



## Wrap Fee Program Brochure

Form ADV – Part 2A Appendix 1 Information

July 26, 2021

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This wrap fee program brochure provides information about the qualifications and business practices of UMB Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at 1.800.842.9999. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about UMB Financial Services, Inc., including a copy of its Form ADV Part 1, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

UMB Financial Services, Inc. is a SEC Registered Investment Adviser. Registration does not imply a certain level of skill or training.

UMB Financial Services, Inc.  
Member FINRA, SIPC

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## Item 2 – Material Changes

Beginning on July 26, 2021, UMB Financial Services, Inc. (UMBFSI) transitioned the platform used to service Managed Account Solution customer accounts from the Envestnet Platform to the Fidelity Managed Account Xchange (“FMAX”) Platform. As part of this transition, all existing UMB Fund Advisor (“Fund Advisor”) and UMB Advisor Select (“Advisor Select”) Program accounts were moved to the FMAX Platform. While this is a material change to the UMBFSI’s Managed Account solutions program, the management of Fund Advisor, Advisor Select and Institutional Fixed Income accounts has not changed. Those programs continue to use the same portfolio manager, security selection process, eligible asset lists, portfolio evaluations and ongoing oversight, and other related account management factors.

UMBFSI will continue to offer the Fund Advisor Program to existing and prospective clients, but will also now be able to provide additional FMAX Platform investment options, including the Fund Strategist Portfolio Program (“FSP Program”), the Separately Managed Account Program (“SMA Program”), and the Unified Managed Account Program (“UMA Program”). These Advisory Programs are described in more detail below.

As described in the UMB Managed Account Solutions Program Fees section below, all accounts serviced on the FMAX Platform are assessed a Platform fee that provides access to the FMAX Platform, clearing, custody and execution services. This fee varies, depending upon the selected advisory program and account size, is separate from the Managed Account Solutions Program fee, and only covers the Platform fees charged to UMBFSI by the Platform Manager, Fidelity Institutional Wealth Adviser LLC (“FIWA”). It is important to note that all existing accounts transitioned from the Envestnet Platform to the FMAX platform will not be charged more in fees than were historically assessed, and the fees associated with the Institutional Fixed Income Program will not change because of the unique nature of those accounts and they are not serviced on the FMAX Platform.

While the UMB Fund Advisor and Advisor Select Program have transitioned to the FMAX platform, these two programs are considered “private” programs, added to the FMAX platform at the request of UMBFSI, and are only available to UMBFSI associates for recommending to UMBFSI clients or prospective clients. As a private program, the ongoing oversight and management of the Fund Advisor and Advisor Select Programs has not changed as part of the transition, and varies from other investment managers available within the FMAX Program, as described in this brochure.

Please contact your local UMB Financial Services Advisor, or give us a call at 1.800.842.9999, if you have any questions about the contents of this brochure or this material change. You may also contact Jeff Maxwell, Chief Administrative Officer for UMB Financial Services, Inc. at 816.860.8790, or send an email request to [jeffrey.maxwell@umb.com](mailto:jeffrey.maxwell@umb.com) to receive a copy of our current brochure. We will provide you with a new brochure at any time without charge.

Additional information about UMBFSI is available on the Internet at <https://adviserinfo.sec.gov/>. You can search this site by either entering either “UMB Financial Services” or UMBFSI’s unique identifying CRD number, which is 17073, into the “Firm” search box.

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## **Item 4 – Services, Fees and Compensation**

UMB Financial Services, Inc. (“UMB Financial Services” or “UMBFSI”) is a broker-dealer registered with the SEC under the Securities Exchange Act of 1934, an investment adviser registered with the SEC, and a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

In addition to offering investment advice, UMBFSI offers products and services, including corporate bonds, equities, mutual funds, exchange traded funds (“ETFs”), municipal securities, government bonds, variable annuities and options.

There are important differences between brokerage and investment advisory services, including the type of advice and assistance provided, the fees charged, and the rights and obligations of the parties. It is important that you consider this information in the context of your personal risk tolerance and investment goals. This brochure discusses UMBFSI’s advisory services and it provides information that you should consider before becoming a client of the UMB Managed Account Solutions Program.

### **A. UMB Managed Account Solutions Program**

UMBFSI sponsors the UMB Managed Account Solutions Program (“MAS Program”), which consists of four investment advisory program options, depending upon what is appropriate for a client, including the FMAX Program (“FMAX”), UMB Fund Advisor (“Fund Advisor”), UMB Advisor Select (“Advisor Select”), or the UMB Institutional Fixed Income Program (“Fixed Income Program”). Financial Advisors are representatives of UMBFSI.

In the MAS Program, a Financial Advisor uses a thorough review process to understand a client’s investment needs and goals. In order to develop an overall investor suitability profile, the Financial Advisor will review and evaluate a client’s financial position and goals, risk tolerance, time horizon as well as other pertinent information identified through completion of an investment questionnaire (the same “risk tolerance questionnaire” or “questionnaire” is used for the FMAX, Fund Advisor and Advisor Select Programs) or within an institutional customer’s Investment Policy Statement (“IPS”) (used for the Institutional Fixed Income Program).

As a result of this assessment, the Financial Advisor will assist clients and prospective clients in selecting the appropriate MAS program option and will assist institutional customers with implementing an investment strategy meeting client-specific IPS directives within the UMB Institutional Fixed Income Program guidelines. Entities eligible for the UMB Institutional Fixed Income Program include institutions, corporations, municipalities and investment advisory firms.

The asset allocation models and list of eligible assets varies, depending upon the selected program. FMAX Platform Investment Managers each develop and maintain their list of Eligible Assets, and FIWA completes a proprietary research process to identify mutual funds and exchange traded funds to include on the FMAX Platform for potential use within the UMA and SMA Programs. Fund Advisor and Advisor Select asset allocation models and the related approved list of Eligible Assets are created and maintained by UMB Bank, n.a.’s (an affiliate of UMBFSI) Investment Management Division (“UMB Investment Management”). Within the Institutional Fixed Income Program, municipal bond credit rating requirements, municipal portfolio residency controls and issuer limitations for the Institutional Program’s fixed income investments are aligned with UMB Bank, n.a.’s Fixed Income Group’s asset management practices.

MAS accounts are serviced through a brokerage account with UMBFSI. This brokerage account will be used to execute transactions and hold MAS account assets. UMBFSI is an introducing firm and clears through National Financial Services, LLC (“NFS”). As the clearing firm, NFS executes the security transactions in the account and is the custodian of the assets in the account.

