangements.

#### TAS' Portfolio Management

TAS is also a Sponsor and/or Investment Manager to other wrap fee programs not included in this brochure. Those other programs are not delivered electronically and they provide a different level of advice and service than those services described in this brochure. The firm receives a portion of the wrap fee for these other programs.

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

TAS' IAG maintains strategic asset allocation and investment product recommendations for the Program and utilizes various research providers related to the market and investment vehicles.

Information Sources: The main information sources for market statistics, financial, and other performance data on which the Program relies are third party data vendors. TAS pays these vendors access fees for their data services. BrightFolio also relies significantly on the information provided by Client by means of the Client's Client Profile. If any of the information listed above is erroneous or disrupted in any way, Client's BrightFolio account may experience losses.

Reliance on Client Information: Client is responsible for providing true, accurate, and complete information to TAS and to promptly notify TAS through the online Dashboard whenever there are changes to this information that could affect the Portfolio Manager's projections or decisions, our ability to communicate with Client, or other personalized aspects of the Program. Such changes may include the addition of a new investment account, a life-change event that affects a Client's investment horizon, or a change to Client's e-mail address. If a Client does not supply truthful, timely and accurate information, the quality and applicability of Portfolio Manager's goal projections and investment decisions may be compromised, which may prevent the Program from helping the Client achieve their financial and/or retirement goals. In addition, the Program does not consider in its analysis accounts and assets that Clients do not aggregate or input into a Client's Client Profile. In any or all of these circumstances when information provided by the Client to the Program is incomplete or inaccurate, Client's BrightFolio account may experience losses.

Risk of Reliance on Third Party Data: BrightFolio services are highly reliant on data from third party and other external sources, and discretion will be exercised to determine what data to gather, which may have an impact on the Service's and BrightFolio's projections and decisions. In addition, due to the automated nature of data gathering and the fact that much of this data comes from third party sources, not all desired and/or relevant data will be available to, or processed by, the services at all times. Certain data or data types may not be utilized in generating or making goal projections and/or investment decisions, and data that is actually utilized may not be the most accurate data and may contain errors. In any or all of these instances, Client's BrightFolio account may experience losses.

Risk of Third Party Reliance: TAS relies on third parties to provide significant and fundamental aspects of BrightFolio, including the Algorithm and the resulting financial and/or retirement projections, investment decisions, and operating platform. TAS and FutureAdvisor rely on third parties for provision of market statistics, aggregated account information, fund details, and other performance-related information. Although TAS and FutureAdvisor, as applicable, generally consider their third party vendors and other service providers to be reliable, errors beyond TAS' control or FutureAdvisor's control could compromise the information and/or services they provide, and in turn, the quality and integrity of BrightFolio's projections and decisions. In addition, certain service providers have the right to terminate their agreements with TAS at their absolute discretion. Others service providers may experience operational disruptions due to unforeseen circumstances. In any or all of these instances, Client's BrightFolio account may experience losses.

Risks of Monte Carlo Simulation: The Service and BrightFolio utilize a Monte Carlo simulation to generate financial and/or retirement goal projection forecasts. A Monte Carlo simulation is a statistical modeling technique that charts the probability of discrete financial outcomes at certain times in the future. The outcomes presented using a Monte Carlo simulation represent only a few of the many possible outcomes,

will vary over time, and are not guarantees of investment returns. Moreover, since past investment performance and general market conditions may not necessarily be repeated in the future, a Client's financial and/or retirement goals may not be fulfilled by relying on investment decisions that are based on Monte Carlo simulation results. Differences in account size, age, risk tolerance, transaction timing, and prevailing market conditions at the time of investment may also lead to different results, and Client may lose money.

Risks of the Algorithm: The Service and BrightFolio depend on investment decisions generated significantly by the Portfolio Manager's Algorithm. The Algorithm is automated and will only be customized within its limitations, which include the capital markets assumptions, risk categories, asset allocation targets for those categories, Target Portfolios and eligible investment vehicles for each asset class that TAS provides and the information Client supplies in their Client Profile. If the Algorithm were to malfunction or fail, or were to rely on assumptions, including economic and transaction cost assumptions, that are incorrect, that do not apply to Client's specific financial situation, or that do not change even as market expectations shift, Client could sustain investment losses, some or all of which could be significant. Additionally, the Algorithm employs a number of quantitative models that involve assumptions based upon a limited number of variables that may be extracted from complex financial markets or instruments that they are intended to replicate. The Algorithm may rebalance client accounts without regard to market conditions, or on a more frequent basis than might be expected in the case of a non-automated investment. Any one or all of these assumptions, whether or not supported by past experience, could prove over time to be incorrect, which could cause Client to sustain investment losses.

