

Cary Street Partners Investment Advisory LLC

Form ADV Part 2A Firm Brochure

SEC File No. 801-64239

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This brochure provides information to clients and prospective clients about the qualifications and business practices of Cary Street Partners Investment Advisory LLC ("CSPIA" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at 804-340-8100. 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.

CSPIA is an SEC registered investment adviser. Registration does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with the necessary information allowing you to determine whether to hire or retain an adviser.

Additional information about CSPIA is also available via the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with CSPIA who are registered, or are required to be registered, as investment adviser representatives of CSPIA.

Item 2 Material Changes

This Brochure, dated March 31, 2021, was prepared in accordance with SEC requirements and contains both changes and clarifications that are not deemed material, as well as the following material changes from CSPIA's last Brochure amendment filed on July 29, 2020.

Item 4 Advisory Business

As of December 31, 2020, CSPIA had **\$1,626,216,250** in assets under management on a discretionary basis and **\$1,628,461,135** in assets under management on a non-discretionary basis.

Corporate Changes

Jessica Thompson was hired effective November 1, 2020 as the new Chief Compliance Officer ("CCO") for the Firm.

As previously noted, Tradition Capital Management LLC in Summit, NJ was acquired by Cary Street Partners Financial LLC ("CSPF", the parent company of the Firm), with the transaction closing in May 2019. It continued to operate as a new entity, Tradition Asset Management LLC ("TAM"), until November 2020. At that time, TAM withdrew from registration with the SEC, and its assets and personnel were fully transitioned to the Firm and its other investment advisory affiliate Cary Street Partners Asset Management LLC ("CSPAM").

In May 2020, the Firm formally changed the name of its holding company/parent company to Cary Street Partners Financial LLC from Luxon Financial LLC. In addition to the holding company, the asset management and wealth management subsidiary businesses (CSPAM and CSPIA), and the brokerage affiliate, are also associated with the trade name Cary Street Partners.

Response to the COVID-19 Pandemic and Enacting the CSP Business Continuity Plan

The Firm's policy is to respond to a Significant Business Disruption ("SBD") by safeguarding employees' lives and Firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the Firm's books and records, and allowing our customers to transact business.

In response to the COVID-19 pandemic, the Firm enacted the Business Continuity Plan. No significant issues were reported to Compliance. Human Resources developed, implemented and communicated protocols specific to various job functions and office locations to align with recommendations made by the United States Centers for Disease Control and Prevention (CDC) and various state government agencies. Compliance assessed and implemented any enhanced supervision requirements to be undertaken due to the pandemic and people working from home for extended periods.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC rules, we will ensure that you receive a summary of

any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. As determined necessary, we will provide other ongoing disclosure information about material changes.

We will further provide you with a new brochure, as necessary, based on changes or additional information, at any time, without charge. Please contact CSPIA's Compliance Department at (804) 340-8100 or info@carystreetpartners.com to request our brochure. Our brochure is also available on our website at www.carystreetpartners.com.

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Cary Street Partners: Mission Statement

Cary Street Partners is committed to providing a higher standard for our clients, our advisors, and our employees by supporting true independence of thought and always putting the client at the center of everything we do.

Item 4 - Advisory Business

CSPIA was established on September 9, 2003 and is an SEC registered investment adviser. In addition, the Firm is a wholly owned subsidiary of Cary Street Partners Financial LLC ("CSPF"), formerly Luxon Financial LLC. .

CSPIA provides individualized non-discretionary and discretionary advisory services to various categories of institutional and individual clients who wish to participate in financial planning, separately managed accounts ("SMA"), mutual funds, closed end funds, exchange traded funds, annuities, fixed income, structured notes, and equities; or who want to invest in private equity funds or other alternative investment vehicles. As of December 31, 2020, CSPIA had **\$1,626,216,250** in assets under management on a discretionary basis and **\$1,628,461,135** in assets under management on a non-discretionary basis.

All services described in this brochure begin with a consultation between you and a CSPIA Investment Adviser Representative ("Advisor", "Financial Advisor", or "FA") to review your investment objectives, financial situation, and risk tolerance. Depending on the investment program, you are asked to complete a Client Profile to document the results of this assessment. After review of your profile, working with the FA, you will determine which program is appropriate for your needs.