UMBFSI has a signed agreement with NFS documenting UMBFSI has entered into a Fidelity Managed Account Xchange Agreement with NFS’s affiliate, Fidelity Institutional Wealth Adviser LLC (“FIWA”), which sets forth the terms upon which UMBFSI may access and use the FMAX Platform to provide MAS Client accounts with investment advisory and administrative

services. Furthermore, the agreement authorizes and instructs NFS to collect program fees from accounts in accordance with the terms of the FMAX Agreement. UMBFSI has a signed FMAX agreement with FIWA, which outlines UMBFSI's access and use the FMAX Platform to provide investment advisory and administrative services to UMBFSI's clients or prospective clients. The FMAX platform utilizes services offered by Envestnet Asset Management, Inc. ("Envestnet"), an unaffiliated investment adviser, to provide overlay management of the portfolios, model implementation (trading, rebalancing, etc.) and administrative duties, including billing services. The fees for Envestnet's services are included in the FMAX Platform Fee. As the clearing firm for UMBFSI, NFS provides certain accounting and other software to UMBFSI in connection with client securities transactions. UMBFSI compensates NFS out of the MAS Program Fee. Please refer to the Managed Account Solutions Program Fees section below for additional information about fees associated with your account.

UMBFSI officers often consult with UMB Investment Management groups responsible for developing Fund Advisor model portfolios' allocation to various asset classes and selecting securities held within the Fund Advisor model portfolio. UMBFSI Officers cannot be members of the group that approves those selections.

### **FMAX Program Services**

The FMAX Platform provides clients with various investment vehicle options, including the Fund Strategist Portfolio Program ("FSP Program"), the Separately Managed Account Program ("SMA Program"), and the Unified Managed Account Program ("UMA Program"). FIWA sponsors the platform used for the FMAX Program. UMBFSI is the FMAX program sponsor and investment managers available on the platform manage their respective model portfolios.

In the FSP Program, Financial Advisors can select from a variety of investment manager model portfolios on the FMAX Platform, comprised of Mutual Funds (MF) and/or Exchange Traded Funds (ETFs).

In the SMA and UMA Programs, Financial Advisors can select from a variety asset allocation models, and within those models select from pre-screened investment options. Specifically, the SMA program provides investors access within multiple accounts to individual stocks or bonds through professionally managed portfolios, and also allows advisors to combine SMAs with MFs and/or ETFs. The UMA Program provides investors access within a single account to multiple investment products, including MFs, ETFs, FSPs and SMAs.

Within whichever investment vehicle chosen, a client can include reasonable investment restrictions in an account; however, a client cannot direct the portfolio manager to buy or sell specific securities. Account restrictions often result in account performance varying from model portfolio returns.

### **Investment Services**

The FMAX Program is considered a discretionary program, with financial advisors responsible for obtaining and evaluating the client's financial resources, risk tolerance, and investment objectives, and utilizing that information to develop a personalized and appropriate investment strategy recommendation and allocation within the FSP, SMA or UMA Programs. Within each Program, there are many different investment strategies offered that fit the needs of clients with varying risk profiles. A client's risk profile is determined through the completion of a "risk tolerance questionnaire" that assigns the customer a risk score, which falls into a range of risk scores established for each respective investment strategy. FIWA utilizes a proprietary risk-assessment system that assigns a risk score to all securities and model portfolios on the FMAX platform to ensure that all program options fall within the appropriate investment strategy risk category.

While the investment services offered through the FMAX Program are considered discretionary, all account allocation and investment strategy decisions are agreed upon by the client before implementation, and Financial Advisors do not have discretion over the management of investment manager's model portfolios. Those investment managers have full discretionary authority over the development and implementation of their portfolios, allowing investment managers to make all investment decisions pursuant to the investment strategy selected and, when they deem appropriate, to buy, sell, exchange, convert and otherwise trade assets meeting the model's investment objectives and/or asset allocation parameters. These transactions occasionally have tax consequences. Please consult your tax adviser for more

information.

Financial Advisor's may recommend Environmental, Social and Governance (ESG) model portfolios managed by FMAX Platform Investment Managers. Each Investment Manager offering an ESG product has a proprietary process when developing and identifying securities to hold in their ESG model. While each investment manager's process is unique, factors considered when identifying holdings for ESG model portfolios may include:

- Environmental: Emissions, energy usage, energy mix, water usage, environmental policies and oversight, and investments in climate-related infrastructure.
- Social: CEO pay ratios, gender pay ratios, employee turnover, gender diversity, part-time worker ratios, non-discrimination practices, injury rates, and child labor and human rights policies.
- Governance: Corporate board diversity, board independence, collective bargaining agreements, supplier code of conduct requirements, ethics and anti-corruption policies, data privacy, and financial transparency.

Investment managers' interpretation of ESG factors and the application of their respective process is subjective and may evolve over time. Each asset held within an ESG portfolio exhibits varying risk and return characteristics due to the potential diversity of securities included in the model portfolio and other criteria outlined in the prospectus, as applicable. Additionally, due to the screening process for securities and funds held within the ESG portfolios, the portfolio holdings will differ from the applicable benchmark and the returns will vary accordingly, either outperforming or underperforming at any time. All investments involve risk, including the possible loss of principal. Past performance is no guarantee of future results. Depending upon a client's unique facts and circumstances, including an ESG investment as part of an investment portfolio can provide additional diversity.

If a client agrees with the program recommendation, the financial advisor will then allocate assets to the agreed-upon strategy. Purchases and sales occurring within a client account are based on (i) the asset allocation selected by the financial advisor, (ii) the composition of the model portfolios provided by any model providers used in the portfolio, and/or (iii) instructions of the financial advisor as to weighting of any Funds. For all Programs, the client directly owns the underlying individual securities or funds.

Accounts are periodically rebalanced so that the allocation of assets within model portfolios and to selected mutual funds or ETFs, as included in a client's account, continues to adhere to the allowed drift parameters around the initial asset allocation. While there is a standard allowed drift percentage of 2% from an investment manager's model portfolio allocations, investment managers may specify higher allowable drift percentages. Please discuss rebalancing practices with your financial advisor for the drift parameters applicable to your specific allocation. Rebalancing occasionally has tax consequences for your account. Please consult your tax adviser for more information.

### **Eligible Assets**

As described in the Portfolio Manager Selection and Evaluation section below, FIWA utilizes a proprietary quantitative and qualitative approval process to identify securities and investment managers to include on the FMAX platform, evaluating four factors for each security and manager, including cost, performance, style alignment, and people and process consistency. Each investment manager on the Platform develop their respective eligible asset list, but all securities, held within model portfolios or otherwise available on the FMAX Platform, are evaluated as part of FIWA's assessment. Once added to the platform, FIWA periodically monitors these four factors, with quantitative factors updated and reviewed on a quarterly basis and qualitative factors monitored on a daily basis.