Model Risk: Models and techniques deployed by the Service and BrightFolio accounts are based on the information and data available as well as on assumptions, assessments, and estimates developed by TAS, all of which may be subject to error. As a result, those models and techniques may not account for all relevant factors or may not account for any such factors correctly. More generally, there can be no assurance that such models and techniques will be effective. In any or all of these instances, Client's BrightFolio Program account may experience losses.

Capital Markets Assumptions: The assumed risk, return, volatility, and correlation of the asset classes corresponding to Client's declared risk tolerance and time horizon used to develop the Client's investment forecast are based on the capital markets assumptions specified by TAS. Those assumptions, which are based on historical asset class returns (as reflected by certain indices), proprietary models, subjective assessments of the current market environment, and forecasts of likelihood of future events, may turn out to be incorrect, which may cause the Client to accept more or less risk than Client desired and undermine BrightFolio's ability to help Client reach their financial and/or retirement goals. In any or all of these instances, Client's BrightFolio account may experience losses.

Correlation Risk: Certain investments made by BrightFolio will experience returns that individually or in the aggregate are correlated (possibly highly) with various market indices, including various equity, debt or other markets around the world. In different market conditions and time periods, however, there may be periods of time when Client's BrightFolio account returns are not correlated with various market indices or the returns of other investment strategies. In any or all of these instances, Client's BrightFolio account may experience losses.

Diversification and Asset Allocation Risk: BrightFolio's target asset allocations are constructed using modern portfolio theory, which seeks to construct portfolios to optimize expected return based on a given level of market risk, and is based on the risk and return characteristics and relationships of the asset class

exposures, as dictated by TAS' capital market assumptions. The asset classes selected by TAS are intended to reflect the types of fundamental equity and fixed income exposures that are commonly included within diversified investment portfolios. Other asset classes not considered in the portfolios may have characteristics similar or superior to those that are included. Diversification does not eliminate all investment risks and in particular does not eliminate market risk. Client's BrightFolio account may experience losses due to market risk or ineffective diversification.

In addition, the asset classes selected can perform differently from each other at any given time (as well as over the long term), so the Client's BrightFolio account's performance will be affected by the allocation among the various asset classes. BrightFolio's asset allocation decisions may result in more portfolio concentration in a certain asset class or classes, which could reduce overall return if the concentrated assets underperform BrightFolio's expectations. Depending on market conditions, there may be times where diversified portfolios underperform less diversified portfolios, as diversification and asset allocation strategies do not guarantee low volatility, profit, or protection against investment loss. In any or all of these instances, Client's BrightFolio account may experience losses.

Moreover, the value of an entire asset class can decline for a variety of reasons outside of TAS and FutureAdvisor's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, technological innovations, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. A high allocation in a particular asset class may negatively affect Client's overall BrightFolio account performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause Client's account to underperform relative to the overall market. In any or all of these instances, Client's BrightFolio account may experience losses.

Glide Path: Portfolios are modified to adjust for risk over the course of a Client's time horizon for their goal, a course of adjustments referred to as the "Glide Path." The primary purpose of a Glide Path is to help reduce the potential impact of market downturns as the retirement or other financial goal nears, while still acknowledging the client's specific risk tolerance. If the BrightFolio Glide Paths are calculated incorrectly, Client's BrightFolio account may experience losses. Glide Paths are not applicable to all investment goals.

Portfolio Construction: Focus is placed on selecting ETFs to implement the Program's investment strategy by utilizing a thorough due diligence process that seeks to identify those ETFs that are best positioned to help Clients achieve retirement or other financial goals with an appropriate risk level and lower costs. The selection process incorporates factors such as investment methodology, performance history, liquidity, fee structures and other costs, as well as the role an investment can play to deliver a client's target asset allocation strategy. If TAS is materially ineffective in providing these services, Client's BrightFolio account may experience losses.

Exchange-Traded-Funds: Exchange-Traded-Funds values will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Clients should consider the investment objectives, risks and charges of an ETF carefully before investing. Please read the ETF's prospectus carefully prior to investing.

Investing in securities, including ETFs, involves risk of loss that the Client should understand and be prepared to bear.

Investment performance can never be predicted or guaranteed and the value of Clients BrightFolio account will fluctuate due to market conditions and other factors. Client's BrightFolio account may experience losses.

Past performance is no guarantee of future results.

Client Directed Positions: TAS does not conduct initial or ongoing research or due diligence on these positions and neither FutureAdvisor nor TAS make recommendations related to maintaining or selling any Client Directed Position either initially or on an on-going basis.

