



# PEOPLE'S UNITED ADVISORS, INC. DISCLOSURE BROCHURE

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**Contact:**

Brian Delman, Chief Compliance Officer  
565 Fifth Avenue, 27th Floor  
New York, New York 10017-2466  
646-971-2505  
[www.peoples.com/wealth](http://www.peoples.com/wealth)

## **ITEM 1: COVER PAGE**

This Brochure provides information about the qualifications and business practices of People's United Advisors, Inc. ("PUA"). If you have any questions about the contents of this Brochure, please contact us at 646-971-2505 or [pua.compliance.dept@peoples.com](mailto:pua.compliance.dept@peoples.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about PUA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). References herein to PUA as a "registered investment adviser" or any reference to being "registered" does not imply any level of skill or training.

## ITEM 2: MATERIAL CHANGES

Although not required to be provided since this is an interim as opposed to annual amendment, material changes since PUA's last amendment (dated November 5, 2020) are that PUA is consolidating into this Brochure the contents of its previously separate Brochures for its Gerstein Fisher advisory services and for its third-party manager advisory services. As such, PUA has incorporated relevant information from these previously separate Brochures into this one Brochure in connection with this interim amendment filing.

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## ITEM 4: ADVISORY BUSINESS

- A. People's United Advisors, Inc. ("PUA" or "we"), is a Connecticut corporation and a wholly-owned subsidiary of People's United Bank, N.A. ("People's United"), which is owned by People's United Financial Inc., a publicly reporting company. PUA is registered with the United States Securities and Exchange Commission ("SEC") as an investment adviser.
- B. PUA is an investment advisory firm that provides services to various types of investors. Our investment advice typically covers equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, United States government securities, and options contracts on securities, depending on the agreed to advisory services. Although PUA's investment advice is typically limited to those investment categories, PUA may provide advice with respect to other investment opportunities in response to a client request or where PUA determines that it would be in your interests to pursue those other investment opportunities. Our offerings include discretionary and non-discretionary management of client accounts, as well as financial planning and general investment consulting services.

Our advisory services generally can be broken down into two primary categories, (1) PUA Advisory Services, and (2) Third-Party Manager Advisory Services, each as further described below:

### ***PUA Advisory Services***

Our general PUA discretionary and non-discretionary advisory services ("PUA Advisory Services") offer wealth and investment solutions, customized to each client. We draw upon our tenured team's expertise and the extensive resources of People's United Bank to help clients navigate through their unique wealth challenges.

When you engage us to provide advisory service, you may receive fundamental, quantitative or a combination of the two advisory services.

PUA's fundamental investment advisory services and investment philosophy is rooted in the tenets of valuation, diversification, and risk management. These tenets form the underpinnings of its process to establish investment goals, develop asset allocation, optimize a portfolio, and review and monitor outcomes. Together with you, we develop your personal investment policy based on your individual goals, objectives and circumstances.

PUA's quantitative investment advisory services and investment philosophy generally use a model-based, Multi-Factor® investment approach to building client portfolios. This approach has its roots in the Arbitrage Pricing Theory ("APT") pioneered by MIT finance professor Stephen Ross in 1976. The main argument of APT is that an investor can only achieve excess returns over the market by taking on extra risk. APT explains that one can determine a portfolio's expected return by its exposure to various risk factors. This rationale drives the construction of modern-day multi-factor models developed by PUA's quantitative investment advisory services.

Based on the investment policies above, we create and manage securities portfolios.

PUA also serves as an investment manager for investment models it delivers to unaffiliated investment platforms, including unaffiliated investment platforms offered by PUA financial professionals ("PUA FPs") as described further in the PUA-TPM section below. It also serves as investment manager for investment models it delivers to unaffiliated investment platforms that can only be accessed by unaffiliated advisors. In either case, the adviser shall, in conjunction with the underlying investor (i.e., the adviser's client) maintain the initial and ongoing suitability determination for PUA's services, as well as communication with the underlying investor.

PUA may be directly engaged as a sub-advisor by unaffiliated investment advisers to assist the unaffiliated investment adviser with the management of its client accounts. In such situations, subject to any restrictions imposed by the unaffiliated investment adviser, PUA shall have discretionary authority for the day-to-day management of the assets allocated to it by the unaffiliated investment adviser. The unaffiliated investment adviser shall, in conjunction with its underlying client, maintain the initial and ongoing suitability determination for PUA's services, as well as communication with the underlying investor. In such engagements, PUA shall generally debit its sub-advisory fee from the designated accounts and remit the remainder to the unaffiliated investment adviser.

In addition, PUA also acts as a sub-advisor to certain accounts managed by People's United.

### ***Third-Party Manager Advisory Services (PUA-TPM)***

PUA FPs also assist clients in investing through the use of third-party manager programs ("TPM Programs"), where PUA FPs discuss with clients the managers and investment models they employ when managing client accounts. Under this TPM arrangement ("PUA-TPM"), once PUA FPs agree on a manager and investment model based on a client's investment objective, the third-party managers ("TPMs") generally have discretionary authority to buy and sell investments for the account in keeping with the stated investment objective. When PUA FPs manage client investments through the use of TPM

Programs, PUA FPs monitor the investment model of the selected program to ensure that it remains suitable for you based on the investment objective. However, PUA FPs will generally not monitor the individual securities selected by the TPM or exercise discretion regarding specific transactions in these portfolios. Rather, PUA delegates its responsibility for selecting particular securities transactions in these portfolios to the TPMs.

PUA FPs provide TPM Program services to clients through the following programs: (1) the Managed Account Solution Program ("MAS Program"), (2) Gerstein Fisher Managed Solutions ("GFMS"), (3) SEI Asset Allocation Program ("SEI AAP"), (4) SEI Managed Account Solution ("SEI MAS"), and (5) Morningstar® Managed Portfolios<sup>sm</sup> Programs ("MS Program"). Through the above referenced programs, PUA FPs do not exercise discretion regarding specific transactions in these portfolios. Rather, as mentioned above, PUA delegates its responsibility for selecting particular securities transactions in these portfolios to one or more managers, which in turn provide these services.

From the above, only the MAS Program is open to new investors. From the MAS Program, clients may choose one or more of the following investment advisory sub-programs: (1) Fund Strategist Portfolio Sub-program ("FSP"); (2) PUA's Personal Wealth Solutions FSP Sub-program ("PWS-FSP"); (3) Separately Managed Account Sub-program ("SMA"); and (4) PUA's Personal Wealth Solutions SMA Sub-program ("PWS-SMA").

Conflict of Interest: Although there is no monetary incentive for PUA or PUA FPs to invest clients in PWS-FSP or PWS-SMA portfolios, a proprietary program within MAS, there is a potential conflict of interest as investments in PWS-FSP or PWS-SMA portfolios result in an increase in PUA's reportable assets under management ("AUM"). An increase in AUM may increase PUA's ability to attract additional investments. PUA mitigates this conflict by maintaining policies and procedures to help ensure investment recommendations are appropriate and that FPs act in the best interest of their clients. Such procedures include the mandatory completion of a financial needs assessment for program investments, which is reviewed by PUA compliance staff to help ensure suitability.

Conflict of Interest: Accounts in the MAS Program have available a core account investment vehicle option which, if either selected by default or affirmatively elected, will be used to hold clients' available cash balances (from deposits to the account, securities transactions, dividend and interest payments and other activities) while awaiting reinvestment. The cash balance awaiting reinvestment will be automatically deposited or "swept" into an interest-bearing FDIC insurance eligible deposit account at People's United, which as described in Item 10 of this Brochure, is an affiliated FDIC-insured depository institution. This creates financial benefits for People's United, NFS and Total Bank Solutions (an unaffiliated administrator). The financial benefits to People's United creates a potential conflict of interest for PUA. People's United uses the deposit account to fund current and new lending and for investment activities. People's United earns revenue from the interest paid on the deposit account (less any fees paid to administrators), and the income earned on loans, investments and other assets. The revenue generated may be greater than revenues generated by sweep options at other firms, and may be greater than other core account investment vehicles currently available to clients or possible core account investment vehicles that have been used in the past or may be used in the future. PUA maintains policies and procedures to help ensure the suitability of MAS Program investments.

#### ***Commentary Applicable to all of Our Advisory Services***

Regardless of the way a client may decide to work with us, we regularly monitor client investments and periodically meet with clients to discuss their holdings. However, it is your responsibility to notify PUA promptly if there is ever any change in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising PUA's previous recommendations and/or services.

Further details on the advisory services we provide and the types of clients we serve can be found in Items 4 and 7 of this Brochure, as well as in Items 4.A. and 5 of our Wrap Fee Program Brochures. These forms can be found at: [adviserinfo.sec.gov/firm/brochure/292454](https://adviserinfo.sec.gov/firm/brochure/292454) ("Adviser SEC Link").

Retirement Rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) rollover the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon your age, result in adverse tax consequences).