FIWA's screening process and model portfolio holdings can change over time, resulting in different asset classes being available over time on the Platform. Depending upon the program selected, client accounts can include a variety of securities, including but not limited to, common or preferred stocks, convertible stock, mutual funds, corporate and municipal bonds, government securities, Exchange Traded Funds, money markets, real estate investment trusts, and ADRs.

An exchange-traded fund, or ETF, is an investment vehicle that combines certain features of a mutual fund and an individual stock. An ETF is an open-end fund that invests in a portfolio of securities that typically tracks a particular index, similar to an index fund. Also, like an index fund, an ETF provides broad diversification. Unlike a mutual fund, an ETF is traded like a stock on a stock exchange and can be bought or sold at any time during market hours.

### **Plan Review**

Annually, Financial Advisor will contact clients to review and confirm the client's current financial situation and objectives, using the same risk tolerance questionnaire that was used when becoming a Program client. Clients are asked to promptly notify UMBFSI of any material changes in the information furnished in the questionnaire.

### **UMB Fund Advisor Program Services**

The UMB Fund Advisor Program is a discretionary investment advisory program where you appoint the portfolio manager to invest, reinvest and otherwise manage, at their discretion, the securities in your account based upon the investment objectives selected by you. You can include reasonable investment restrictions, not to account exceed 10% of your account's total market value; however, you cannot direct the portfolio manager to buy or sell specific securities. Account restrictions often result in account performance varying from model portfolio returns.

### **Investment Services**

Your Financial Advisor will assist you in selecting one of a number of model portfolios created and maintained by UMB Investment Management upon the completion of an investment questionnaire. Each model portfolio is constructed by using one of the asset allocation models and a selection of securities listed on the approved list of Eligible Assets, representing various investment styles and asset classes.

UMB Investment Management serves as the portfolio manager for the UMB Fund Advisor Program. UMB Investment Management selects and monitors the funds in the UMB Fund Advisor Program for performance, adherence to investment style and changes in management. UMB Investment Management selects and monitors equities and preferred stock held in the UMB Fund Advisor Program through utilizing a proprietary portfolio selection process and ensures an ongoing adherence to a proprietary 10-point assessment process for equities and ongoing credit worthiness for preferred stock. UMB Investment Management receives initial and updated information about each client, including any reasonable investment restrictions on the management of a client's account.

In addition to undergoing UMB Investment Management's performance, style and management reviews, securities selected for the Environmental, Social and Governance (ESG) portfolio are subject to additional screens and analysis, including the exclusion of any funds holding alcohol, tobacco, gambling, weapons or nuclear positions. Moreover, funds selected for ESG portfolios are evaluated against a proprietary assessment of additional characteristics, including, but not limited to:

- **Environmental:** The environmental analysis includes a review of various factors such as emissions, energy usage, energy mix, water usage, environmental policies and oversight, and investments in climate-related infrastructure.
- **Social:** Social factors considered can include CEO pay ratios, gender pay ratios, employee turnover, gender diversity, part-time worker ratios, non-discrimination practices, injury rates, and child labor and human rights policies.
- **Governance:** Governance issues evaluated can evaluate board diversity, board independence, collective bargaining agreements, supplier code of conduct requirements, ethics and anti-corruption policies, data privacy, and financial transparency.
- **Principals of Responsible Investment:** These principals describe possible actions for incorporating ESG issues into investment practice. Fund managers included in UMBFSI's ESG portfolio are typically signatories to these principals.



- **Morningstar Sustainability Rating:** This a rating is a measure of how well the holdings in a portfolio are managing their environmental, social, and governance, or ESG, risks and opportunities relative to their Morningstar Category peers.

UMB Investment Management's interpretation of ESG factors and the application of this process is subjective and may evolve over time. Each fund held within the ESG portfolio exhibits varying risk and return characteristics due to the potential diversity of securities held within each fund and other criteria outlined in the prospectus. Additionally, due to the screening process for funds held within the ESG portfolio, portfolio holdings will differ from the applicable benchmark and the returns will vary accordingly, either outperforming or underperforming at any time. All investments involve risk, including the possible loss of principal. Past performance is no guarantee of future results. Including an ESG investment as part of an investment portfolio provides additional diversity.

UMB Investment Management will buy, sell or exchange approved eligible securities without prior consultation with you and these transactions occasionally have tax consequences. Please consult your tax adviser for more information. UMB Investment Management will rebalance your account periodically so that the allocation of assets to particular asset classes, and to particular funds, equities or preferred stock, continues to adhere to the model portfolio. Rebalancing occasionally has tax consequences for your account. Please consult your tax adviser for more information.

### **Eligible Assets**

UMB Fund Advisor "Eligible Assets" consist of assets that are: (a) load-waived shares or no-load shares of certain open-end investment companies as specified from time to time by UMBFSI (such no-load and load-waived shares collectively referred to as "Mutual Funds"); (b) certain ETFs; (c) cash and cash equivalents (i.e. money market funds and certain short-term fixed income securities) ("Cash Equivalents"); (d) shares of closed-end investment companies; (e) certain equity investments or American Depositary Receipts; and (f) certain preferred or convertible preferred stock. All equity, ADRs, preferred and convertible stocks will be associated with large market capitalization companies.

An exchange-traded fund, or ETF, is an investment vehicle that combines certain features of a mutual fund and an individual stock. An ETF is an open-end fund that invests in a portfolio of securities that typically tracks a particular index, similar to an index fund. Also, like an index fund, an ETF provides very broad diversification. Unlike a mutual fund, an ETF is traded like a stock on a stock exchange and can be bought or sold at any time during market hours.

"Ineligible Assets" include, but are not limited to: (a) convertible bonds, unit investment trusts, and any rights or warrants on equity securities; (b) certain foreign equity securities; (c) options on domestic equity securities or indices, insurance, annuities, limited partnership interests or units, precious metals or other commodities or futures thereon, options on futures, currency options, foreign currency, commercial paper, certificates of deposit, bankers acceptances, certain unit investment trusts, investment company shares, and fixed income securities that are not Eligible Assets as described above.

UMBFSI occasionally adds or deletes classes of securities or assets from the definition of Eligible Assets and Ineligible Assets from time to time, and upon notice to you.

### **Plan Review**

Annually, Financial Advisor will contact clients to review and confirm the client's current financial situation and objectives, using the same risk tolerance questionnaire that was used when becoming a Program client. Clients are asked to promptly notify UMBFSI of any material changes in the information furnished in the questionnaire.

### **UMB Advisor Select Program Services**

The UMB Advisor Select Program is a non-discretionary investment advisory program designed to assist you in devising and implementing an investment strategy tailored to your individual financial circumstances. Your Financial Advisor assists you in evaluating your investment objectives and risk tolerances and will provide you with investment advice based upon your



investment objectives. Neither UMB Investment Management or UMBFSI, nor their affiliated entities, have any investment discretion over your UMB Advisor Select account. You will make the final decision as to the selection of specific Eligible Asset managers for your account and the timing of when your account is rebalanced.