Advisory Account Funding Risk: The sale or liquidation of any investment or other asset to fund a Client's BrightFolio account may have adverse tax consequences, early withdrawal penalties, or other costs or penalties as a result of such sale or liquidation, including the loss of living, death, or other benefits of that investment or asset. In addition, if a Client funds a BrightFolio account with existing securities, the liquidation of those securities by BrightFolio may have similar effects.

Tax Risks: While FutureAdvisor's investment decisions include a component that seeks to achieve tax optimized asset placement, which is designed to help optimize the Client's portfolio by allocating less tax-efficient assets into tax-advantaged accounts, this component is only one of many that should comprise an Client's comprehensive tax management plan, and supplementary tax advice that is outside BrightFolio's scope may be necessary to minimize the impact of tax liabilities that Client could incur through BrightFolio. Any tax optimized decisions FutureAdvisor makes and implements are not intended to serve as tax advice, and no representation is made that a Client will obtain or avoid any particular tax consequences as a result of those decisions. Dividends, capital gains, transfers, and sales of securities may create taxable events unless Client's account is tax-exempt (e.g., a individual retirement account). Clients are urged to consult with their personal tax and legal advisors regarding the tax consequences of investing in a BrightFolio account based on Client's particular circumstances. Neither FutureAdvisor nor TAS assume responsibility to Client for the tax consequences of any transaction.

In addition, any tax-loss harvesting (i.e., offsetting capital gains with capital losses in order to reduce or eliminate income tax obligations) implemented by FutureAdvisor should not be interpreted as tax advice, and no representation is made that certain tax consequences will be obtained or that the associated investment decisions will result in any particular tax consequences. The tax consequences of tax-loss harvesting and other tax optimized strategies are complex and may be challenged by the Internal Revenue Service. Moreover, investment decisions associated with such strategies may not perform as expected; expected returns and risk characteristics are no guarantee of actual performance. BrightFolio was not developed to be used by, and it cannot be used by, any client to avoid tax penalties or interest.

Withdrawal Risk: Cash withdrawals from, or other changes to, a Client's BrightFolio account may cause FutureAdvisor to send trades for execution at then-prevailing market prices or prevent NFS from executing other trades intended by the Portfolio Manager to rebalance a Client's investment portfolio, resulting in the Client's current asset allocation deviating from the target asset allocation and losses, undermining the Client's long-term financial goals. Further, dividend and other income generated by the securities held in a Client's BrightFolio account will be used by the Portfolio Manager to rebalance that account, will not necessarily be reinvested in those same securities, and will not be made available for withdrawal. In any or all of these instances, Client's BrightFolio account may experience losses.



Technology and Cybersecurity Risk: BrightFolio depends on various computer and telecommunication technologies, many of which are provided by or are dependent on third parties. The ability of TAS and FutureAdvisor and the Site to successfully operate could be severely compromised by system or component failure, delays in data transmission to the Portfolio Manager and/or NFS, telecommunication failure, power loss, a software-related system crash, unauthorized system access or use (such as “hacking”), computer viruses, worms, and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. These events may impact trading in a Client’s BrightFolio account. It is not possible to provide comprehensive and foolproof protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. As an automated, algorithmic investment advisory service, any event that interrupts BrightFolio’s computer and/or telecommunication systems or operations could compromise BrightFolio for an extended time period and cause a Client’s BrightFolio account to experience losses, including by preventing FutureAdvisor from trading, modifying, liquidating, and/or monitoring the Client’s investments. In addition, there are information security and related risks associated with the use of electronic, Internet-based technologies to provide BrightFolio. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including denial-of-service attacks on websites. Cybersecurity failures or breaches affecting BrightFolio or its third party vendors have the ability to cause disruptions to BrightFolio, potentially causing Client accounts to experience financial losses, the inability to access BrightFolio, and/or other damages.

Operational Risk: A Client’s BrightFolio account may experience losses as a result of shortcomings or failures in TAS’ or FutureAdvisor’s internal processes, people, or systems, or from external events. Such operational risks can arise from many factors ranging from routine data processing errors to potentially costly incidents related to, for example, major information technology systems failures. Any operational shortcomings or failures that are outside the scope of TAS’ or FutureAdvisor’s disaster recovery and business continuity plans may result in BrightFolio disruptions or contribute to BrightFolio account losses. A copy of TAS’ recovery and continuity plan is available upon request. A copy of TAS’ recovery and continuity plan is available upon request.