Your FA will provide advisory services that may include allocation of assets among different classes, portfolio diversification, managing portfolio risk, portfolio monitoring evaluation, investment policy statement development, manager search and recommendation, financial planning, and other general economic and financial topics. Your FA will construct a portfolio of securities based on your individual needs, risk tolerance and investment objectives. Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, etc.), and all managed accounts will be maintained with an independent qualified custodian. Certain investment programs, whether offered directly through CSPIA or through a Third-Party Platform, may offer investment products or utilize Sub-Managers affiliated with CSPIA.

CSPIA does not provide legal or accounting services, so no portion of your consultation with your CSPIA Advisor should be interpreted as legal or accounting advice. At a client's request, CSPIA will provide professional references in legal, accounting, and other associated areas.

PRODUCTS OFFERED

CSPIA offers various products to clients through its advisory programs based on individual client needs including financial planning, separately managed accounts ("SMA"), mutual funds, closed end funds, exchange

traded funds, annuities, fixed income, structured notes, equities, private equity funds, and other alternative investment vehicles.

Certain products, such as structured notes, may contain higher levels of risk than other products. Structured products come in different forms and typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates, or formulas. Investment in structured products includes significant risks, including valuation, liquidity, price, credit, and market risks. One common risk associated with structured products is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features are often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision, rather than a means of getting in and out of a position with speed and efficiency.

Another potential risk with structured products is the credit quality of the issuer. Although the cash flows are generally derived from other sources, the products themselves are legally considered to be the issuing financial institution's liabilities. Clients should weigh all of these risks against any possible investment performance when investing in such structured products.

TYPE OF ADVISORY SERVICES

Wrap Fee Programs

Cary Street Partners FA Directed Program ("FA Directed Program"): The FA Directed Program provides investment management services on a discretionary basis to each client. Each FA develops well-diversified portfolios designed to match the client's financial goals, needs, risk tolerance and financial situations. FAs will recommend a custodian to hold the client's assets and to execute transactions. Please review the CSPIA Wrap Fee Disclosure Brochure for a complete description of the services, fee schedules and account minimums for its wrap fee programs, and the related WFA Brochures as described below.

The benefits under a wrap fee program depend, in part, upon the size of the account, the costs associated with managing the account, and the frequency or type of securities transactions executed in the account.

- For example, a wrap fee program may not be suitable for all accounts, including, but not limited to, accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income securities or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees.
- In order to evaluate whether a wrap (or bundled) fee arrangement is appropriate for you, you should compare the agreed-upon Wrap Program Fee and any other costs associated with participating in our Wrap Fee Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and execution costs, and custodial services comparable to those provided under the Wrap Fee Program.

Cary Street Partners Asset Management LLC: Cary Street Partners Asset Management LLC ("CSPAM") and CSPIA are affiliated entities and wholly owned subsidiaries of CSPF. CSPAM provides investment strategy services and is the Portfolio Manager of various wrap fee programs, each sponsored by various registered investment advisers. Please review the CSPAM Disclosure Brochure and Wrap Brochure (Form ADV Part 2A Firm Brochure and Part 2A Wrap Fee Brochure) for a complete description of its services, fee schedules and account minimums regarding its wrap fee program.

CSPAM manages specific investment strategies in wrap fee programs for both non-discretionary Model and discretionary Wrap Account programs sponsored by unaffiliated financial institutions similar to its

management of the same strategies implemented in its CSP Global portfolios for example. In both the Wrap Account/Model programs however, CSPAM personnel primarily support the financial institution sponsoring the wrap program (“Sponsor”) and not the actual underlying client. There are fundamental differences between a Wrap Account and Model program. In a traditional Wrap Account program, a client selects the Sponsor. The Sponsor will work with the client to select an approved discretionary investment adviser, like CSPAM, for a particular investment strategy.

From time to time, the Sponsor will communicate any specific client needs/requests to CSPAM, and CSPAM will evaluate for reasonableness within the strategy. CSPAM relies on the Sponsor to gather the necessary information and assess the suitability of its investment style to the individual needs and financial situation of a Wrap Account client. For Wrap Accounts, CSPAM exercises investment discretion and delivers buy/sell instructions to the Sponsor’s platform. The Sponsor is responsible for execution of each transaction in the client accounts.

Under the Model programs, depending on the model, the Sponsor or its designated representative, sometimes referred to as an “overlay manager,” exercises investment discretion and executes each client’s portfolio transactions based on the Sponsor’s own investment judgment. CSPAM does not tailor the model portfolio to the individual needs of any program client. CSPAM does not evaluate suitability for clients in a Model program.