## **Investment Services**

UMBFSI will prepare an investment proposal (the "Proposal") containing investment concepts that are consistent with your investment objectives. The Proposal provides specific advice about implementing investment decisions through Eligible Assets, which cover a spectrum of investments. Information about your risk tolerance, investment objectives and the assets that you have chosen will be documented in a Statement of Investment Selection, which describes the investment advisory services that will be provided to you.

If you notify UMBFSI of a change in your investment suitability and objectives contained in the risk tolerance questionnaire, Proposal or Statement of Investment Selection, or a change in the Eligible Assets held in your account, UMBFSI typically generates a revised Proposal, and if necessary, a new Statement of Investment Selection. With your consent, UMBFSI will then rebalance the UMB Advisor Select account's asset allocation in accordance with the updated information.

Your Financial Advisor will notify you in the event an Eligible Asset held in your account is placed on a Watch List to select a replacement asset or obtain a direction letter if you wish to maintain the asset in your account. In the event you cannot be reached, the asset will be retained in your account.

When an asset is removed from the approved Eligible Asset list or an asset class is removed/added to the asset allocation model selected by you, your Financial Advisor will notify you of the change. You will be required to select a new asset or realign your account to the new asset allocation criteria. In the event your Financial Advisor is unable to contact you after reasonable attempts, or you do not designate a replacement fund or align your account to the new asset allocation requirements, UMBFSI will resign as advisor to your account and your assets will remain in your brokerage account.

UMBFSI will periodically provide you with investment advice, which often includes recommendations regarding investing in Mutual Funds and or ETFs in a manner consistent with your investment objectives. Pursuant to your consent, which shall be obtained prior to each transaction, UMBFSI will place transaction orders in your UMB Advisor Select account.

## **Eligible Assets**

UMB Advisor Select "Eligible Assets" consist of assets that are: (a) load-waived shares or no-load shares of certain open-end investment companies as specified from time to time by UMBFSI (such no-load and load-waived shares collectively referred to as "Mutual Funds"); (b) certain ETFs; (c) cash and cash equivalents (i.e. money market funds and certain short-term fixed income securities) ("Cash Equivalents"); and (d) shares of closed-end investment companies.

An exchange-traded fund, or ETF, is an investment vehicle that combines certain features of a mutual fund and an individual stock. An ETF is an open-end fund that invests in a portfolio of securities that typically tracks a particular index, similar to an index fund. Also, like an index fund, an ETF provides very broad diversification. Unlike a mutual fund, an ETF is traded like a stock on a stock exchange and can be bought or sold at any time during market hours.

"Ineligible Assets" include, but are not limited to: (a) domestic equity and certain other securities, including, but not limited to, common stock, convertible preferred stock, convertible bonds, unit investment trusts, American Depositary Receipts, and any rights or warrants on equity securities; (b) certain foreign equity securities; (c) options on domestic equity securities or indices, insurance, annuities, limited partnership interests or units, precious metals or other commodities or futures thereon, options on futures, currency options, foreign currency, commercial paper, certificates of deposit, bankers acceptances, certain unit investment trusts, investment company shares, and fixed income securities that are not Eligible Assets as described above.

UMBFSI will add or delete classes of securities or assets from the definition of Eligible Assets and Ineligible Assets from

time to time, and upon notice to you.

### **Plan Review**

Financial Advisors contact clients periodically, but not less than annually to review client accounts (“Plan Review”) to help ensure that it remains within appropriate asset allocation parameters. With a client’s consent, Financial Advisors will rebalance accounts, which may result in tax consequences to the client. Please consult your tax adviser for more information.

Financial Advisor also contact clients when an asset is placed on the Watch List or is removed as an Eligible Asset or if there is a new asset allocation model requirement.

### **UMB Institutional Fixed Income Program Services**

The UMB Institutional Fixed Income Program is a discretionary investment advisory program designed to assist you in devising and implementing an investment strategy tailored to your individual financial circumstances. Your Financial Advisor evaluates your Investment Policy Statement, investment objectives, risk tolerance, any reasonable investment restrictions or other specific account instructions to invest, reinvest and otherwise manage, the securities in your account.

### **Investment Services**

Your Financial Advisor will review your Investment Policy Statement, account restrictions, investment objectives and risk tolerance to determine the appropriate asset allocation among eligible fixed income securities, which includes a variety of asset classes. Additionally, Your UMBFSI advisor will monitor your account to compare current portfolio holdings against your defined investment parameters and identified allocation constraints. When necessary, portfolio rebalancing processes may be initiated after evaluating a variety of factors including, but not limited to, cashflow needs, investment policy statement requirements, a security’s time to maturity, whether a transaction is a taxable event and whether the security is an eligible asset or exceeds any Fixed Income Program allocation limitations. Your advisor will notify you if rebalancing your account is not in your best interest after completing that evaluation.

If you notify UMBFSI of a change in your Investment Policy Statement, your financial situation, investment objectives, account restrictions or other related account factors, your financial advisor will evaluate various criteria before rebalancing your account to align your current holdings with updated account information. Factors evaluated before rebalancing will include, but are not limited to, cashflow needs, investment policy statement requirements, a security’s time to maturity, whether a transaction is a taxable event and whether the security is an eligible asset or exceeds any Fixed Income Program allocation limitations. Your advisor will notify you if rebalancing your account is not in your best interest after completing that evaluation, but will rebalance the account if specifically required by your investment policy statement or directed by you, the client.

All investments involve risk, including the possible loss of principal. Past performance is no guarantee of future results.

### **Eligible Assets**

UMB Institutional Fixed Income Program’s “Eligible Assets” include the following asset classes (including any requirements for the respective security type):

- Municipal Bonds (Investment Grade only – rated baa3/BBB- or higher)
- US Treasuries (All are approved)
- US Agencies (All are approved)
- Mortgage Backed Securities (MBS) (Investment Grade Only)
- Certificate of Deposit (FDIC Insured Only)
- Fixed Income Mutual Funds (Institutional shares only, unless you are eligible for a lower fee share class)

- Money Market Funds (All are approved)

The minimum rating allowed for municipal bonds and bond exposure limitations adhere to applicable standards established by UMB Bank's Fixed Income Department for high net worth individual portfolios.

UMB Bank's Investment Management Department develops the list of approved fixed income mutual funds within the fixed income mutual fund category, utilizing a proprietary review process that reviews funds for performance, adherence to investment style and changes in management. Additional details describing that process is included in the "Fund Managers" section of Item 6 below.

"Ineligible Assets" include all other security types, including corporate bonds, non-investment grade municipal bonds, non-investment grade MBS, CDs exceeding FDIC insurance limitations, and non-institutional mutual fund shares classes, unless you are eligible for a lower fee mutual fund share class.