Market Risks: Trades sent by Portfolio Manager to NFS on behalf of TIS and TAS may be impacted by the following market risks, any or all of which may cause Client’s BrightFolio account to experience losses:

Market Order Risks: Equity trades in a BrightFolio account will generally be executed using “market orders,” which execute immediately at the best available current price. These orders have higher risks than those orders that specify a target price at which a trade should execute and remain open for a longer time period (*i.e.*, “limit orders”), particularly during periods of high volatility and for securities with low liquidity. As a result, the use of “market orders” could cause Client to potentially pay a higher price for securities purchased with these orders or receive a lower sale price, while also increasing transaction costs. However, in such circumstances, other order types and conditions may be used, as appropriate, to achieve best execution.

Risk of Trade Delays: FutureAdvisor is authorized by each Client to send trades for execution to NFS on such Client’s behalf. FutureAdvisor places purchase and sale orders for a Client’s BrightFolio account, in accordance with FutureAdvisor’s internal electronic trade processes and procedures, as Portfolio Manager directs those orders to NFS. However, for various reasons, including delays in transmitting data to NFS, market volatility, peak demand, or systems upgrades or maintenance, FutureAdvisor could face

delays before directing trades to NFS or those trades executing. These delays could significantly reduce the profit potential from those transactions or could cause Client to experience a significant loss.

Liquidity and Valuation Risk: High volatility and/or the lack of deep and active liquid markets for a security may prevent FutureAdvisor from placing trades for clients at all, or at an advantageous time or price. Some securities (including ETFs) that hold or trade derivatives and/or other financial instruments may be adversely affected by liquidity issues as they manage their portfolios. NFS conducts the valuation of assets in Client BrightFolio accounts and TAS believes the values to be reliable, but TAS will not verify the accuracy of the information, see **FEES: Valuation** section above.

Volatility Risk: The performance of investment strategies BrightFolio deploys may be volatile (both in absolute terms and relative to realized returns), potentially resulting in increased risks, including the risk of losses. Investments may have volatility, variability of return outcomes, lower average returns, correlation with certain macroeconomic risks, asset class concentrations, and/or other significant risks, whether in absolute terms, relative to expected returns, or relative to certain other strategies that are deployed by TAS and FutureAdvisor on behalf of other clients.

Risk of Trading Suspensions: During periods of extraordinary market volatility or illiquidity, or at other times when suspension of trading is deemed to be in the best interests of Clients, TAS or FutureAdvisor in the exercise of its own discretion, may suspend directing trades to NFS with respect to a Client's BrightFolio account. A trading suspension could cause a Client's asset allocation to deviate from target, or prevent the Client from liquidating their account. While TAS and/or FutureAdvisor will make the decision to institute a trading suspension based on its consideration of what is in Client's best interest in light of then-prevailing market conditions, suspensions could nonetheless have unintended consequences that TAS and/or FutureAdvisor are unable to anticipate.

Financial Market Disruptions: Disruptions in the global financial markets have historically had materially adverse, and in certain cases catastrophic, consequences for the values, liquidity, and stability of certain types of investments, including the types of investments that are recommended in the Target Portfolios and made on the Client's behalf in the BrightFolio account. Similar or dissimilar disruptions may occur in the future, and their duration, severity, and ultimate effect are difficult to forecast. These disruptions could lead to additional regulations or laws, which could have a material adverse effect on Client's BrightFolio account.

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

Regulatory Change Risk: It is possible that changes in applicable laws and regulations will affect a Client's BrightFolio account. These changes may include: changes in investment adviser or securities trading regulation (or the interpretation of existing laws and regulations) and changes in the tax code that could affect interest income, income characterization, and/or tax reporting obligations. In addition, a number of substantial regulatory changes are pending or in the process of changing in certain markets. The consequences of additional regulation on the liquidity and the efficient and orderly functioning of the

markets in which investments held and/or purchased in BrightFolio accounts cannot be predicted and may materially diminish the profitability of a Client's BrightFolio account and may cause the Client's BrightFolio account to experience losses.

While the services described in this brochure attempt to optimize investment returns for a Client risk tolerance, neither TAS nor FutureAdvisor makes any assurance that the investment recommendations and/or decisions will be successful and result in profitable investing. Client's BrightFolio account may experience losses.

Core Account: Client's Brokerage Account contains a "**core account**", used for settling transactions and holding credit balances. All cash proceeds from sell transactions and other credit balances will be retained in the core account until reinvested by the Portfolio Manager, withdrawn from the account by the Client or applied to pay BrightFolio's Advisory Fee or other expenses.