Conflict of Interest. If PUA recommends that a client rollover their retirement plan assets into an account to be managed by PUA, such a recommendation creates a conflict of interest if PUA will earn an advisory fee on the rolled over assets. No client is under any obligation to rollover retirement plan assets to an account managed by PUA. PUA's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

- C. PUA provides investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, PUA will allocate and/or recommend that you allocate investment assets consistent with the designated investment objectives. A client may at any time, impose reasonable restrictions, in writing, on the management of its account.
- D. PUA sponsors WealthBuilder and Gerstein Fisher Managed Solutions, which are wrap fee programs closed to new investors. In addition, PUA sponsors the Gerstein Fisher Cancer Research Strategy wrap fee program, which is open to new investors. For further details, please see the Wrap Fee Program Brochures of the respective wrap fee programs mentioned above. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately.
- E. As of December 31, 2019, PUA had a total of \$9,116,996,322 in assets under management, comprised of \$8,261,559,655 managed on a discretionary basis and \$ 855,436,667 managed on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

As mentioned in Item 4, our advisory services can generally be broken down into two primary categories, (1) PUA Advisory Services, and (2) Third-Party Manager Advisory Services. PUA's advisory fees vary depending on the advisory services PUA performs, assets under management and various other factors, as is more fully set forth below.

### **For its PUA Advisory Services, PUA typically charges as follows:**

PUA generally computes its annual investment advisory fee for its Advisory Services based on the market value of the account managed. PUA's compensation will generally be in accordance with the following annual advisory fee schedules:

#### **RETAIL CLIENT REPRESENTATIVE FEE SCHEDULE\***

##### **Assets Under Management**

Initial \$2,000,000	1.00%
Next \$3,000,000	0.70%
Next \$15,000,000	0.50%
All assets over \$20,000,000	0.35%
Minimum Annual Fee: \$5,000	

#### **INSTITUTIONAL CLIENT REPRESENTATIVE FEE SCHEDULE\*\***

##### **Assets Under Management**

Initial \$2,500,000	0.85%
Next \$2,500,000	0.75%
Next \$5,000,000	0.60%
All assets over \$10,000,000	0.45%
Minimum Annual Fee: \$8,500	

#### **RETIREMENT PLAN CONSULTING FEE**

##### **Assets Under Management**

Initial \$500,000	0.65%
Next \$1,000,000	0.55%
Next \$3,500,000	0.45%
Next \$5,000,000	0.30%
All assets over \$10,000,000	0.20%
Minimum Annual Fee: \$2,000	

\*This fee schedule is representative of what clients typically pay for equity and balanced portfolios. PUA also maintains fee schedules for fixed income portfolios as outlined in PUA's advisory agreement.

\*\* This fee schedule is representative of what institutional clients typically pay for equity portfolios. PUA also maintains fee schedules for balanced and short-term fixed income portfolios as outlined in PUA's advisory agreement.

#### Additional Information Applicable to All Fee Schedules Above

The fees described above reflect the advisory fees paid to PUA. Mutual funds and exchange traded funds contained within client accounts have their own internal fees and expenses that are separate from the advisory fees outlined above. For more information on these fees, please see the applicable fund's prospectus.

Fees will be pro-rated and generally billed monthly or quarterly in arrears and subject to change upon 30 days written notice. Clients should see their advisory agreement for their applicable fee schedule and billing frequency.

PUA will charge an additional .50% on accounts that employ outside managers' strategies, other than mutual funds and exchange traded funds.

Fees are negotiable. Certain clients of PUA may be subject to a different fee schedule (higher or lower) than as set forth above depending upon the level and scope of the overall investment advisory services to be rendered, which is based upon various objective and subjective factors, including, but not limited to, the amount of the assets placed under PUA's management, the level and scope of financial planning and consulting services to be rendered, and the complexity of the engagement and when you engaged PUA's services. PUA's services could be available from other advisers at lower fees.

The fee schedules outlined above reflect the fees that new investors will pay. Existing investors may be subject to a different fee schedule. Existing clients should refer to the PUA Investment Advisory Agreements they have signed with PUA which reflect their effective fee schedules.

PUA deducts advisory fees from your custodial account. PUA's Investment Advisory Agreement and the custodial/clearing agreement authorizes the custodian to debit the account for the amount of PUA's investment advisory fee and to directly remit that management fee to PUA in compliance with regulatory procedures.

PUA generally recommends that Fidelity Investments ("Fidelity"), Charles Schwab and Co. ("Schwab"), Pershing Advisor Solutions LLC ("Pershing") or TD Ameritrade ("TD") serve as the broker-dealer/custodian for client investment management assets. When beneficial to you, PUA may effect fixed income securities transactions through broker-dealers other than the account custodian. Generally, you will pay both the commission or mark-up/mark-down charged by the executing broker-dealer and a separate "trade away" and/or prime broker fee charged by the account custodian.

Broker-dealers/custodians charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). They also charge account maintenance and other fees associated with trading, clearing and custody of client accounts as disclosed in the custodian's account opening documents. Client will pay the broker-dealer/custodian charges outlined above which are in addition to PUA's investment management fee. Clients will also pay their pro rata share of a mutual fund's or exchange traded fund's management fees and other fund expenses as outlined in the fund's prospectus.

For further discussion concerning PUA's brokerage practices, please see Item 12 of this Brochure.

PUA may charge a minimum annual fee as described above, per client relationship, for investment advisory services. In the event that you are subject to a minimum annual fee, you could pay more for PUA's services than the annual percentage fee reflected in the applicable fee schedule above.

Upon termination of the Investment Advisory Agreement, PUA will debit a pro-rated portion of the earned but unpaid advisory fee from the custodial account or will invoice it to you.

#### Wrap Fee Program Fees

Further information about fees for PUA's wrap fee programs can be found in their respective Wrap Fee Program Brochures.

#### Unaffiliated Investment Platform Fees

PUA's annual fee in connection with unaffiliated investment platform services generally ranges from about 15 to 70 basis points and is generally billed quarterly in arrears. The exact fee and billing methodology is negotiated between the unaffiliated investment platform manager and PUA. If PUA delivers its investment models to multiple unaffiliated investment platforms, it will notify the platforms of updates to its investment models on a rotational basis in accordance with its fair trade rotation policies.

### *Securities Commission Transactions*

Clients can implement PUA's investment recommendations (limited to mutual funds, variable annuities, and 529 plans only) through PUA's affiliated broker-dealer, People's Securities, Inc. ("PSI") and pay commissions on transactions, a portion of which PSI may pay to the applicable PUA representatives. Prior to effecting any transactions, you will be required to enter into a new account agreement with PSI. In addition, through PSI, the representatives of PUA may also receive additional ongoing 12b-1 trailing commission compensation from the mutual funds during the period that you maintain the mutual fund investment.

1. **Conflict of Interest:** PUA's representatives have a conflict of interest when they recommend that a client purchase a commissionable product, as they have an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from PUA's representatives.
2. Clients may purchase investment products recommended by PUA through other, non-affiliated broker dealers or agents.
3. PUA does not receive more than 50% of its total revenue from advisory clients as a result of commissions or other compensation for the sale of investment products PUA recommends to its clients.
4. When PUA's representatives sell an investment product on a commission basis, PUA does not charge an advisory fee in addition to the commissions you pay for the product. When providing services on an advisory fee basis, PUA's representatives do not also receive commissions for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, you may engage PUA to provide investment management services on an advisory fee basis and separately purchase an investment product from PUA's representatives on a commission basis.

#### **For its Third-Party Manger Advisory Services (PUA-TPM), PUA typically charges clients as follows:**

##### ***MAS Program Fees***

Generally, PUA bases fees for the MAS Program on assets under management. In this regard, PUA charges an account a fee based on the account balance as of a certain date. PUA charges accounts a quarterly fee, which consists of the Platform and Custody Fee, Management Fee and the Advisor Fee (collectively the "Program Fee"). The Platform and Custody Fees include fees paid to National Financial Services, LLC ("NFS") for clearing and custody services, and to Envestnet Asset Management, Inc. ("Envestnet"). Envestnet is an SEC-registered investment adviser that is not affiliated with PUA. Envestnet is the sponsor for the MAS Program and provides the technology platform for all accounts on the MAS Program. In the MAS Program, PUA does not exercise investment discretion, and so the client pays the Management Fee to the sub-manager. The client pays the Advisor Fee to PUA. PUA charges the Program Fee in advance (or pre-paid) each quarter. Envestnet calculates the Program Fee at the beginning of each quarter by applying the fee schedule on the Statement of Investment Selection ("SIS") to the fair market value of the account, as determined by Envestnet, on the last business day of the prior calendar quarter. For new accounts, the accounts will be billed when opened for the remaining days in the quarter. For accounts that are terminating management, we will automatically credit back any pre-paid fees for the portion of the quarter remaining after management has terminated. In the event a deposit or withdrawal of \$10,000 or more on a single day in one investment account occurs, we will calculate the fee owned or refund due and adjust the normal fee charged at the end of the calendar quarter.

If the account does not have sufficient cash balances to pay the Program Fee or other expenses, we may liquidate securities positions in the account to pay the Program Fee without client consent. Clients may incur transaction costs and may experience tax consequences when we liquidate securities positions in the account to pay the Program Fee or other expense. Clients are solely responsible for any resulting tax liabilities and we encourage them to consult with tax professionals regarding these types of events.

The following PSI Schedule of Commissions and Fees discloses the annual custody fee, IRA fees, and various fees and charges that may apply: <https://www.peoples.com/content/dam/peoples/docs/psi/PSI-Commission-Schedule.pdf>.