UMBFSI's Institutional Investment Advisors may only provide advice on securities meeting eligible asset requirements. Advice that results in client portfolios exceeding designated bond exposure limitations is only allowed if specifically directed by you in writing.

Your Financial Advisor will advise you of any changes to the list of eligible assets that may affect the ongoing management of your account. Depending upon the change and your existing account documentation, you may be required to update your account paperwork to realign your account's directives with the updated eligible asset list. If the eligible asset updates necessitate changes to your account documents, no discretionary trades will occur until you have reviewed those changes and have updated your account information accordingly.

### **Plan Review**

Annually, your Financial Advisor will contact you to determine whether there have been any changes in your financial situation or investment objectives, and whether you wish to impose new reasonable investment restrictions or modify existing restrictions. You are asked to promptly notify UMBFSI of any material changes in your account information that occur outside of that annual review cycle.

### **Additional Information Concerning the UMB Managed Account Solutions Program**

You retain the following rights as to your account assets to the same extent as if you held the assets in an account outside of the UMB Managed Account Solutions Program: (a) the right to add to or withdraw securities or cash from your account; (b) the right to vote, or delegate the authority to vote, the securities in your account; (c) the right to be provided in a timely manner with written trade confirmations for all securities transactions in your account, and all other documents required by law to be given to security holders; and (d) the right to proceed directly against an issuer of any security in your account and not be obligated to join any other person or client of the Program as a condition of bringing a proceeding.

Any information presented about tax considerations affecting client financial transactions or arrangements is not intended as tax advice and should not be relied upon for the purpose of avoiding any tax penalties. Neither UMBFSI nor its Financial Advisors provide tax, accounting or legal advice. Clients should review any planned financial transactions or arrangements that may have tax, accounting or legal implications with their personal professional advisors.

FMAX, Fund Advisor and Advisor Select Program participants will receive a quarterly performance report that provides a general market update, as well as updates on the performance of components of the Program and any appropriate fund manager updates. All MAS program participants receive copies of transaction confirmations and monthly account statements, providing there is activity in the account during the month. Otherwise, statements will be mailed quarterly. Your Financial Advisor will be available to discuss your account during normal business hours.

Participation in the MAS Program subjects the client to the risk of investing in the securities market. There is no guarantee that

the investment objectives the client seeks can be obtained. Asset allocation, diversification and rebalancing do not assure a profit or protect against loss in declining markets. Investing in securities involves risk, and there is always the potential of losing money when you invest in securities.

Investment products are:

<b>Not FDIC Insured</b>	<b>No Bank Guaranteed</b>	<b>May Lose Value</b>
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### **UMB Managed Account Solutions Fees**

Program fees payable for the FMAX, UMB Fund Advisor and Advisor Select Programs are calculated using a tiered fee schedule. The fee decreases at increasing intervals of the portfolio's market value, thereby applying different fees to different portions of the portfolio, as set forth below.

Fee		Market Value Interval
1.45%	on the first	\$1,000,000
1.00%	on the next	\$2,000,000
0.80%	on the next	\$2,000,000
0.60%	on the next	\$5,000,000
0.50%	on the next	\$5,000,000
0.45%	on all over	\$15,000,000

As the clearing firm for UMBFSI, NFS provides certain accounting and other software to UMBFSI in connection with client securities transactions. UMBFSI compensates NFS out of the MAS Program Fee.

UMB Managed Account Solution program fees are charged in advance on a quarterly basis. When an account is opened, the fee is deducted from your account assets for the remainder of the current billing period and is based on the initial contribution. Thereafter, the deducted fee is based upon your recent account value during the previous calendar quarter. Fees may be negotiable based on the client's total relationship with UMB. Either party has the option to close the UMBFSI client contract at any time upon receipt of written notice. If an account is closed, a prorated portion of prepaid fees will be refunded to you.

Accounts on the FMAX Platform are assessed a Platform fee that provides access to the FMAX Platform, clearing, custody and execution services. This fee varies, depending upon the selected Program and account size, is separate from the Managed Account Solutions Program fee, and only covers the Platform fees charged by the Platform Manager, FIWA. Additional information about Platform fees is included in the client agreement paperwork provided when establishing a managed account.

Fees payable for the UMB Institutional Fixed Income Program will not exceed 1% and are determined by the level and type of advisory services being or expected to be provided. As part of the account opening process, your account fee will be fully disclosed on account paperwork.

Wire transfer fees, other miscellaneous charges and other charges imposed by law, as well as IRA account fees, are disclosed when opening an account and are not included in the fees identified above.

No initial or contingent deferred sales charges are assessed to mutual fund purchases. However, Mutual Funds remain subject to the internal expenses described in each Fund prospectus' expense table and, depending upon the Fund, may also impose short-term redemption fees or surcharge fees. Those fund management fees are not included in the fees identified above. Please review your account with your Financial Advisor to identify all fees associated with your account.

## **B. Costs**

Investment Managers available in the MAS Program often charge manager fees, which are included as part of the Program Fee identified on a client's Statement of Investment Selection. Please discuss all fees and costs with your Financial Advisor to identify whether a manager fee applies to your account.

The Managed Account Solution Program fees shown above may vary from those charged by UMBFSI to another client for similar services.

Clients should be aware that the Program fee might be higher than those charged by other investment advisers.

The Program will cost the client either more or less, depending on the trading activity, than purchasing such services separately.

### **C. Internal Fees of Funds and Other Excluded Costs; Revenue Sharing Payment**

All mutual funds and ETFs incur annual operating expenses that are paid from fund assets. These fees can include management, Rule 12b-1 (distribution) fees, shareholder servicing fees, and other expenses.

NFS occasionally receives 12b-1 fees from distributors of funds that have adopted Rule 12b-1 plans, as well as shareholder servicing fees as reimbursement from funds or ETFs for account servicing. UMBFSI will credit your account with the value of any 12b-1 and shareholder servicing fees it receives from the funds or ETFs. However, your account will pay both the Program Fee and fund management fees on account assets invested in third party mutual funds.

In addition, advisors and distributors occasionally makes payments to NFS from their own resources (known as "revenue sharing payments"). UMBFSI currently receives revenue sharing payments from NFS in connection with certain classes of fund shares. These payments, which are not credited to your account by UMBFSI, do not affect the Net Asset Value (NAV) of the funds in which your account is invested or your net yield from such funds. UMBFSI receives no revenue sharing payments on fund shares held in qualified plans or IRA accounts.

An ETF is expected to have lower portfolio turnover than an actively managed mutual fund, as an ETF has lower expenses and fewer capital gains distributions than most mutual funds.

Trading costs associated with buying or selling securities within model portfolios are included within the program fee.