TAS has selected the Truist Investment Services, Inc. Sweep Program's TIS Level Rate Multibank Sweep feature (taxable accounts) and TIS Level Rate Single Bank Sweep feature (IRA, Qualified Plan and SEP & SIMPLE IRA accounts) as the cash sweep investment vehicle for the core account of each BrightFolio Client's brokerage account which is used for settling transactions and holding credit balances. Taxable Client accounts are enrolled in the TIS Sweep Program's TIS Level Rate Multibank sweep feature and will have their idle cash balances automatically swept into an interest-bearing deposit account(s) at Truist Bank, a federally insured banking institution, and other Program Bank(s) which are also federally insured banking institutions. Cash balances deposited in the TIS Level Rate Multibank sweep feature will be eligible for FDIC insurance coverage up to \$2,465,000 (principal plus accrued interest) per depositor per insurance capacity, in accordance with applicable FDIC rules. IRA, Qualified Plan and SEP & SIMPLE IRA Client accounts are enrolled in the TIS Sweep Program's Truist Bank Level Rate Single Bank sweep feature and will have cash balances in their AMC Program accounts automatically swept into an interest-bearing deposit account at Truist Bank, a federally insured banking institution. Cash balances deposited in the Truist Bank Level Rate Single Bank sweep feature will be eligible for FDIC insurance coverage up to \$250,000 (principal plus accrued interest) per depositor per insurance capacity, in accordance with applicable FDIC rules.

The terms of the TIS Sweep Program and account eligibility for sweep features available under the Sweep Program are more fully described in the Sweep Program Disclosure Statement ("TIS Disclosure Statement") provided to BrightFolio Clients in connection with the establishment of each Client's associated Truist Investment Services, Inc. brokerage account, as the same shall be revised or amended. The terms of the TIS Sweep Program are incorporated by reference as if they were included verbatim. Clients can obtain current information regarding the TIS Sweep Program and copy of the most recent TIS Disclosure Statement and list of participating Program Banks at any time free of charge by contacting TAS. Except in the case of a very limited number of account types, all sweep features offered to BrightFolio Clients under the terms of the TIS Sweep Program consist of deposit accounts with TAS' affiliate, Trust Bank (and in the case of multibank sweep features, other FDIC insured banks which pay fees to TIS and/or Truist Bank in connection with the operation of the multibank sweep features.

TAS' selection of the TIS Sweep Program as the sweep vehicle for each Client's brokerage account provides significant benefits to TAS' affiliates TIS and Truist Bank and therefore creates conflicts of interest between TAS and connection with offering and managing BrightFolio. Clients should consult the TIS Disclosure Statement for additional information concerning the benefits received by TIS, TAS, TB and other affiliates

in connection with TIS Sweep Program deposits. See **Conflicts of Interest – Truist Investment Services, Inc. Sweep Program** Section above.

**Clients should be aware that all deposits (for example, deposits Clients shall make at Truist Bank or applicable Program Bank(s) in a CD, Checking or savings account) outside of the Truist Investment Services, Inc. Sweep Program plus the Sweep Program deposit cash balance) held by an individual in the same right and legal capacity at the same bank are aggregated and insured up to \$250,000. Special rules apply to FDIC insurance of trust deposits. All FDIC insurance coverage is in accordance with FDIC rules.**

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

The TIS Sweep Program is not intended for long-term investments and yields can be lower than those of similar investment vehicles or bank deposit accounts offered outside of the Sweep Program. Clients who desire to maintain money market positions for other than a short-term period should contact TAS at the address or phone number on the front of this brochure to select non-Sweep Program investments for permanent stable value investment purposes.

**Tax Lot Disposal Method:** Any Account not set with the Tax-Sensitive disposal method will be updated to it. When assets in an Account are partially (but not fully) sold, an estimated tax liability will be used to determine the shares to be depleted first. Clients should discuss the impact of this change with the Client's tax advisor.

**Systematic Withdrawal Plans:** The source of funding for periodic distributions in Accounts that have a systematic withdrawal plan ("SWP") in place is the Account's core position. If there are insufficient funds available in the core account to cover the distribution, the Investment Manager will review the Account and determine which securities to sell to cover the difference.

## **VOTING CLIENT SECURITIES**

With respect to the Program, TAS will vote proxies unless a Client delivers a written request to TAS to exempt the Client's Program Account from this process. If such requested is provided, TAS will cause the applicable proxies to be forwarded to the Client.

TAS' Proxy Working Group includes members from the firm's Policy Committee and is responsible for establishing policies and procedures designed to enable TAS to ethically and effectively fulfill its fiduciary obligation to vote all applicable proxies on behalf of the client accounts and funds.