In both types of wrap Sponsored programs, the Sponsor provides a bundle of services for a single fee. Typically, this bundle of services includes the review and monitoring of selected investment advisers approved in the program, performance evaluation of the adviser, execution of the client’s portfolio transactions, custodial services of the client’s assets and payment of CSPAM’s advisory fee and other fees that may be charged in the Sponsor’s program.

Wells Fargo Advisors: CSPIA has an agreement with Wells Fargo Clearing Services, LLC, also known as Wells Fargo Advisors (“WFA”), pursuant to which WFA provides advisory and/or other services with respect to certain wrap fee programs (“WFA Programs”) which are related to the FA Directed Program. Please review the appropriate WFA Disclosure Brochure (Form ADV Part 2A Firm Brochure and Wrap Fee Brochure) and the CSPIA Wrap Fee Disclosure Brochure for a complete description of the services, fee schedules and account minimums for its wrap fee programs.

Financial Planning

CSPIA offers financial planning and consulting services to both prospective and existing clients. Your FA will obtain pertinent information about you and use the information as a basis for their recommendations, which may include, but are not limited to, topics such as insurance, tax and cash flow needs, retirement, investments, education needs, and estate planning. Such financial planning recommendations may be implemented, at your sole discretion, with the professional consultants of your choosing (including your broker, accountant, attorney, etc.).

CSPIA offers three (3) types of financial planning services:

- **Hourly Financial Consultation:** Advisor will provide financial consulting services on an hourly basis. The Adviser’s hourly fee will be mutually agreed upon by the Advisor and the Client.
- **Specific Financial Planning:** The Advisor will review all pertinent data provided by the Client, objectives, and mutually agreed upon assumptions and will prepare analysis limited to the topics

selected by the Client. The Advisor will provide written reports of all relevant analyses and recommendations to assist the Client with specific financial planning needs.

- **Comprehensive Financial Planning:** After a review of all pertinent Client provided data and objectives and mutually agreed upon assumptions, the Adviser will analyze the Clients financial situation including, but not limited to: net worth (assets and liabilities), corporate benefits, cash flow strategies (current and projected), retirement planning, risk management, investment portfolio, specific financial needs as determined by the client, and tax and estate planning considerations. Upon completion of the analysis, the Advisor will make recommendations including suggested strategies to achieve the Client's stated objectives. The Advisor will provide the Client with a written report of all relevant analyses and recommendations.

Retirement Planning Services

CSPIA offers advisory services for 401k, profit sharing, non-qualified deferred compensation and retirement plans that are subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, and other employee retirement plans not subject to ERISA.

Investment Adviser 3(21) Fiduciary Services.

CSPIA will serve as a "fiduciary" within the meaning of Section 3(21) of ERISA and provide non-discretionary advice with respect to the Assets and/or Accounts in the Plan ("Non-Discretionary Services").

Investment Manager 3(38) Fiduciary Services.

CSPIA will serve as an "investment manager" and a "fiduciary" within the meaning of Section 3(38) of ERISA with respect to accounts in the Plan. As an Investment Manager to the Plan, we will provide, in addition to services provided as an Investment Advisor 3(21), services such as Investment Management, selection of Qualified Default Investment Alternatives, and assist in the creation of an Investment Policy Statement.

Neither CSPIA nor any of its FAs will be responsible for rendering any legal, accounting or actuarial advice to any employee or employer.

Lending Services

Margin Loans

CSPIA, in conjunction with our affiliate broker-dealer Cary Street Partners LLC ("CSP"), may loan money through the custodian for the purpose of purchasing and trading in securities to any of its clients who custody their assets in a margin account held through the custodian. A margin account is also required when trading certain option strategies, short-selling securities and for other types of securities transactions. CSPIA/CSP and the custodian only extend such credit to clients pursuant to a margin account agreement with CSP and the custodian. Margin loans are not available to retirement or custodial accounts. There is no repayment schedule for a margin loan, and the principal may be repaid at the client's convenience. However, monthly interest charges will accrue on the balance.

Note also that CSP charges an asset-based fee based on the AUM in a client's account(s). Using margin to purchase additional securities in an advisory account will increase the asset-based fee, with no deduction in consideration of the margin debt on the account.

Non-Purpose Loans

CSPIA/CSP may offer securities-backed lines of credit (“SBLOC”s) to clients who custody their assets through Wells Fargo Clearing Services (“WFCS”). SBLOCs are non-purpose loans, which means the proceeds of the loan cannot be used to purchase, carry or trade securities. The loan proceeds may be used for almost any other purpose, including without limitation, home renovations, real estate purchases, tax bills, debt consolidation, private business opportunities and unexpected personal expenses.