### **D. Program Fee Incentives**

The Financial Advisor receives a portion of the fees paid by the client to UMBFSI, based on the value of assets under management. The amount of this compensation could be more than UMBFSI and the Financial Advisor would receive if the client participated in other programs or paid separately for investment advice, brokerage, and other services. As a result, UMBFSI reviews client accounts to assess financial incentives when recommending the Program over other programs or services.

## **Item 5 – Account Requirements and Types of Clients**

The minimum initial investment necessary to open a UMB Managed Account Solutions program account is \$50,000. Established UMBFSI customers who have a minimum of \$100,000 held in an existing UMBFSI Managed Account often are eligible for a lower initial investment of \$25,000 when opening an additional Managed Account. Certain investment vehicles within the FMAX Program have higher minimum initial investments.

You may make additions to your account at any time and may make withdrawals from your account within three business days of order entry, unless an underlying investment within your portfolio has a liquidity limitation, as described by prospectus.

UMBFSI has the option to terminate your account if your account balance falls below the designated minimum account value.

UMBFSI makes its advisory services available to a wide variety of clients including, but not limited to, individuals, trusts, estates, qualified retirement plans, charitable organizations, institutions, corporations, municipal entities and investment advisory firms.

## **Item 6 – Portfolio Manager Selection and Evaluation**

### **A. FMAX Program**

#### **Investment Research and Due Diligence**

FIWA conducts investment research and due diligence on investment vehicles available on the FMAX Platform, rating each vehicle one of four categories of investment research ratings: “Available”, “Meets-Quantitative”, “Meets-Qualitative”, and “Preferred”. Research ratings may change without notice. UMBFSI and Financial Advisors are responsible for determining whether any specific investment vehicle is appropriate and in the best interest for a particular Investor, regardless of the assigned research rating.

Within the “Available” rating, FIWA has either not reviewed the investment merits of the investment vehicle or the investment vehicle did not pass the review criteria to be rated Meets-Quantitative, Meets-Qualitative, or Preferred.

FIWA maintains fundamental and quantitative investment manager research teams (“FIWA Research Team”) to perform the investment due diligence for the FMAX Platform. Although different investment solutions demand unique due diligence requirements, FIWA’s evaluations follow a systematic process. Each time the term “Meets” is used below, it will be applicable to both the Meets-Quantitative and Meets-Qualitative ratings, unless otherwise specified.

#### **Due Diligence Process Overview**

For actively and passively managed Funds available on the Platform, a quantitative rating process is performed to determine if the Fund meets the criteria to be awarded a Meets-Quantitative rating. The quantitative rating process is performed at least quarterly. A concurrent qualitative due diligence process is conducted on a select group of investment vehicles to provide deeper coverage and to determine if a Meets-Qualitative or Preferred rating should be applied. The qualitative rating process is performed at least annually. When combined, these processes result in the list of Meets and Preferred investment vehicles. Both quantitative and qualitative processes are executed simultaneously and continuously for ongoing evaluation of the characteristics of the investment options on the Platform. Both the quantitative and qualitative processes follow a common structure of assessing four major pillars of analysis: performance, cost, style alignment, and people and process consistency. For asset allocated strategies, such as investment manager’s model portfolios within the FSP Program, additional information about the portfolio construction process is considered given the importance of multi asset allocation techniques.

#### **Meets-Quantitative**

The quantitative evaluation consists of two separate processes: one to evaluate actively managed Funds and one to evaluate passively managed Funds. While both processes vary slightly with regards to review and acceptance criteria (i.e., relative performance versus tracking error thresholds), both processes rely on an evaluation of historical fund outcomes and follow the common four pillar review structure noted above.

The Funds that pass all four pillar criteria are added to the Meets-Quantitative universe. Meets-Quantitative Funds that do not pass all four pillar criteria set by the FIWA Research Team are removed from the Meets-Quantitative list and revert to the Available list unless deemed Meets-Qualitative per the process described below. This ranking methodology is updated at least quarterly for all active and passive Funds.

#### **Meets-Qualitative**

For Meets-Qualitative investment vehicles, FIWA employs a multiphase approach in its evaluation. As part of the due diligence, certain types of information are analyzed, including historical performance, investment philosophy, investment style, historical volatility, investment team, and cost. Also reviewed are the Investment Manager's Form ADV Part 2A, disclosure events, portfolio holdings reports that help demonstrate the Investment Manager's securities selection process, and the prospectuses of the Funds. FIWA evaluates Investment Managers specializing in each of the asset categories listed, including equities (both domestic and foreign), corporate debt, municipal securities, real estate investment trusts, and government securities. Through this analysis, the FIWA Research Team makes a determination of the investment vehicles that receive the status of Meets-Qualitative.

### **Preferred**

Preferred investment vehicles have FIWA's highest conviction and are comprised of a subset of Meets-Qualitative investment vehicles. For Preferred investment vehicles, the FIWA Research Team completes the due diligence process mentioned above for Meets-Qualitative. In addition, the FIWA Research Team conducts a quarterly touchpoint with one or more members of the product's investment team. The FIWA Research Team seeks to understand the drivers of differentiation that allow these investment options to stand out across the four pillars of research. Investment vehicles sponsored by Investment Managers that Fidelity has deemed not to be in good standing on Fidelity FundsNetwork, Fidelity's mutual fund platform, due to insufficient shareholder servicing compensation are not eligible for consideration for a "Preferred" research rating, but are eligible to receive a "Meets-Quantitative" or "Meets-Qualitative" research rating.

### **Pending Attribute**

Investment vehicles can be assigned a 'Pending' portfolio attribute if they have experienced a significant event, including, but not limited to, changes in key investment personnel, Portfolio Manager reaching a 3-year tenure, changes in the investment process used, material outperformance or underperformance, or regulatory concerns. These investment vehicles are subject to ongoing monitoring and review to determine if the FIWA Research Team should assign a higher or lower rating based on the significant event.

### **Additional Information**

The investment professionals at the Investment Managers are an important source of information for the due diligence process, providing quantitative and qualitative information. In addition, FIWA and its service providers utilize publicly available databases from independent sources which are used to verify the information provided by the Investment Managers. While FIWA does not independently review the performance calculations of these Investment Managers or performance information from them, and such calculations may not be conducted on a uniform basis, in most cases FIWA requires Investment Managers to be in compliance with Global Investment Performance Standards ("GIPS") or to obtain audited/verified performance calculations for the Strategies included on the Platform. FIWA may allow certain Strategies on the Platform without GIPS compliance or audited/verified performance as long as the Investment Manager obtains GIPS compliance or audited/verified performance calculations within a period of time as agreed to by FIWA.