**Fund Strategist Portfolio Sub-program ("FSP") &  
Personal Wealth Solutions FSP Sub-program ("PWS-FSP") Fees**

<b>Market Value of Assets</b>	<b>Platform Fee</b>	<b>Custody Fee</b>	<b>Management Fee*</b>	<b>Advisor Fee</b>	<b>Total Program Fee</b>
First \$250,000	0.12%	0.00% - 0.20%	0.00% - 0.10%	1.00%	1.12% - 1.42%
Next \$250,000	0.12%	0.00% - 0.12%	0.00% - 0.10%	1.00%	1.12% - 1.34%
Next \$500,000	0.11%	0.00% - 0.11%	0.00% - 0.10%	1.00%	1.11% - 1.32%
Next \$1,000,000	0.10%-0.11%	0.00% - 0.11%	0.00% - 0.10%	1.00%	1.10% - 1.31%
Next \$3,000,000	0.10%	0.00% - 0.10%	0.00% - 0.10%	0.70%	0.80% - 1.00%
All assets over \$5,000,000	0.10%	0.00% - 0.10%	0.00% - 0.10%	0.50%	0.60% - 0.80%

The Program Fee is separate and distinct from the fees and expenses charged by the mutual funds and exchange traded funds ("ETFs") to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. The Program Fee above is generally not negotiable and does not cover other charges, including commissions, dealer mark-ups or fees for portfolio transactions executed away from NFS, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in Envestnet's disclosure document that would apply separately.

A Minimum Annual Platform Fee of \$75 - \$120 and a Minimum Annual Custody Fee of \$120 - \$250 (collectively in this provision "Minimum Annual Fees") is assessed quarterly to cover the costs associated with any applicable clearing, custody, and platform-related services that may not be adequately covered by the Program Fee. The SIS will provide the Minimum Annual Fee when establishing an account.

The minimum account size to open an FSP MAS or PWS-FSP MAS Program account is \$25,000.

\*The Management Fee varies depending on the type of investment model utilized in the account. The SIS will provide the total Program Fee when establishing an account.

**Separately Managed Account Sub-program ("SMA") &  
Personal Wealth Solutions SMA Sub-program ("PWS-SMA") Fees**

<b>Market Value of Assets</b>	<b>Platform Fee</b>	<b>Custody Fee</b>	<b>Management Fee*</b>	<b>Advisor Fee</b>	<b>Total Program Fee</b>
First \$250,000	0.12% - 0.14%	0.15% - 0.25%	0.00% - 0.50%	1.00%	1.27% - 1.89%
Next \$250,000	0.12% - 0.14%	0.10%	0.00% - 0.50%	1.00%	1.22% - 1.72%
Next \$500,000	0.11% - 0.12%	0.08%	0.00% - 0.50%	1.00%	1.19% - 1.69%
Next \$1,000,000	0.11%	0.07%	0.00% - 0.50%	1.00%	1.18% - 1.68%
Next \$3,000,000	0.10%	0.06%	0.00% - 0.50%	0.70%	0.86% - 1.36%
All assets over \$5,000,000	0.09%	0.05%	0.00% - 0.50%	0.50%	0.64% - 1.14%

The Program Fee above is generally not negotiable and does not cover other charges, including commissions, dealer mark-ups or fees for portfolio transactions executed away from NFS, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in Envestnet's disclosure document that would apply separately.

A Minimum Annual Platform Fee of \$150 and a Minimum Annual Custody Fee of \$375 for Fixed Income SMAs and \$425 for Equity SMAs (as applicable, referred to within this provision "Minimum Annual Fee") is assessed quarterly to cover the costs associated with any applicable clearing, custody, and platform-related services that may not be adequately covered by the Program Fee. The SIS will provide the Minimum Annual Fee when establishing an account.



The minimum account size to open a SMA MAS and PWS-SMA Program account is \$100,000 - \$250,000 depending on the investment selection.

\*The Management Fee varies depending on the type of investment model utilized in the account. The SIS will provide the total Program Fee when establishing an account.

### ***Gerstein Fisher Managed Solutions ("GFMS") Fees***

A wrap fee program is a common alternative to a typical advisory fee structure that provides clients with advisory and brokerage services for one inclusive bundled fee. GFMS is a wrap fee program and as such, GFMS charges clients a single bundled fee (referred to in this section as the "Wrap Fee") that covers the investment advisory services it provides, as well as the brokerage and custodial services provided by a custodian.

The Wrap Fee is an annual fee that PUA prorates and charges quarterly, in arrears, based upon the market value of account assets on the last business day of the previous quarter. PUA does not charge the Wrap Fee based on a share of capital gains or capital appreciation of any portion of the client's assets.

Please see below for the fees schedule.

<b>Assets Under Management</b>	<b>Wrap Fee</b>
Initial \$500,000	1.10%
Next \$500,000	1.05%
Next \$1,000,000	1.00%
All assets over \$2,000,000	0.90%

Clients pay the Wrap Fee to PUA, and it is separate and distinct from the fees and expenses the mutual funds and ETFs charge to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. There are additional fees assessed by the custodian that the client will typically incur such as termination fees, wire fees and other fees that are incidental to the management of the account.

Clients participating in GFMS appoint Fidelity as their broker-dealer and custodian for the program and accordingly agree to direct brokerage in their accounts through Fidelity. Clients should understand that directing brokerage through Fidelity may result in transactions in a client's account receiving less favorable execution than could be obtained using a broker-dealer other than Fidelity. Fidelity has the discretion to negotiate with and select trading partners. Fidelity procedures are intended to comply with applicable requirements concerning best execution, although there can be no assurance that best execution will be obtained.

PUA offers GFMS to individual clients. Individual, joint, IRA and Roth IRA accounts are currently available. The minimum account size to open a GFMS account is \$25,000.

PUA-TPM is no longer accepting new clients into the GFMS program.

### ***SEI Asset Allocation Program ("SEI AAP")***

PUA's advisory fee ("Advisory Fee") for providing services to those client assets allocated into the SEI AAP shall generally be in accordance with the following annual fee schedule:

<b>Assets Under Management</b>	<b>Advisory Fee</b>
Initial \$500,000	1.10%
Next \$500,000	1.05%
Next \$1,000,000	1.00%
All assets over \$2,000,000	0.90%

SEI Investments Management Corporation ("SIMC"), which is an unaffiliated SEC-registered investment adviser, debits PUA's Advisory Fee from your account. SIMC does not receive any portion of PUA's Advisory Fee. SIMC will debit your account on a quarterly basis for those fees, as well as any additional charges that SIMC may impose. SIMC will disclose those fees to you pursuant to the terms of your agreement with SIMC. The charges to your account will be on an arrears

basis and will be remitted quarterly net of any applicable account and performance reporting charges not charged to you. Upon written notification, either PUA or you may terminate the agreement between the parties. In the event your relationship with PUA is terminated, prorated fees will be charged based on the market value on the date notice of termination is received.

SIMC serves as transfer agent and custodian to all client assets under the SEI AAP, for which SIMC receives compensation in the form of an administrative charge (the amount of which is disclosed on the administrative charge schedule attached to or contained in the SEI account agreement that each SEI AAP participating client is required to sign). SIMC is the broker and custodian for the SEI AAP based on the terms thereof.

The PUA Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. The PUA Advisory Fee does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in SEI's disclosure document that would apply separately.

The minimum account size for participating in this program through PSI is \$25,000. SEI may charge an additional maintenance fee for accounts valued below \$25,000.

PUA-TPM is no longer accepting new clients into the SEI AAP.

### SEI Managed Account Solutions

For each client participating in the SEI MAS program, PUA will receive compensation that is equal to a portion of the fee that is borne by the client. In addition, a program fee is paid to SIMC for its advisory services, the trade execution provided by SIMC's affiliate SEI Investments Distribution Co. ("SIDCO"), custody and related services provided by SEI Private Trust Company ("SPTC"), and the advisory services of portfolio managers. SIMC's fees are a percentage of the daily market value of the assets invested in the relevant portfolio.

The SIMC fees do not cover execution charges (such as commissions, commission equivalents, mark-ups, mark-downs or spreads) on transactions SIMC places with broker-dealers other than SIDCO or its affiliates.

The fee is calculated and paid to SIMC quarterly in arrears. SIMC will deduct the total fee owed directly from the client's custody account.

### SEI MAS ETF Strategy Fees

For each client participating in the SEI MAS ETF program, PUA will receive compensation that is equal to a portion of the fee that is borne by the client. SIMC will receive compensation for its investment advisory services under each of the SEI ETF Strategies based on the percentage of assets allocated.

Market Value of Assets	SEI Fee	PUA Advisory Fee	Total Fee (SEI Fee + PUA Fee)
First \$1,000,000	0.30%	1.00%	1.30%
Next \$4,000,000	0.25%	0.50%	0.75%
Over \$5,000,000	0.20%	0.50%	0.70%

*Fee breakpoint levels are determined based on a client's total account assets invested in the SEI ETF Strategies. SIMC may, in its sole discretion, waive one or more of these fees, in whole or part based on SEI's relationship with the client. SIMC may end any such fee waiver at any time, after which time affected accounts will be assessed the applicable fees. Client will also pay PUA's Advisory Fee as indicated above.*

SEI charges an additional tax management fee of 0.10% in addition to the SEI Fee described above if SEI's tax management service is requested.

The PUA Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. The PUA Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in SEI's disclosure document that would apply separately.

The minimum account size for participating in the SEI MAS ETF Strategy through PUA-TPM is \$25,000.

PUA-TPM is no longer accepting new clients into the SEI MAS ETF Strategies referenced above.