SBLOCs are collateralized by eligible and fully-paid-for stocks, mutual funds, bonds and other securities held in a client’s account or an account of another person or entity willing to guaranty the loan. Because an SBLOC may not be used to purchase or trade securities, a client may be able to borrow more against certain securities than is permitted through a margin account. However, accounts pledged as collateral for non-purpose loans must be “cash accounts” and may not have margin loan privileges.

The SBLOC must be repaid even if the residual value of the securities in the account is insufficient. The interest rates on the SBLOC are adjustable and the annual rate of interest will change without prior notice to the client, in accordance with changes in the base rate provided by WFCS and due to tiering changes in loan balances.

A SBLOC has the effect of magnifying any profit or loss of the assets in the collateralized account. A client can lose more money than deposited in the account. If the value of the securities in the collateralized account decline to the point where they no longer meet the minimum equity value required for the collateral, WFCS has the right to make a maintenance call, requiring the client to deposit more cash or qualified securities into the account or, without contacting the client, forcing a sale of the securities in the account in order to meet the maintenance call. The sale of such securities to meet a maintenance call can also create tax liabilities, by incurring significant capital gains on low-cost basis securities in the account.

Lending Incentives and Conflicts of Interest

CSPIA and your Advisor will have an incentive to recommend borrowing money on a client account and pledging the assets as collateral through CSP. Both CSPIA and CSP are under common ownership and control, and CSP sets the interest rates on which your margin account or SBLOC will be charged. A portion of the interest charged on the outstanding balance of your margin loan or SBLOC will be paid to CSP and solely with respect to an SBLOC, to your Advisor. Additionally, for margin loans, the purchase of securities in the account will result in increased asset-based fees, which may provide an incentive for your Advisor to recommend the use of margin.

An interest rate may be individually negotiated instead of based on the WFCS base rate, and negotiated rates may have an expiration date, after which CSPIA/CSP may change your rate, without giving you any prior notice of the change, based on factors determined by CSPIA/CSP, in our sole discretion, including without limitation the account activity and our overall business relationship.

Item 5 Fees and Compensation

CSPIA will be paid a fee for its services as described in the Fee Schedule of the Investment Advisory Agreement. The Fee Schedule may be amended at any time by mutual agreement of the Client and CSPIA.

CSPIA may assess fee minimums and certain flat or fixed fee pricing arrangements which may exceed 2% of the total assets under management and are higher than fees charged by certain other advisers that provide the same or similar services.

Wrap Fee Programs

In most cases, the wrap fee program fees are negotiable. However, certain WFA wrap fee programs will have household minimums that cannot be waived or negotiated. Please review the appropriate WFA Disclosure Brochure (Form ADV Part 2A) for a complete description of the service, fee schedules and account minimums for WFA's wrap fee programs.

A wrap fee is not based directly on the number of transactions in your account. Various factors influence the relative cost of our wrap fee program to you, including the cost of our investment advice, custody and brokerage services if you purchased them separately, the types of investments held in your account, and the frequency, type and size of trades in your account. The wrap fee program could cost you more or less than purchasing our investment advice and custody/brokerage services separately.

Our wrap fee covers our advisory services and the brokerage services provided by your qualified custodian including custody of assets, equity trades, ETFs, and agency transactions in fixed income securities. As a result, we have an incentive to execute transactions for your account with your qualified custodian.

Our wrap fee does not cover all fees and costs. The fees not included in the wrap fee include the following: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses); mark-ups and mark-downs; spreads paid to market makers; fees (such as a commission or markup) for trades executed away from your qualified custodian at another broker-dealer; wire transfer fees; and other fees and taxes on brokerage accounts and securities transactions.

When managing a client's account on a wrap fee basis, we receive as compensation for our investment advisory services, the balance of the total wrap (or program) fee you pay after custodial, trading and other management costs (including execution and transaction fees) have been deducted. Accordingly, we have a conflict of interest because we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a wrap fee.

Financial Planning

The financial planning fees are negotiable. We typically charge fixed fees for our financial planning/consulting services that range between \$500 and \$25,000, depending on the complexity and scope of services provided. We may also charge hourly fees for specific planning engagements, which would be disclosed in detail in the Client's Investment Advisory Agreement.