Annually (or more often as needed), the Proxy Working Group will review, reaffirm and/or amend guidelines, strategies and proxy policies for all client accounts.

Although TAS does its best to alleviate or diffuse known conflicts of interest, there is no guarantee that all situations have been or will be mitigated through proxy policy implementation. TAS relies on Truist Bank's annual reviews of Glass Lewis' size, experience and technical capabilities. TAS contracts with Glass Lewis & Co. as its agent to provide policy recommendations, vote firm proxies, assist us with certain administrative, clerical, functional recordkeeping and support services related to the firm's proxy voting processes/procedures, which include, but are not limited to:

1. Access to proxy research,
2. Custom policy recommendations,
3. The collection and coordination of proxy material from the custodian for each STAS client's account(s),
4. Proxy voting, reconciliation, and disclosure for each of TAS client's account(s), in accordance with TAS' proxy policies and the Proxy Committee's direction,
5. Required record keeping and voting record retention of all TAS proxy voting on behalf TAS' clients.

Due to its diversified client base, numerous product lines, and affiliation with Truist Financial Corporation, and its subsidiaries, the Proxy Working Group may determine a potential conflict exists in connection with a proxy vote based on the SEC guidelines. In such instances, the Committee will review the potential conflict to determine if it is material.

Examples of material conflicts of interest which may arise could include those where the shares to be voted involve:

1. Common stock of Truist Financial Corporation, and/or other public corporate issuers with which either TAS or Truist Banks, Inc. or its affiliates, may have a similar significant ongoing non-investment management associated relationship.
2. An issuer with a director, officer or employee who presently serves as an independent director on the board Truist Financial Corporation or any of its affiliates.
3. An issuer having substantial and numerous banking, investment, or other financial relationships with TAS, Truist Financial Corporation or its affiliates.
4. A director or senior officer of TAS or Truist Financial Corporation serving on the board of a publicly held company.
5. A direct common stock ownership position of five percent (5%) or greater held individually by TAS, or in conjunction with TAS and Truist Financial Corporation and/or its affiliates.

Although TAS utilizes a pre-determined proxy voting policy, occasions may arise in which a conflict of interest could be deemed to be material. In this case, the Proxy Committee will determine the most fair and reasonable procedure to be followed in order to properly address all conflict concerns. The Proxy Working Group may employ one or more of the options listed below:

1. Retain an independent fiduciary to vote the shares.
2. Send the proxy material to the client so he or she may vote the proxies.

To obtain a copy of the complete proxy voting policies and procedures, or information about how STAS voted your proxies, please contact: Truist Advisory Services, Inc. Attn: Mr. Will ORIelly, 303 Peachtree Center Avenue, SunTrust Garden Offices, Suite 140, Atlanta, GA 30303, or via e-mail at: [Will.ORIelly@truist.com](mailto:Will.ORIelly@truist.com).

## CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER

When a Client initially opens a BrightFolio account, the Client supplies information concerning their age, time horizon, financial situation, risk profile, investments, and other information. The Algorithm considers the Client's financial and/or retirement goals based on this information and Client's current investment portfolio composition, including, if applicable, account information supplied by Client or aggregated by TAS or its affiliates. Clients can review and update their information anytime if it changes, but TAS provides Clients a formal reminder to do so on an annual basis, as described below, see **Annual Review**. All of the information Client supplies, including updates to that information, are provided to FutureAdvisor through the Client Profile and flow into the Algorithm, which ordinarily runs on a daily basis when U.S. markets are open, and affect the Portfolio Manager's investment decisions.

### Householding (Minimum Balance Only)

The Program offers a householding feature, which involves the aggregation of accounts held by a Client and their spouse or spousal equivalent for minimum balance requirements and/or management. If a Client uses this feature, the Program assumes that the Client and spouse have the same risk tolerance and investment horizon (i.e., number of years until retirement or other financial goal). **However, BrightFolio accounts are not aggregated for the purpose of fee calculation. Instead, each BrightFolio account is treated individually for fee purposes, including each account's applicable Minimum Fee.**

### Account Aggregation

As an input into the information used by the Portfolio Manager to provide goal projections and make investment recommendations, the Program will automatically aggregate Client's investment portfolio information ("Account Information") as it relates to all of Client's financial accounts held with TAS and/or other investment affiliates which are included by the Client in the Client's Client Profile. The Program will also allow Clients to aggregate other accounts, including those held at third party financial institutions. Neither TAS nor FutureAdvisor is responsible for and do not guarantee the accuracy of Client's Account Information, nor is TAS or FutureAdvisor obligated to validate such information. BrightFolio does not automatically aggregate those accounts held solely in the name of Client's spouse or spousal equivalent. The value of Client's aggregated account holdings will ordinarily be displayed on the Online Platform.