### **Morningstar® Managed Portfolios<sup>sm</sup> Programs**

For each client participating in the MS Programs, PUA will receive compensation that is equal to a portion of the fee that is borne by the client. Morningstar Investment Services, LLC ("MIS") will receive compensation for its investment advisory services under each of the MS Programs based on the percentage of assets allocated to it.

- (1) **MS Program – Mutual Funds.** The minimum initial investment for the MS Program – Mutual Funds is \$50,000. At MIS's sole discretion, it may allow an initial or subsequent investment of less than this amount.

**Program Fees.** The annual fee consists of two parts (collectively the "MS Program – Mutual Funds Program Fee"), the fee imposed by MIS and the fee imposed by PUA. The MS Program – Mutual Funds Program Fee schedule is:

Market Value of Assets	MIS Fee*	PUA Advisory Fee	Total Fee (MIS Fee + PUA)
First \$500,000.00	0.40%	1.10%	1.50%
Next \$500,000.00	0.35%	1.05%	1.40%
Next \$1,000,000.00	0.30%	1.00%	1.30%
All assets over \$2,000,000.00	0.20%	0.90%	1.10%

\* The Portfolios' underlying mutual funds incur their own internal expenses such as shareholding servicing, and 12b-1 fees.

When securities can be traded in more than one marketplace, the broker-dealer for the MS Program account will use its discretion in selecting the market in which such orders are entered. The broker-dealer may receive remuneration, compensation or other consideration for directing orders to particular broker/dealers or market centers for execution (i.e., payment for order flow) and MIS does not participate in such arrangements.

You may also incur certain charges by the broker-dealer or its affiliates related to retirement plan accounts such as IRAs. These charges are in addition to the MS Program – Mutual Funds Program Fee and the above referenced brokerage fees.

The PUA Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. The PUA Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in MIS's disclosure document that would apply separately.

### **MS Program – Exchange Traded Funds ("MS Program – ETF")**

- (2) **MS Program – ETF.** The minimum initial investment for the MS Program – ETF is \$25,000. At MIS's sole discretion, it may allow an initial or subsequent investment of less than this amount.

**Program Fees.** The annual MS Program – ETF fee consists of two parts (collectively the "MS Program – ETF Annual Program Fee"), the fee imposed by MIS and the fee imposed by PUA. The standard fee schedule for the MS Program – ETF Strategy is:

Market Value of Assets	MIS Fee**	PUA Advisory Fee	Total Fee (MIS Fee + PUA)
First \$1,000,000.00	0.30%	1.00%	1.30%
Next \$4,000,000.00	0.25%	0.50%	0.75%
All assets over \$5,000,000.00	0.20%	0.50%	0.70%

\*\*Does not include fees/commissions associated with executing transactions nor the internal exchange traded funds. Additionally, this fee covers costs associated with middle-office trading infrastructure and client accounting and reporting.

As the result of MIS's discretionary authority, investment decisions made for a MS Program – ETF account will result in the client incurring brokerage commission/fees imposed by the brokerage firm utilized by the MS Program. The payment of these brokerage fees is solely the client's responsibility. The broker-dealer will charge the client's MS Program – ETF account directly for any applicable brokerage fees. These brokerage fees are in addition to the above-mentioned MS Program – ETF Annual Program Fee.

When securities can be traded in more than one marketplace, the MS Program broker-dealer will use its discretion in selecting the market in which such orders are entered. The broker-dealer may receive remuneration, compensation or other consideration for directing orders to particular broker/dealers or market centers for execution (i.e., payment for order flow) and MIS does not participate in such arrangements.

Exchange-traded funds have their own internal fees and expenses such as investment advisory, administration, and other fund-level expenses and that by investing in them you incur a proportionate share of those fees and expenses. Those fees and expenses are in addition to the MS Program – ETF Annual Program Fee and the above referenced brokerage fees.

You may also incur certain charges by the broker-dealer or its affiliates related to retirement plan accounts such as IRAs. These charges are in addition to the MS Program – ETF Annual Program Fee and the above referenced brokerage fees.

The PUA Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. The PUA Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in MIS's disclosure document that would apply separately.

- (3) **MS Program – Select Equity.** The minimum initial investment for the MS Program – Select Equity is \$100,000. At MIS's sole discretion, it may allow an initial or subsequent investment of less than this amount.

**Program Fees.** The annual MS Program – Select Equity fee consists of two parts (collectively the "MS Program – Select Equity Annual Program Fee" or "Total Fee"), namely the MIS Fee Percentage Fee and the PUA Advisory Fee. The standard fee schedule for the MS Program – Select Equity is:

Market Value of Assets	MIS Fee*	PUA Advisory Fee	Total Fee (MIS Fee + PUA)
First \$1,000,000.00	0.55%	0.75%	1.30%
Next \$4,000,000.00	0.50%	0.65%	1.15%
All assets over \$5,000,000.00	0.45%	0.55%	1.00%

\*Does not include fees/commissions associated with executing transactions. It also does not include the PUA Advisory Fee. Additionally, this fee covers costs associated with middle-office services such as a trading infrastructure and client accounting and reporting.

As a result of MIS's discretionary authority, investment decisions made for a MS Program – Select Equity account will result in the client incurring brokerage commission/fees imposed by the brokerage firm utilized by the MS Program. The payment of these brokerage fees is solely the client's responsibility. The broker-dealer will charge the client's Select Equity Portfolio account directly for any applicable brokerage fees. These brokerage fees are in addition to the above-mentioned MS Program – Select Equity Annual Program Fee.

When securities can be traded in more than one marketplace, the MS Program broker-dealer will use its discretion in selecting the market in which such orders are entered. Please be aware that the broker-dealer may receive remuneration, compensation or other consideration for directing orders to particular broker/dealers or market centers for execution (i.e., payment for order flow) and that MIS does not participate in such arrangements.

You may also incur certain charges by the broker-dealer or its affiliates related to retirement plan accounts such as IRAs. You understand that these charges are in addition to the MS Program – Select Equity Annual Program Fee and the above referenced brokerage fees.

Typically, a U.S. bank creates, organizes and administers American Depositary Receipts ("ADRs"). Generally, these banks charge a fee for their services (e.g., custody) and may deduct these fees from the dividends and other distributions generated

from the ADR shares. In addition, banks incur expenses, such as those related to converting foreign currency into U.S. dollars, and as a result may pass those expenses on to the ADR shareholder. The client understands that these fees and expenses are in addition to the MS Program – Select Equity Annual Program Fee and the above referenced brokerage fees.

MS program accounts may be custodied at various custodians and billed in arrears based on the average daily market value balance of the prior quarter or billed in advance based on the account value at the end of the prior quarter. Specific details on billing methodology may be found in the Morningstar Investment Management Agreement that is provided to each client.

The PUA Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. The PUA Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in MIS's disclosure document that would apply separately.

PUA-TPM is no longer accepting new clients into any of the Morningstar Managed Portfolios Programs.

Conflict of Interest: As illustrated in the fee schedules above, PUA and PUA FP compensation differ depending on the programs you select for investment and the size of the program account. Therefore, PUA FPs have a potential conflict of interest when recommending these programs to clients, as there is an incentive for PUA FPs to recommend certain programs over others in order to receive higher compensation. PUA mitigates this conflict by maintaining policies and procedures to help ensure recommendations are appropriate and that PUA FPs act in the best interest of their clients. Such procedures include the mandatory completion of a financial needs assessment for program investments, which is reviewed by PUA compliance staff to help ensure suitability.

PUA deducts advisory fees from your custodial account. Qualified custodians hold the assets of clients receiving investment advisory services. The client will incur charges imposed directly by the custodian on the client's account, (such as transaction charges imposed by the broker-dealer executing securities transactions for the client's account, and fees and expenses imposed directly by mutual funds held in or for the client's account). PUA does not act as qualified custodian for any advisory account for which it provides services as an investment adviser. Please see Item 15: Custody for more information on PUA's custody practices.

For further discussion concerning PUA's brokerage practices, please see Item 12 of this Brochure. All fees paid to PUA for its services are separate and distinct from the fees and expenses charged directly by your custodian, the broker-dealer, and by the mutual funds. The fees and expenses imposed by the mutual funds are described in each fund's prospectus, and will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. You should carefully review both the fees charged by the funds and the fees charged by PUA to fully understand the total amount of fees you will pay and to thereby evaluate the advisory services provided.

Securities Commission Transactions. As referenced above, PSI, an affiliate of PUA, is registered with the SEC as a broker-dealer and is a member of FINRA. PUA FPs are registered representatives of PSI. Clients can implement PUA FPs' investment recommendations (such as mutual funds, variable annuities, certain fixed income securities, and 529 plans) through PSI and pay commissions on transactions, a portion of which PSI may pay to the applicable PUA FP. Prior to effecting any transactions, you will be required to enter into a new account agreement with PSI. In addition, through PSI, PUA FPs may also receive additional ongoing 12b-1 trailing commission compensation from the mutual funds during the period that you maintain the mutual fund investment.

1. Conflict of Interest: PUA FPs have a conflict of interest when they recommend that a client purchase a commissionable product, as they have an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commissionable products from PUA FPs.
2. You may purchase investment products recommended by PUA FPs through other, non-affiliated broker dealers or agents.
3. PUA does not receive more than 50% of its total revenue from advisory clients as a result of commissions or other compensation for the sale of investment products that PUA FPs recommend to its clients.
4. When PUA FPs sell an investment product on a commissionable basis, PUA does not charge an advisory fee in addition to the commissions you pay for the product. When providing services on an advisory fee basis, PUA FPs do not also receive commissions for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, you may engage PUA FPs to provide investment management services on an advisory fee basis and separately purchase an investment product from PUA FPs on a commissionable basis.

## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither PUA nor any of its supervised persons accepts performance-based fees.

### Side-by-Side Management

PUA and its affiliates manage numerous accounts at the same time, including separate accounts, accounts in Wrap Fee Programs and pooled investment vehicles, which may be charged different fees and have different terms. Our clients and investors have a variety of investment objectives, policies, strategies, limitations and restrictions. The side-by-side management of these accounts can raise potential conflicts of interest relating to the allocation of investment opportunities and the aggregation and allocation of trades. Moreover, while the portfolio managers generally only manage accounts with similar investment strategies, it is possible, due to varying investment restrictions among accounts, or for other reasons, that portfolio managers could make certain investments for some accounts and not others, and that portfolio managers could take conflicting investment positions among accounts. However, with very few exceptions, a portfolio manager will not take long and short positions in the same security across clients' accounts that they manage.

PUA will address the conflicts associated with side-by-side management by managing its accounts consistent with applicable laws and following procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged, including but not limited to policies relating to trading operations, best execution, trade order aggregation and allocation and other applicable policies.

## ITEM 7: TYPES OF CLIENTS

PUA's clients include individuals, business entities, endowments, retirement and pension plans, trusts, estates and charitable organizations.

PUA's requirements for opening and maintaining an account, such as minimum account size, vary by the services that it will offer. Such details are provided in the account opening materials for the various program types, as well as in Item 5 above.

For instance, for TPM Program accounts, each Managed Advisory Portfolio Program may impose a minimum fee or additional requirements for opening or maintaining an account. The following is a list of the current minimum investment for each Managed Advisory Portfolio Program:

Managed Accounts Solutions Program:

- \$25,000 under the FSP and PWS FSP
- \$100,000 - \$250,000 depending on the investment selection under the SMA and PWS SMA

The other TPM Program accounts are no longer available to new clients.

In connection with TPM Program accounts, each client will be required to sign an agreement with PUA that sets forth the terms and conditions of their relationship with PUA, and a separate custodial/clearing agreement. Each or both of the PUA servicing agreement and the custodial/clearing agreement may authorize the account custodian to debit your account for the amount of PUA's fee and may also authorize the account custodian to directly remit that fee to PUA in accordance with regulatory procedures. The PUA servicing agreement will continue in effect unless terminated pursuant to the terms thereof. In the event of termination, PUA's management fee shall be pro-rated through the date of notice of termination.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

### **A. Methods of Analysis**

As mentioned in Item 4, our advisory services can generally be broken down into two primary categories, (1) PUA Advisory Services, and (2) Third-Party Manager Advisory Services, and the method of analysis for each of these separate service types is described in further detail below. Note that in connection with all of our advisory services, investing in securities involves risk of loss that clients should be prepared to bear.

### **PUA Advisory Services – Methods of Analysis**

PUA's investment philosophy is essentially long range and focuses on achieving competitive investment returns for clients while diligently monitoring and controlling portfolio risk. Its Senior Investment Committee ("Committee") provides general oversight with respect to investment policies, procedures and strategies. The Committee oversees 7 research groups: (1) the Asset Allocation Strategy Group which is tasked with determining strategic and tactical asset allocations decisions; (2) the Equity Research Group which is responsible for overall equity selections; (3) the Quantitative Committees which are responsible for quantitative asset

allocations and investment decisions; (4) the Fixed-Income Strategy Group which is responsible for the actively managed fixed-income strategy; (5) the Solutions Group which is responsible for selection and oversight of outside managers, including managers selected to be on our Unified Managed Account Platform, as well as mutual funds and ETFs; (6) the Investment Review Committee that is responsible for investment related compliance oversight; (7) the Investment Risk Committee which is responsible to broadly oversee and review the investment activities of PUA.

In managing many and diverse investment portfolios, our fiduciary responsibilities dictate that our general investment policies meet the investment objectives provided by you or the governing document that sets forth investment guidelines applicable to the risk tolerance and objectives of each client. Generally, PUA maintains considerable discretion with respect to the investment methodology for its clients.

The PUA Advisory Services program may cause clients to invest in a wide range of investment products, such as: government obligations – bills, notes and bonds, federal agency obligations, money market funds, bank and savings and loan deposit products up to the insurance limits provided by FDIC, including negotiable certificates of deposit, equities, mutual funds, investment trusts, ETFs, guaranteed investment contracts, tax-free state and municipal notes and bonds, commercial paper, bankers' acceptances, corporate bonds, preferred stock, real estate, through open-end, pooled funds, REITS, and investment partnerships, covered options and various other investments, including alternative investments.

PUA recognizes that client accounts may from time to time hold other investments, such as non-approved equities, real estate, closely held business interests and other vehicles not appearing above. PUA will normally accept such assets into the account "in kind" or through client direction. Subsequent reviews of the account will determine the appropriateness of continuing to hold such assets. PUA will base such decisions upon the unique needs and conditions surrounding that particular account and the ability to efficiently, profitably, and prudently manage that asset.

Generally, PUA will not actively purchase unusual or unique investments that are not publicly traded for accounts over which it has investment discretion. It will not retain such assets in fiduciary accounts, unless (1) the governing instrument specifically so authorizes; (2) such investments are specifically permitted by applicable law or mandated by court order; (3) the account's principal, grantor, co-fiduciary, primary beneficiary and/or other person(s) authorized to direct an account's investments notify PUA in writing to retain such assets; (4) there is no market through which the asset can be sold, or the selling process itself will create a significant economic loss.

PUA uses the following methods of security analysis:

- Fundamental – analysis performed on historical and present data, with the goal of analyzing financial markets.
- Statistical and Quantitative – analysis performed on value and momentum metrics, with a goal of identifying investment opportunities with the potential to outperform market benchmarks.

PUA uses some or all of the following investment strategies when implementing investment advice given to clients:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

### **Third-Party Manager Advisory Services – Methods of Analysis**

As part of our Third-Party Manager Advisory Services, PUA FPs utilize charting, fundamental, technical and cyclical methods of analysis in connection with its servicing client accounts. The significant investment strategies that PUA FPs utilize for servicing client accounts are a long-term investment approach, asset allocation and diversification.

Under this program, we assist clients in investing through the use of third-party manager programs ("TPM Programs"), where we discuss with clients the managers and investment models they employ when managing client accounts. Under this TPM arrangement ("PUA-TPM"), once we agree on a manager and investment model based on a client's investment objective, the third-party managers ("TPMs") generally have discretionary authority to buy and sell investments for the account in keeping with the stated investment objective.

When we manage client investments through the use of TPM Programs, we monitor the investment model of the selected program to ensure that it remains suitable for the client based on the investment objective. However, we will generally not monitor the individual securities selected by the TPM or exercise discretion regarding specific transactions in these portfolios. Rather, PUA delegates its responsibility for selecting particular securities transactions in these portfolios to the TPMs.

As mentioned previously, PUA FPs provide TPM Program services to clients through the following programs: (1) the Managed Account Solution Program ("MAS Program"), (2) Gerstein Fisher Managed Solutions ("GFMS"), (3) SEI Asset Allocation Program ("SEI AAP"), (4) SEI Managed Account Solution ("SEI MAS"), and (5) Morningstar® Managed Portfolios<sup>sm</sup> Programs ("MS Program"). Through the above referenced programs, PUA offers standardized portfolios and PUA FPs do not exercise discretion regarding specific transactions in these portfolios. Rather, as mentioned above, PUA delegates its responsibility for selecting particular securities transactions in these portfolios to one or more managers who provide these services.

From the above, only the MAS Program is still open to new investors. From the MAS Program, clients may choose one or more of the following investment advisory sub-programs: (1) Fund Strategist Portfolio Sub-program ("FSP"); (2) Personal Wealth Solutions FSP Sub-program ("PWS-FSP"); (3) Separately Managed Account Sub-program ("SMA"); and (4) Personal Wealth Solutions SMA Sub-program ("PWS-SMA").

### **Risks Generally Applicable to All Services**

Risks generally applicable to our PUA Advisory Services and Third-Party Manager Advisory Services are further described below:

Investment Risk. Different types of investments involve varying degrees of risk, and you should not assume that future performance of any specific investment or investment strategy PUA employs would be profitable or equal any specific performance level(s).

### **B. Risk Factors**

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by PUA. These risk factors include only those risks PUA believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by PUA.

General Risk of Loss. Investing in securities involves the risk of loss. Clients should be prepared to bear such loss. Investments in securities and other financial instruments and products are subject to many types of risk that can cause the permanent loss of capital as a result of adverse market conditions.

Market Risks. The profitability of a significant portion of PUA's investment program depends largely upon correctly assessing the future course of movements in interest rates, currencies, equities, other investments and the marketplace in general. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region, as well as natural disasters and disease, are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the U.S. These disruptions could prevent PUA from executing advantageous investment decisions in a timely manner and negatively impact PUA's ability to achieve its investment objectives. Any such events could have a significant adverse impact on the value and risk profile of investments with PUA. Further, higher volatility in the market may result in dramatic changes in security values.