### **Treatment of FIWA-Affiliated Products, Exceptions and Conflict of Interests**

The FIWA Research Team may make exceptions to allow certain Strategies or Funds to be assigned a Meets or Preferred rating. For these exceptions, the FIWA Research Team uses qualitative and quantitative tools to make a determination that the Strategy or Fund otherwise warrants to be added or to maintain a Meets or Preferred rating. For example, an SMA may not have a track record of sufficient length as determined by the FIWA Research Team, but the Investment Manager's results through other vehicles or Strategies may enable that SMA to be assigned a Meets or Preferred rating. The FIWA Research Team approves or disapproves all exceptions and can assign or change a rating at its sole discretion.

Strategies or Funds provided on the Platform by FIWA and its affiliates are evaluated through a standardized investment research and due diligence or exception processes (described above) to determine FIWA Research Team's rating. However,



given FIWA's ability to gather more data and achieve greater insight into the Strategies or Funds provided by FIWA and its affiliates, in certain circumstances FIWA will adjust its diligence process when assessing proprietary and affiliated products and/or apply different qualification criteria to such products for "Meets-Qualitative" or "Preferred" ratings based on the judgement of the FIWA Research Team.

## **B. Fund Advisor and Advisor Select Program**

### **Fund Managers**

UMB Investment Management's selection process for fund managers begins with extensive research of a fund's history, expense ratio and industry rating. UMB Investment Management uses various resources to gather this information, including annual reports, prospectuses and filings with the SEC. Next, UMB Investment Management examines whether the fund managers have consistently delivered the same style of investment management over time. Finally, UMB Investment Management strives to understand the investment philosophy and strategy used in the fund's management.

As part of UMB Investment Management's ongoing review process, all funds selected for presentation to you are required to provide UMB Investment Management with a complete list of holdings in the portfolio on a quarterly basis. UMB Investment Management reviews rates of return and other statistical analysis, as well as written commentary, to help validate each fund manager's continued compliance with UMB Investment Management's internal criteria for inclusion in the Program. UMB Investment Management occasionally removes a fund from the Program for reasons such as a failure to adhere to management style or strategy objectives, a material change in the professional staff of the fund manager or unexplained poor performance.

Neither UMBFSI nor any third party (except for a fund's independent auditors) reviews fund performance information for accuracy. Fund performance information is calculated on a uniform and consistent basis, in accordance with SEC rules.

### **Related Managers**

UMB Investment Management, an affiliate of UMBFSI, serves as the portfolio manager for the UMB Fund Advisor Program described in this brochure. UMBFSI has a conflict in selecting its affiliate to serve as the portfolio manager, because UMBFSI and its affiliates will retain more of the client's fee than if a third-party portfolio manager had been selected. UMBFSI addresses this conflict through disclosure in this Brochure. Because the wrap fee program requires only the services of a single portfolio manager, UMBFSI does not have different criteria for the inclusion of affiliated portfolio managers and third-party managers.

### **Equity and Preferred Stock Selection and Evaluation**

UMB Investment Management's equity selection process begins with a proprietary quantitative screen of all publicly traded equities to develop an equity working list. Securities included on that list then undergo additional quantitative screens, with the resulting securities undergoing a qualitative assessment of a company's debt levels, interest coverage ratios, dividend payout history and historical dividend growth. Once the qualitative assessment is complete, resulting in a final list of potential portfolio candidates, equities are selected as necessary to diversify the portfolio over different sectors and industries.

UMB Investment Management's selection process for preferred stock includes an initial sorting of the credit issuer universe over criteria such as sectors, ratings and maturity range. Once sorted, a proprietary quantitative screen is applied that evaluates balance sheet and income statement items and current and historical trends through analyzing financial metrics such as leverage ratios, capital ratios, debt service coverage ratios, asset quality, earnings growth, and certain industry-specific factors. Companies identified as a result of that screening process are qualitatively evaluated to create an approved list of corporate credit issuers, seeking to identify companies with specific industry and firm characteristics. From credit issuers within that approved list, UMB Investment Management identifies which issuers offer preferred stock, and then selects certain issuer's preferred stocks that have qualified dividend income, are sector-diversified and are not callable.

As part of UMB Investment Management's ongoing review process, portfolio equity holdings are evaluated over time to verify

they continue to meet initial quantitative screening requirements, and ensure a company's financials remain within acceptable parameters. Preferred stock holdings are reviewed to ensure the credit issuer remains on the approved list. Securities not meeting those standards are sold from the portfolio and replaced with new names meeting designated screening criteria.

## **Fixed Income Selection and Evaluation**

Fixed income securities selected within Institutional Fixed Income Program client accounts must adhere to asset-class specific credit quality requirements, as outlined in the Institutional Fixed Income Program's Eligible Assets section above. Within each asset class, your investment advisor selects securities by applying a quantitative analysis based on various factors, including, but not limited to, credit rating, duration, coupon, call features, and guarantees.

UMBFSI has a potential conflict of interest in the Institutional Fixed Income Program in that UMBFSI and affiliated entities trade for their own account. However, to eliminate that conflict of interest, UMBFSI will not purchase or sell any security in the Program through an affiliate or perform a transaction in a principal capacity.

## **Item 7 – Client Information Provided to Portfolio Managers**

For all of the Programs, UMBFSI solicits information concerning a Client's name, address, financial situation, investment experience, tax status, tax reporting information and other non-public personal information. UMBFSI collects this information prior to recommending a Program, as well as any portfolio or model within a Program.

For Fund Advisor and Advisor Select Program participants, UMBFSI provides UMB Investment Management with initial and updated information about each client, including any reasonable investment restrictions on the management of a client's account.

For the FMAX Program, financial advisors utilize the systems and tools provided by FMAX for the collection, review and analysis of the data provided by the Client. Therefore, the Platform Sponsor, FIWA, has access to this customer data through FMAX systems, as well as through the custodial systems of UMBFSI's clearing broker dealer, NFS. Client information is not made available to the portfolio managers utilized on the FMAX platform.

## **Item 8 – Client Contact with Portfolio Managers**

As a client of the Program, you may discuss your account with your Financial Advisor and with an associate of UMB Investment Management, or a FIWA representative and FMAX Portfolio Manager, as applicable, during regular business hours.

## **Item 9 – Additional Information**

### **A. Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management. UMBFSI does not have any disciplinary information to report regarding itself or any of its management persons.

### **Other Financial Industry Activities and Affiliations**

UMBFSI is a broker-dealer registered with the SEC under the Securities Exchange Act of 1934, an investment adviser registered with the SEC, and a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). UMBFSI is a wholly-owned subsidiary of UMB Financial Corporation and an affiliate of UMB Bank, n.a. and is a corporation duly organized under the laws of the State of Missouri. In addition to offering investment advice, UMBFSI offers products and services, including corporate bonds, equities, mutual funds, municipal securities, government bonds, variable annuities, and options.