## ANNUAL REVIEW

At least annually, based on the BrightFolio account opening date, Clients will be notified by email to review the investment profile information contained within their personal BrightFolio online dashboard and reconfirm or update the information. The purpose of this review includes a determination as to whether any adjustment to the Client's investment strategy may be appropriate. Clients are responsible for updating their Client Profile information online via their personal dashboard. Updated information is submitted electronically to FutureAdvisor.

## CLIENT CONTACT WITH PORTFOLIO MANAGER

As an automated investment advisory service, with goal projections and investment decisions generated automatically by the Algorithm for use by the FutureAdvisor, BrightFolio does not rely on traditional human portfolio managers and does not provide Clients with the ability to contact or consult with those persons at TAS or FutureAdvisor responsible for the Program or the Algorithm, respectively. However, as described above, the BrightFolio Program does have an annual review process in which a Client can indicate if, as a result of changes to the Client's situation or information, FutureAdvisor should change the investment decisions it makes with respect to a Client's account. A Client can also update their information through the Online Dashboard should it change, or modify the restrictions imposed on the sale of certain securities held in their BrightFolio account, anytime. A Client may contact TAS regarding their BrightFolio

account by using the contact information specified on the Online Dashboard. However, there is no designated TAS financial advisor for the Client's account and support for the Program will generally be provided by phone. Neither STAS nor any of its advisors make any investment recommendations related to any proposed, active or terminated BrightFolio Program account. At all times, the Client is responsible for taking action if the Client wants to make changes to their BrightFolio Program account. A Client can terminate their BrightFolio Program Account, at any time, if the Client determines the BrightFolio Program no longer suits their investment needs.

BrightFolio Pro clients have unlimited phone and email access to TAS financial advisors. BrightFolio Pro Clients may receive investment recommendations from TAS financial advisors with regard to their BrightFolio account(s). The Annual Review process (as detailed above) is the same for BrightFolio Pro Client accounts.

## **ADDITIONAL INFORMATION**

### **DISCIPLINARY INFORMATION**

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

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

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

TIS is also an insurance agency and certain TAS associates are also insurance licensed and appointed through the insurance agency. There are members of management who are insurance licensed and appointed through TIS primarily for oversight of insurance business. Like brokerage, management personnel are generally not actively selling insurance products.

TAS has the following agreements with TIS:

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

**Research and Other Services Agreement:** Under the agreement, TAS IAG generates reports of due diligence conducted on investment vehicles, creates or negotiates third party advertising, marketing and research materials, design, monitor and update as needed on a continuous basis, capital market assumptions strategic, tactical, and neutral allocations, watch list and ad-hoc manager and performance updates and consultative services. TIS brokers may also use this information in connection with making investment recommendations to their brokerage customers.

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

Truist Bank is state chartered bank and trust company authorized under the law of North Carolina to provided banking and trust services.

TAS has the following agreements with Truist Bank:

**Dual Representative Agreement:** Under this agreement, certain TAS Advisors, Investment Strategists, are employed by Truist Bank and offer Truist Bank deposit and investment products and services to Truist Bank clients as well as offering TAS advisory programs and services to Truist Bank Clients. This Agreement relates to each organization's supervisory responsibilities and requires that each organization clearly identify the products and services which they separately provide to clients.

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

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

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

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



**Investment Sub-Adviser Agreement:** Under the agreement, TAS' IAG manages Truist Bank client portfolio assets on the Truist Bank investment management and trust platform.

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

TAS has the following agreements with GFO Advisory Services, LLC ("GFO"), an affiliate of TAS:

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

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

### **Code of Ethics**

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

### **Participation in Client Transactions**

TAS may recommend securities in which TAS or its investment personnel or employees or affiliates of TAS have a financial interest or control relationship directly or indirectly, and TAS may buy and sell securities that TAS recommends to advisory clients for purchase and sale. TAS may also give advice and take action in the performance of its duties to clients that differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts.

### **Personal Trading**

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

TAS performs for other clients services similar to those that are provided to BrightFolio clients, as well as other types of investment related services. TAS may take actions and give advice that may differ from the advice given, or in the timing and nature of the action taken, with respect to the account of any BrightFolio client. Neither TAS nor anyone associated with TAS nor FutureAdvisor as Portfolio Manager, has any obligation to make or refrain from making to any BrightFolio client recommendations, purchases, sales, or transfers of any investment that may be purchased or sold for any other client or for the benefit of

anyone associated with them. Transactions in any specific investment may be executed at different times and prices for different clients. TAS may utilize different schedules as they relate to fees for its various advisory programs; therefore, the costs of obtaining services similar to a Program may be more or less than those charged to other clients of TAS.