Mutual Funds and Exchange Traded Funds (ETFs). An investment in a mutual fund or ETF involves risk, including the loss of principal through trading. Mutual fund and ETF shareholders are also subject to the risks stemming from the individual issuers of the fund. Such shareholders are also liable for taxes on any fund-level capital gains, as the law requires mutual funds and ETFs to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Non-U.S. Securities. PUA may invest clients' portfolios in non-U.S. securities. Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the U.S. Government or U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the U.S., higher transaction costs, less governmental supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Fixed Income. Fixed income trading involves various risks, some of which are listed below:

- Counterparty risk – risk that each party to a contract will not meet their obligations
- Credit quality risk – lower quality bonds may experience a higher risk of default
- Credit risk – issuers of bonds or other debt securities may not be able to meet interest or principal payments when the bonds come due
- Duration risk – fluctuations in interest rates may have a greater impact on longer duration assets
- Inflation risk – the price of an asset, or the income generated by an asset, may not keep up with the cost of living
- Interest rate risk – changing interest rates affect the value of bonds



- Municipal market risk – factors unique to the municipal bond market may negatively affect the value of municipal bonds, including risk of payment default and priority in which payments may be made by municipal issuers
- Prepayment risk – many bonds and debt securities have call provisions that may result in debtors paying back the debt prior to maturity during periods of decreasing interest rates
- Reinvestment risk – investors may have difficulty reinvesting payments from debtors and may receive lower rates than from their original investments

Debt Securities. PUA may take positions in debt securities that rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which substantially all of that issuer's assets may secure. PUA may take positions in debt securities not protected by financial covenants or limitations on additional indebtedness. PUA may invest in securities that are moral obligations of issuers or subject to appropriations. Therefore, client portfolios will be subject to credit and liquidity risks.

Currency Risks. Investments in securities or other instruments that are denominated in a currency other than U.S. dollars are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. PUA may try to hedge these risks by investing in currencies other than U.S. dollars, currency futures contracts and options thereon, forward currency exchange contracts or similar instruments, or any combination thereof. To the extent any such hedges are profitable during any month or quarter, PUA will invest the profits at the end of such month or quarter into clients' core investment portfolio. Conversely, if such hedges generate losses in any month or quarter, PUA may liquidate a portion of clients' core investment portfolio to cover such losses. There can be no assurance that such hedges will be effective or that PUA will hedge clients' overall currency exposure.

Options. The use of options involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Although the intent of the options-related transactions may be to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), in and of themselves, produce principal volatility and/or risk. For instance, there is the risk that if the price of the underlying security rises beyond the option strike price plus the option premium a loss may occur.

Small Capitalization Stocks. PUA may make client investments in smaller-sized companies of a less seasoned nature whose securities may be traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that common stock prices may decline over short or even extended periods, PUA may invest in securities of companies that are not well known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. The stocks of such companies may be more volatile in price and have lower trading volumes than the larger capitalization stocks.

Use of Independent Managers. PUA may recommend the use of independent managers for certain clients. PUA will continue to perform ongoing due diligence of such managers, but such recommendations rely largely on the independent managers' ability to successfully implement their investment strategy. Except as outlined below, PUA does not have the ability to supervise the independent managers on a day-to-day basis. PUA's Unified Managed Account Platform maintains independent managers who provide daily recommendations of equity buy and sell decisions. In these instances, PUA maintains supervision and control of the investment decisions for client accounts.

Non-Diversification; Concentration in Sectors. Clients' portfolio may not always be diversified. This means that they may hold fewer investments than a more diversified portfolio of comparable size. In addition, clients' portfolios may be concentrated in one or more sectors. Therefore, its investment portfolio may be subject to more rapid change in value than would be the case if PUA were to maintain a wide diversification among securities or industry sectors. Furthermore, even within these sectors, the investment portfolio may be relatively concentrated. This lack of diversification may subject the investments to more rapid change in value than would be the case if the assets were more widely diversified.

Style Risk. PUA may invest in securities of companies in industries that appear to be temporarily depressed. The prices of securities in these industries may tend to go down more than prices of securities of companies in other industries. There may also be times when client portfolios may have significant cash positions. A substantial cash position may affect performance in certain market conditions.

Lack of Liquidity of Client Assets. Although not common, client portfolios may include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or are restricted as to their transferability, disposition or

trade-ability under applicable securities laws. Unless otherwise agreed, PUA's strategy is not limited in the amount it can invest in illiquid private placements that are not readily marketable. The sale of any thinly-traded or illiquid investments is oftentimes only possible at substantial discounts.

Valuation of Securities. Valuation of clients' securities and other investments may involve uncertainties and judgmental determinations. For example, securities held by clients may trade with bid-ask spreads that may be significant and certain securities may, from time to time, be valued at the mean between such spreads. If such valuations should prove to be incorrect, it could adversely affect clients' portfolios. Independent pricing information may not at times be available or may be difficult to obtain with respect to certain of clients' securities and other investments. Certain investments may be difficult to value and may be subject to varying interpretations of value. The value of an investment may be determined by, among other things, utilizing marked-to-market prices provided by dealers and pricing services and, if necessary, through relative value pricing. PUA is entitled to rely, without independent investigation, upon pricing information and valuations furnished by third parties, including pricing services.

Short Sales. In certain circumstances, short sales can substantially increase the impact of adverse price movements on clients' portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is a risk that PUA would have to return the securities it borrows on behalf of clients, in connection with a short sale, to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and PUA may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Short Selling Risks. Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e., a broker-dealer) with the obligation of buying identical assets later to return to the third party lender. Individuals who engage in this activity will only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Long Term Investment Risks. Long term investing generally involves the purchase of securities that are held at least one year after the date of their purchase. This investment strategy involves various risks, including the day-to-day potential for an investor to experience losses from fluctuations in securities prices.

Short Term Investment Risks. Short term investment strategies require a shorter investment time period to potentially develop, but as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Short term trading also provides less time for an investment to mature.

Asset Allocation Risks. Asset allocation is an investment strategy that generally seeks to balance risk and reward by investing portfolio's assets according to an individual's goals, risk tolerance and investment horizon into three main asset classes – equity securities, fixed-income securities, and cash (and/or cash equivalents such as money market funds). Each asset class has different levels of risk and return, and will behave differently over time.

Nature of Investments. PUA will have broad discretion in making investments on behalf of its clients, subject to the terms and conditions of the applicable program and client agreements. There can be no assurance PUA will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as U.S. or international economic and political developments, may significantly affect the results of PUA's activities and the value of clients' investments. PUA makes no guarantee or representation that it will achieve your investment objective.

## **ITEM 9: DISCIPLINARY INFORMATION**

PUA has not been the subject of disciplinary action in the past ten years. PUA's Chief Compliance Officer is available to address any questions regarding the disciplinary history of the firm.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

PUA is not registered as a broker-dealer. However, some of PUA's representatives are registered representatives of PSI, an SEC registered and FINRA-member broker-dealer. Clients can choose to engage PUA's representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.

- Conflict of Interest: The recommendation by PUA's representatives that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from PUA's representatives. Clients can purchase investment products recommended by PUA through other, non-affiliated broker-dealers.

Neither PUA, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

#### Other Financial Industry Affiliations

Insurance Agency. PSI is registered as an insurance agency in various states and is capable of selling life and health insurance to customers. Many of PSI's management, employees and representatives are appointed with insurance carriers to sell insurance products. The firm primarily sells life insurance, various annuity products and long term care insurance to individual customers.

- Conflict of Interest: The recommendation by PUA's representatives that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. However, in the case of PUA FPs, this conflict of interest is mitigated by the fact that a client must have an insurable interest to obtain an insurance policy and PUA FPs are prohibited from including any insurance product sold to a client in the value of assets under management used to calculate advisory fees. No client is under any obligation to purchase any commission products from PUA's representatives. Clients can purchase insurance products recommended by PUA through other, non-affiliated insurance agents.

Broker-Dealer: PSI is a member of FINRA and an SEC-registered broker-dealer and engages in the purchase and sale of securities to public customers such as individuals, pension and profit sharing plans, and corporate, trust, estate and retirement accounts. However, PSI does not act as broker-dealer or custodian for any advisory account for which PUA provides services as an investment adviser.

Banking Institution: PUA is a wholly owned subsidiary of People's United, which is owned by People's United Financial, Inc., a publicly reporting company.

- Conflict of Interest: PUA provides services to customers of People's United in accordance with the terms of this Brochure, which can present a potential conflict of interest between PUA and its owner. In the event of an actual conflict of interest between PUA and People's United, PUA personnel with sufficient knowledge of the conflict of interest will discuss the issue with you and then PUA will determine, in its discretion, whether it can continue the relationship with you. If PUA determines that it cannot continue the relationship with you, it will terminate the relationship after providing reasonable assistance to you in connection with transitioning the account away from the firm.

#### Selection of Other Investment Advisers

PUA may allocate a client's investable assets among other independent investment advisers (collectively, the "Outside Managers") to provide services to such PUA client accounts. In the event that PUA utilizes Outside Managers in this manner, PUA will continue to provide management services to the client, and will continue to receive compensation for its provision of such services.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

- A. PUA maintains an investment policy that governs its employees' personal securities transactions that relates to PUA's overall Code of Ethics, which serves to establish a standard of business conduct for all PUA employees that is based upon fundamental principles of openness, integrity, honesty, and trust. A copy is available upon request.

PUA also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by PUA or any person associated with it.