UMB Fund Services, Inc., an affiliate of UMBFSI, may provide transfer agency and other services to funds offered in the Program.

UMB Bank, n.a., an affiliate of UMBFSI, is a national banking association and offers a full range of banking services to commercial, retail, government and correspondent bank customers. In addition, UMB Bank, n.a. may serve as custodian for funds offered in the Program.

UMB Investment Management, a department of UMB Bank, n.a., offers a full range of trust services for individuals, estates, business corporations, governmental bodies and public authorities. UMB Investment Management serves as the portfolio manager for the Program, which is sponsored by UMBFSI.

UMB Financial Corporation owns several other financial services companies, including UMB Family Wealth, an investment adviser registered with the SEC, which provides advisory and financial planning to high net worth clients. The Program has no material relationship with any of those entities, nor is UMBFSI aware of any other material conflicts of interest with regard to any of the other affiliations.

## **B. Other Information**

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

UMBFSI and its associates, acting in an investment advisory capacity, have a fiduciary obligation to their advisory clients. Our associates have a duty when acting in an advisory capacity to:

- Place the advisory clients' interests over their own;
- Comply with the Code of Ethics requirements;
- Avoid actual or potential conflicts of interest (or when this is not possible, fully disclose them to the client), abuse of their position of trust and responsibility, and taking inappropriate advantage of their position;
- Maintain the confidentiality of the security holdings and financial circumstances of advisory clients;
- Maintain their independence in the investment decision-making process to the degree that they participate in that process;
- Comply with applicable federal and state securities laws; and
- Report any violations of this Code of Ethics promptly to the UMBFSI Chief Compliance Officer.

UMBFSI has adopted a Code of Ethics ("Code") that addresses securities-related conduct of its employees and representatives. We will provide a copy of the Code to any client or prospective client upon request.

UMBFSI has defined two categories for persons subject to the Code and those categories are Supervised Persons and Access Persons. All Supervised Persons are subject to this Code of Ethics. For UMBFSI, a "Supervised Person" includes:

- All UMBFSI associates performing investment advisory activities or having access to investment advisory activities information. "Investment advisory activities information" includes access to the UMB Investment Management Research List of stocks provided to UMBFSI for full service brokerage accounts or access to the transactions derived from this Research List;
- All associates with an active investment adviser license through UMBFSI; and
- The UMBFSI Board.

Supervised Persons, while acting as a fiduciary in an investment advisory capacity, have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of their clients. This duty is best served by avoiding conflicts of interest and, where this is not possible, by fully disclosing all material facts concerning any conflict that arises with respect to any client.

A “conflict of interest” occurs when UMBFSI’s or an individual’s personal interests interfere or appear to interfere with the interests of the clients. A conflict may arise when a person takes actions or has interests that make it difficult to objectively and effectively perform his or her duties with respect to the client. Conflicts of interest may also arise when a person receives improper benefits, or members of his or her family receive improper personal benefits resulting from his or her position. For example:

- Supervised Persons should not favor the interests of one client over another client. Inappropriate favoritism of one client over another client constitutes a breach of fiduciary duty.
- A Supervised Person is prohibited from recommending, implementing or considering any securities transaction for a client without disclosing to the Chief Administrative Officer (“CAO”) his or her material beneficial ownership (defined below), business or personal relationship, or other material interest in the issuer or its affiliates. If the beneficial ownership presents a material conflict, the Supervised Person cannot participate in any decision-making process regarding the purchase or sale of the securities of that issuer.

Supervised Persons may purchase securities in an initial public offering, or participate in a private placement, or directly or indirectly acquire beneficial ownership in any security in a private placement, but only if they obtain prior approval from the CAO.

Certain Supervised Persons are also “Access Persons”. For UMBFSI, an Access Person includes:

- An individual who makes, participates in, or obtains information regarding client transactions;
- An individual whose functions relate to making any recommendations with respect to purchases or sales by clients; or
- An individual who has access to nonpublic information regarding the portfolio holdings of funds the adviser or an affiliate manages is considered an Access Person. This includes individuals with access to the UMB Investment Management Research List of stocks provided to UMBFSI for full service brokerage accounts or transactions derived from the List.

Access Persons are required to submit to the CAO a report of all holdings in reportable securities of which they have beneficial ownership within 10 days of becoming an Access Person and at least once for each 12-month period thereafter as prompted by the CAO.

Access Persons are also required to report quarterly all accounts containing reportable securities that they own either directly or beneficially. The CAO is responsible for reviewing the initial and annual holdings reports, quarterly transaction reports, and the dissemination, verification of receipt and recording of the initial, annual and any amended acknowledgement of the Code of Ethics certifications. Access Persons’ trading activities will be reviewed by the CAO for abusive practices as outlined in the UMBFSI Compliance Manual and UMBFSI Supervisory Policies and Procedures.

### **Review of Accounts**

UMBFSI employs a team approach to account management. Accounts are under continuous review. The Financial Advisor is responsible for periodically monitoring the client accounts to ensure they are managed consistent with the established objectives and investment guidelines, review accounts periodically and all accounts no less than yearly. UMBFSI Management reviews all trades daily, monitors accounts for exceptions, verifies annual reviews are performed by the Financial Advisors and reviews accounts randomly throughout the year.

UMB Investment Management serves as portfolio manager for the UMB Fund Advisor Program, and conducts model portfolio and fund reviews no less than once per quarter. The funds or their agents calculate fund performance in accordance with SEC rules. Neither UMBFSI nor UMB Investment Management reviews fund performance for accuracy.

The Investment Advisory Committee of UMBFSI (“IA Committee”) consists of the UMBFSI President, National Sales Manager, CAO, Product Manager, Operations Manager, Executive Director of Investment Banking, Executive Operating

Officer of Investment banking, and the Compliance and Risk Manager. Committee decisions are made through a majority vote. The IA Committee meets periodically to review fund performance, style drift, ratings, manager changes, the current asset allocation models and the approved list of Eligible Assets for any changes, with the intent to make appropriate adjustments to current models, available funds, and security types or rating requirements. The IA Committee also reviews UMB Investment Management's performance as portfolio manager of the Fund Advisor Program and determines whether UMB Investment Management has provided the services it has contracted to provide and whether the continued use of UMB Investment Management is in the best interests of UMBFSI's clients.

#### **Client Referrals and Other Compensation**

UMBFSI occasionally pays referral fees to UMB Bank, n.a. or other affiliates of UMBFSI, to employees of UMB Bank, n.a. or other affiliates of UMBFSI, or to other entities or individuals for referrals of clients to UMBFSI.

#### **Financial Information**

UMBFSI does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, thus, has not included a balance sheet of its most recent fiscal year. UMBFSI is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has UMBFSI been the subject of a bankruptcy petition at any time during the past ten years.