#### Political Contributions

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

#### **REVIEW OF ACCOUNTS**

FutureAdvisor's Algorithm ordinarily runs on a daily basis when U.S. markets are open, and may trigger action as a result of factors including, but not limited to, overall market movement, a significant change to or replacement of one or more of the securities held in advisory accounts, changes to a Client's financial and/or retirement goals, as reflected in the Client Profile, additional cash or security contributions, withdrawals, material changes to the profile information Clients supply, tax conditions, changes to the Algorithm, or other factors. Any of these may result in changes to FutureAdvisor's goal projections and investment decisions, triggering rebalancing or other transactions in a BrightFolio account.

TAS is responsible for periodically reviewing trading data and other automated reports and overseeing the trading activity performed by NFS on behalf of clients. The reviews include, without limitation, a verification that actual trading activity is consistent with the risk categories, asset allocation targets for those categories and eligible investment vehicles for each asset class TAS provides to FutureAdvisor as Algorithm inputs and the resulting investment decisions, an analysis of risks associated with those investment decisions, and a determination that trading is undertaken in compliance with applicable regulations. These reviews may result in changes to the capital markets assumptions, risk categories, asset allocation targets for those categories and eligible investment vehicles for each asset class and/or other aspects of the Program.

The TAS Automated Investing Group receives comprehensive monthly reports detailing each Client's account characteristics and periodically monitors target vs. current asset allocation, client profile information, number of trades, diversification and assets under management.

On an annual basis, TAS will contact Clients by e-mail to initiate a review of their profile information. If Client does not respond to TAS' review initiation within a specified time period, TAS will assume, based on the principle of negative consent, that none of the Client's information has changed, the Client does not wish to impose or modify any permitted restrictions on their BrightFolio account, and BrightFolio should not make any changes to its goal projections or investment decisions. However, if TAS considers this review to be inadequate, to fail to comply with TAS' requirements under the Advisers Act or other applicable laws, or otherwise determine now or at any time that BrightFolio is unsuitable for Client, STAS may terminate Client's BrightFolio account.

BrightFolio conducts annual reviews of advisory accounts to ensure they conform to TAS policies and procedures. In addition, TAS reviews a percentage of advisory accounts on a random basis during the year for such purpose.

The online platform provides real-time performance information about Client's Program account on the Client's dashboard. As mentioned above, any updated financial information flows into the Algorithm and

affects the resulting goal projections and investment decisions associated with a Client's account. If a Client decides that BrightFolio no longer fits their investing needs, the Client can terminate their BrightFolio account and the Client's advisory relationship with TAS. If a Client does so, neither TAS nor FutureAdvisor will have any continued obligation to act or advise, as the case may be, with respect to the Client or their Brokerage Account assets.

Because BrightFolio is automated and electronic in nature, a Client must initiate any changes the Client wishes to make to their account by updating their Client Profile. The Client's BrightFolio account will not be assigned to a TAS Advisor. This means that if a Client determines that their account would be better suited for a TAS brokerage account in which the Client pays commissions per trade, the Client must initiate Client's BrightFolio account's termination.

### **Advisory Account Reporting**

Clients only receive monthly electronic statements from NFS if there has been activity in their BrightFolio account otherwise the Client receives a quarterly brokerage statement electronically. Such statements reflect the activity in the account during the specific time period.

While the online platform may display the value of the holdings in all of the Client's aggregated accounts, BrightFolio's performance information will only relate to those assets in Client's BrightFolio account, and other assets, including those of Client's spouse or spousal equivalent who is a joint BrightFolio Client, are excluded from those reports. This means Client must consult and assimilate other information sources to obtain aggregate performance and best practices information as it pertains to Client's aggregate investment assets. However, to the extent reported to FutureAdvisor as part of the Client Profile Client's retirement assets, such as those held in 401(k) and individual retirement accounts, generally are included in the goal projections and other estimated income information BrightFolio generates and reports to Client.

Clients can access tax forms through the SunTrust, now Truist, Bank Online Banking Document Center.

## **PAYMENT FOR CLIENT REFERRALS**

### **BrightFolio Referrals**

TAS Private Financial Advisors ("PFAs") may refer clients to BrightFolio and receive a \$100 referral fee from TAS. Qualified referrals are based upon the opening of a new account with a portfolio over \$5,000 of investible assets.