- B. PUA does not make any recommendations for common stock of People's United Financial, Inc. (ticker "PBCT"), but certain clients have requested, and may in the future request, that PUA purchase shares of PBCT. This creates a potential conflict of interest for the firm, including the conflict that arises from the firm being in a position to provide recommendations and advice relative to the stock of its parent company. To address this conflict of interest, PUA does not: (a) recommend, supervise or monitor PBCT, and (b) bill its investment advisory fee on the portion of assets invested in PBCT.

- C. PUA and/or representatives of PUA may buy or sell securities that PUA also recommends to clients. This practice creates a situation where PUA and/or representatives of PUA are in a position to materially benefit from the sale or purchase of those securities through practices such as insider trading, "front-running" (i.e., personal trades executed prior to those of PUA's

clients) and other potentially abusive practices. Therefore, this situation creates a potential conflict of interest. PUA has adopted policies to detect and prevent such activities.

PUA has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of PUA's "Access Persons." An Access Person of PUA must provide the Chief Compliance Officer or his/her designee with a report of their current securities holdings within ten (10) days after becoming an Access Person and quarterly thereafter.

- D. In certain instances, PUA and/or representatives of PUA are permitted to buy or sell securities in their personal accounts, at or around the same time as PUA recommends those securities to clients. This practice creates a situation where PUA and/or representatives of PUA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, PUA monitors the personal securities transactions and securities holdings of each of its Access Persons.

## ITEM 12: BROKERAGE PRACTICES

As mentioned in Item 4, our advisory services can generally be broken down into two primary categories, (1) PUA Advisory Services, and (2) Third-Party Manager Advisory Services. The particular brokerage practices for each of these separate service types is described in further detail below:

### PUA Advisory Services – Brokerage Practices

As part of its PUA Advisory Services, unless you direct PUA to use a specific broker-dealer/custodian, PUA generally recommends that you maintain investment management accounts at Fidelity, Schwab, TD and/or Pershing. Prior to engaging PUA to provide investment management services, you will be required to enter into a formal Investment Advisory Agreement with PUA setting forth the terms and conditions under which PUA will manage your assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that PUA considers in recommending Fidelity, Schwab, TD and/or Pershing (or any other broker-dealer/custodian to clients) include historical relationship with PUA, financial strength, reputation, execution capabilities, pricing, research, and service. PUA seeks to obtain best execution for clients' securities trades. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although PUA will seek competitive rates, it will not necessarily obtain the lowest possible commission rates for client account transactions. Commissions or transaction fees are exclusive of, and in addition to, PUA's investment management fee. PUA's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Legacy Securities: When clients seek to fund their account with Legacy securities, PUA reserves the right to refuse to accept certain Legacy securities. If PUA accepts Legacy securities, it generally sells all or a portion of them if they would not be included in PUA's portfolio holdings for the client's account or they otherwise conflict with account guidelines. PUA may sell all or a portion of Legacy securities immediately or over time as sale opportunities occur. Depending on the size of the client's holding and the type of Legacy security, the sale price could be lower than if the sale involved a larger or more liquid position. The client will be responsible for all taxes that result from any sale of Legacy securities, and PUA will not take into account the capital gains tax treatment of Legacy securities.

Terminating Accounts: Clients who terminate their agreement with PUA may instruct PUA to transfer their securities to another account, or sell them. When clients instruct PUA to sell their securities, PUA may need to sell odd lot sizes and be unable to aggregate a client's order with orders of other clients. As a result, the sale price could be lower than if the sale involved a larger or more liquid position.

Soft Dollar Arrangement: In return for effecting securities transactions through a particular broker-dealer/custodian, PUA will receive certain investment research products or services that assist PUA in its investment decision-making process for the client (generally referred to as a "soft-dollar" arrangement). Investment research products or services PUA receives include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and pricing services. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where PUA determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received.

Accordingly, while PUA will seek competitive rates, it will not necessarily obtain the lowest possible commission rates for client account transactions. Generally, PUA will use the investment research products or services it obtains to service all of PUA's clients, but a specific client's brokerage commission may be used to pay for research that is not used in managing that specific client's

account. When investment research products or services have both a research and non-research (i.e., administrative, etc.) function, PUA will make a reasonable allocation of the cost of the product or service according to its use – the percentage of the product or service that provides assistance to PUA's investment decision-making process will be paid for with soft dollars while PUA will pay the portion that provides administrative or other non-research assistance with hard dollars.

PUA's Chief Compliance Officer remains available to address any questions regarding the above arrangements and the potential corresponding conflict of interest presented by them.

Research and Additional Benefits: PUA receives from broker-dealer/custodians or other vendors certain services and/or products without cost (and/or at a discount). These services and/or products assist PUA with monitoring and servicing client accounts and include investment-related research, pricing information and market data, financial planning and other types of software, and technology that helps provide access to client account data.

PUA will also receive compliance and/or practice management related publications, discounted or gratis consulting services, computer hardware and/or software and/or other products PUA uses in furtherance of its investment advisory business operations.

To assist PUA to manage and further develop its business enterprise, PUA will receive discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events. PUA will also accept reimbursement for marketing costs, such as expenses for meetings attended by PUA clients. PUA will also receive reimbursement of costs related to the transition to broker-dealer/custodians or other vendors it will employ.

However, regarding any of the services and/or products it receives mentioned above, PUA makes no corresponding commitment to any broker-dealer/custodian or any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products. Further, the broker dealer/custodian provides the services and/or products mentioned above to PUA regardless of the amount of assets custodied or execution directed to the broker dealer/custodian.

Conflict of Interest: When PUA receives research, products or services from a broker-dealer PUA receives a benefit because PUA does not have to produce or pay for the research, products or services. PUA has an incentive to select or recommend a broker-dealer based on PUA's interest in receiving the research or other products or services, rather than on your interest in receiving most favorable execution. It is possible that clients will pay higher commission costs due to PUA's use of that research, or those products or services. PUA believes that it has mitigated these conflicts by (a) not entering into soft dollar arrangements where the research or services it receives from a broker-dealer or custodian are tied to any particular level of execution or amount of assets custodied, and (b) only receiving research, products or services that are provided to all parties who utilize that broker-dealer or custodian, regardless of the amount of assets custodied or execution directed to that broker-dealer or custodian. PUA's Chief Compliance Officer remains available to address any questions regarding the above arrangements and the potential corresponding conflict of interest presented by them.

Directed Brokerage: PUA does not generally accept directed brokerage arrangements (when a client requires that a specific broker-dealer effect account transactions). In such client-directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and PUA will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other client accounts. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. If a client directs PUA to effect securities transactions for the client's accounts through a specific broker-dealer, this direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client not directed PUA to use a specific broker-dealer.

For accounts over which PUA has investment discretion, PUA may combine trades of a single security into a block in order to achieve beneficial execution and/or commission rates for our clients. PUA will allocate shares to all of the accounts involved in the block trade on a pro-rata basis. PUA may trade block trades, which in PUA's opinion will have an appreciable market impact – for example, a thinly traded stock, a trade that represents a large percentage of the current daily volume, or a trade originated near the market's close at different times and/or days to achieve the above-stated objective.

### **Third-Party Manager Advisory Services – Brokerage Practices**

Under its Third-Party Manager Advisory Services, each of the Managed Advisory Portfolio Programs use specific custody and broker-dealer services as described in Item 4.

Research and Other Benefits: When PUA FPs place client assets in a Managed Advisory Portfolio Program it will receive certain research products and/or services which assist PUA in its investment decision-making process. Generally, PUA will use such research to service all of PUA's clients, but PUA will also receive research that it does not use in managing all or some of PUA's client accounts. Investment research products and/or services received by PUA may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; and statistical and pricing services.

Conflict of Interest: When PUA receives research, products or services from a Managed Advisory Portfolio Program, PUA receives a benefit because PUA does not have to produce or pay for the research, products or services. PUA believes it that has addressed these conflicts by (a) not entering into soft dollar arrangements where the research or services it receives from a Managed Advisory Portfolio Program is tied to any particular level of execution or amount of assets custodied, (b) only receiving research, products or services that are provided to all parties who utilize that Managed Advisory Portfolio Program, regardless of the amount of assets custodied or execution directed to that Managed Advisory Portfolio Program.

## **ITEM 13: REVIEW OF ACCOUNTS**

As mentioned in Item 4, our advisory services can generally be broken down into two primary categories, (1) PUA Advisory Services, and (2) Third-Party Manager Advisory Services, and the account review practices for each of these separate service types is described in further detail below:

### **PUA Advisory Services – Account Review Practices**

PUA conducts account reviews for discretionary clients on an ongoing basis. Clients should advise PUA of any changes in their investment objectives and/or financial situation. All clients should review their financial planning issues (to the extent applicable), investment objectives and account performance with PUA on an annual basis. Clients are encouraged to contact their individual investment advisory representative for assistance.

PUA may conduct account reviews outside of a periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request.

The broker-dealer/custodian and/or program sponsor for your accounts directly provide you with transaction confirmation notices and/or regular summary account statements. PUA at times sends discretionary clients a periodic report summarizing account activity and performance.

### **Third-Party Manager Advisory Services – Account Review Practices**

#### **Account Reviews:**

For the Managed Account Solutions Programs, SEI Programs (including SEI Asset Allocation Program and SEI Managed Solutions), and Morningstar Managed Portfolio Programs, reviews will be conducted by a PUA FP at least annually to update your investment objectives, risk tolerance and financial and tax circumstances to determine whether your investment strategy remains suitable.

Although PUA will be solely responsible for the suitability of your selected investment model, it will not be responsible for the monitoring or suitability of trading or holdings of individual securities within your selected investment model.

PUA does not provide continuous and regular supervisory or management services to your accounts. As referenced above, PUA will provide account reviews at least annually to determine ongoing suitability of your selected investment model.

#### **Account Reports:**

For the Managed Account Solutions Program, NFS is responsible for sending client trade confirmations and acting as the transfer agent and custodian of your account. The custodial account statement shows an inventory of trade executions, securities, including as-of-date market values, cash balances, fees and expenses charged to your account and account activities during the most recent quarter.

For the SEI Asset Allocation Program and SEI Managed Account Solutions Program, SEI Trust Company acts as the transfer agent and custodian of your account. SEI Trust Company provides reporting services, including consolidated monthly statements, quarterly performance reports, and year-end tax reports.

For the Morningstar Managed Portfolio Program, MIS acts as the transfer agent and custodian of your account for the MS Program – Mutual Funds. MIS provides reporting services including consolidated, quarterly performance reports and year-end tax reports. MIS acts as the transfer agent of your account for the MS Program – ETF and MS Program – Select Equity. MIS provides reporting services including consolidated, quarterly performance reports and year-end tax reports. Clients invested in the MS Program – ETF or the MS Program – Select Equity will also receive transaction confirmation notices and regular account statements directly from the broker-dealer/custodian for the client's account.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

- A. In connection with its PUA Advisory Services, PUA receives an economic benefit from broker-dealers/custodians in the form of support services and/or products without cost and/or at a discount. Please see Item 12 above for further details.

Further, for its PUA Advisory Services, when BNY Mellon maintains PUA account assets, Matrix Trust Company ("Matrix") often holds the mutual funds contained within these accounts. When Matrix maintains mutual funds within non-ERISA accounts managed by PUA, Matrix, in consideration reasonably commensurate for the services provided by People's United to the mutual funds, passes along to People's United a portion of the administrative service fees Matrix receives from applicable mutual fund companies. The fees People's United receives are minimal, and they are not a factor or an inducement in deciding where PUA maintains the assets of its client accounts. Further, non-ERISA accounts managed by PUA can include money market funds where People's United provides administrative services to the money market fund providers. In consideration reasonably commensurate for these services, People's United receives a fee directly from the money market fund based upon the amounts invested, prorated daily. The fees People's United receives are minimal, and they are not a factor or an inducement in selecting money market funds for accounts managed by PUA.

In connection with its Third-Party Manager Advisory Services, see the discussion in Item 12 above regarding the benefits received by PUA from the broker-dealer or custodian for client accounts.

In connection with all of its advisory services, PUA may refer a client that it determines may benefit from services provided by other divisions and/or subsidiaries of People's United. If PUA refers a client to other divisions or subsidiaries of People's United, PUA or its representatives may receive referral compensation.

- B. Compensation to Unaffiliated Parties. PUA may pay unaffiliated solicitors for introducing clients to PUA. Referral fees are paid solely from the investment management fee, and do not result in any additional charge to the client. The solicitor's disclosure document, provided to the client at the time of the introduction, describes the compensation paid to an unaffiliated solicitor.

Compensation to Affiliated Parties. People's United may refer a client to PUA that it determines may benefit from services provided by PUA. If People's United refers a client to PUA, PUA may pay People's United a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities law requirements.

Referrals from Third Parties. From time to time, PUA accepts client referrals from various registered representatives of brokerage firms. When these representatives refer an account to PUA, PUA has a potential conflict of interest between its duty to the client to obtain the most favorable commission rates available under the circumstances and its desire to obtain future referrals from that registered representative or brokerage firm.

Referral fees create a potential conflict of interest between the interests of PUA, the solicitor and the client. PUA addresses this conflict by (a) reviewing the suitability of referred client accounts; and (b) disclosing the nature of the referral and the compensation involved.

## ITEM 15: CUSTODY

In connection with its PUA Advisory Services, clients receive account statements directly from the broker-dealer/custodian and/or program sponsor and should carefully review those statements. PUA urges clients that receive account statements from PUA to compare these statements with the account statements received from the custodian. PUA deducts its investment management fee from client accounts. The account custodian does not verify the accuracy of PUA's advisory fee calculation. PUA engages in practices and/or services on behalf of its clients that require disclosure at the Custody section of Part 1 of Form ADV. These practices and/or services subject PUA to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended.

In connection with its Third-Party Manager Advisory Services, a qualified custodian maintains PUA-TPM client assets. The client authorizes the qualified custodian to deduct and direct payment of PUA's advisory fee directly from the client's custodial account. Each client will receive account statements directly from the qualified custodian on at least a quarterly basis. PUA urges each client to carefully review the account statement they receive from the qualified custodian. PUA does not act as qualified custodian for any advisory account for which it provides services as an investment adviser.

## ITEM 16: INVESTMENT DISCRETION

In connection with its PUA Advisory Services, before PUA assumes discretionary authority over your account, you must execute an Investment Advisory Agreement, naming PUA as your attorney and agent in fact, granting PUA full authority to buy, sell, or otherwise effect investment transactions involving the assets in your name found in the discretionary account. Clients who engage PUA on a discretionary basis may, at any time, impose restrictions, in writing, on PUA's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe PUA's use of margin, etc.). If PUA believes that it cannot adequately manage the client's assets under the restrictions imposed, PUA will inform the client and terminate the Investment Advisory Agreement in accordance with its terms.

In connection with its Third-Party Manager Advisory Services, PUA FPs do not have discretion over client accounts. Client accounts invested in Managed Account Solutions, Gerstein Fisher Managed Solutions, SEI Asset Allocation Program, SEI Managed Account Solutions, and Morningstar Managed Portfolio Programs are discretionary accounts, where the portfolio manager of the individual programs has discretion provided by the client under the terms of the terms and conditions of the advisory agreements to otherwise place trades, rebalance and execute manager changes on the client's behalf. PUA FPs have the authority to change the investment model within the same Managed Advisory Portfolio Program, in keeping with the client's investment objective and risk tolerance. In no event shall the PUA FP, portfolios managers or any of the programs listed above be authorized as client's attorney-in-fact, to withdraw money, securities or any other assets from the client's account without the express consent of the client.

## **ITEM 17: VOTING CLIENT SECURITIES**

In connection with its PUA Advisory Services, you should review your advisory agreements with PUA to determine if PUA has accepted responsibility to vote proxies on your behalf. When PUA has accepted responsibility to vote proxies, PUA's Proxy Committee bears responsibility for voting proxies within the context, interpretation and application of PUA's Proxy Guidelines. PUA notes that a decision relative to voting with or against management on a proxy may differ from a decision as to the merits of investing in that corporation. Regarding employee pension benefit plans subject to ERISA for which PUA is a fiduciary with investment management responsibilities, PUA will always vote proxies in the sole interest of plan participants and beneficiaries. Where an account holds common stock of People's United Financial Corporation, PUA will send proxy materials to the account owner, the co-fiduciary, or the grantor of a revocable trust for voting by such person. Upon request, PUA will provide you with information regarding how PUA voted your proxies and will provide a copy of its proxy voting policies and procedures. To obtain this information, please write to PUA's Chief Compliance Officer. In instances where PUA has not accepted responsibility to vote proxies, you will receive your proxies or other solicitations directly from your custodian. You may contact PUA to discuss any questions they may have with a particular solicitation.

PUA's Proxy Committee has adopted a set of voting guidelines provided by an unaffiliated third-party firm with which it has contracted to vote proxies on its behalf. Generally, PUA votes proxies based on the recommendations generated through the firm's applications of the voting guidelines and such votes are cast automatically through the third-party firm. However, PUA's Proxy Committee retains discretion to vote contrary to recommendations generated through application of the voting guidelines if PUA/PUA's Proxy Committee determines such an override is in the best interests of clients. PUA's Proxy Committee could override the guidelines if, for example, additional information becomes available that materially impacts PUA's determination regarding the best interests of its clients with respect to a particular proxy vote.

PUA's proxy voting policies and procedures provide for the identification of potential conflicts of interest that may occur due to business, personal or family relationships, determination of whether the potential conflict is material, and establish procedures to address material conflicts of interest. In cases of material conflict of interest, PUA will send the proxy materials to the account owner to vote the proxy.

In connection with its Third-Party Manager Advisory Services, PUA does not vote client proxies. Clients are responsible for: (1) voting proxies, and (2) making all elections for mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact PUA to discuss any questions they may have with a particular solicitation.

## **ITEM 18: FINANCIAL INFORMATION**

- A. PUA does not solicit fees of more than \$1,200 per client, six months or more in advance.
- B. PUA is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. PUA has not been the subject of a bankruptcy petition.

ANY QUESTIONS: PUA's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements, and corresponding conflicts of interest.



People's United Advisors, Inc. is a registered investment adviser and a wholly-owned subsidiary of People's United Bank, N.A. whose principal mailing address is at 850 Main Street, Bridgeport, Connecticut 06604.

The investment products and services offered by People's United Advisors Inc., are:

- **Not Insured by FDIC or any Federal Government Agency**
- **Not a Deposit of or Guaranteed by a Bank or any Bank Affiliate**
- **May Lose Value**