Retirement Planning Services

The retirement planning services fees are negotiable, including minimum and implementation fees.

Referral of Third-Party Advisers

Both the description of services offered, and the assessment of fees charged by third-party advisers, are described in the client's investment advisory agreement with the Third-Party Adviser.

Lending Services – Interest Charges

A portion of the interest charged on the outstanding balances of margin loans or SBLOC will be paid to CSPIA and solely with respect to an SBLOC, to your FA. An interest rate may be individually negotiated instead of based on the WFCS base rate, and negotiated rates may have an expiration date, after which CSPIA/CSP may change your rate, without giving you any prior notice of the change, based on factors determined by CSPIA/CSP, in our sole discretion, including without limitation the account activity and our overall business relationship.

Additional Compensation

You recognize and agree that for us to discharge our responsibilities, we must engage in securities brokerage transactions which must be affected through a registered broker-dealer. Broker-dealers charge brokerage commissions and/or transaction fees for executing securities brokerage transactions.

All brokerage commissions and other costs associated with the purchase or sale of securities and other investment instruments, mutual fund or other investment fund fees, or fees of third-party investment managers recommended by CSPIA, custodian fees, interest, taxes and other Account expenses are the responsibility of Client and are not covered by CSPIA's fee (except in limited circumstances as determined by the Custodian and/or the FA).

In some accounts, clients are permitted to invest in certain "excluded" assets such as illiquid alternative investments. The FA has discretion whether to assess a one-time fee and include the asset balance on which annualized fees are calculated.

In the case of ERISA accounts, the FA is able to place orders for the execution of transactions with or through such brokers, dealers, or banks as are permitted under the terms of the plan and complying with Section 28(e) of the Securities Exchange Act of 1934. Transactions executed through certain broker-dealers are assessed a commission amount that could exceed the amount of commission another broker-dealer would have charged. All brokerage commissions and other costs associated with the purchase or sale of securities and other investment instruments, mutual fund or other investment fund fees, or fees of third-party investment managers recommended by the manager, custodian fees, interest, taxes and other account expenses are the responsibility of the client and are not covered by the Advisor's fee. Except with the prior written consent of the client and provided that the conditions of an applicable exemption under ERISA are satisfied, the manager shall not engage any affiliate of the manager to perform brokerage services.

For advisory variable annuities, consider any charges and fees, including mortality and expense charges, administrative charges, and investment management fees and applicable 12b-1 fees for the portfolio options. These charges and fees will reduce the value of your account and return on your investment. If you have selected a rider, or optional feature, there could be an additional cost. In addition to the annuity contract fees and expenses, you are subject to advisory fees on the terms set forth in your investment advisory agreement. This advisory fee will not be taken from the variable annuity contract. Over time, your total expenses to own an advisory variable annuity can be greater than the total expenses to own a similar annuity not subject to the investment management fees.

Cash Sweep Program (the "Sweep Program"), uninvested cash balances – for which no interest is otherwise earned or paid – in your account are automatically swept into interest-bearing deposit accounts ("Bank Deposit Sweep") or, if available, money market mutual funds ("Money Market Funds") or such other sweep

arrangements made available to you (collectively "Cash Sweep Vehicles"), until these balances are invested by you or otherwise needed to satisfy obligations arising in connection with your account.

CSPIA and our affiliates, in some cases receive fees and benefits for services provided in connection with the Sweep Program, and we may choose to make available the Cash Sweep Vehicles that are more profitable to us than other money market mutual funds or bank deposit accounts. A portion of these fees may be paid to your FA.

Item 6 Performance-Based Fees and Side-By-Side Management

Our advisory services do not impose performance-based fees. Fees are based on the value of the assets in your account, and Cary Street Partners shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of client (i.e., performance fee).

Item 7 Types of Clients

These advisory services are provided to individuals, pension or profit-sharing plans, trusts, estates or non-profit organizations, corporations or other business entities and governmental entities, educational institutions, as well as banks or thrift institutions.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

The investment strategies utilized depend on your investment objectives and financial goals as provided to us. Most portfolios are constructed along basic investment objective categories such as:

- Conservative Growth;
- Conservative Growth and Income;
- Conservative Income;
- Moderate Growth;
- Moderate Growth and Income;
- Moderate Income;
- Long-Term Growth;
- Long-Term Growth and Income; and
- Long-Term Income.

Portfolios include investments in companies of all sizes and in any sector, public and private, including investments in energy, natural resources, distressed securities, real estate, venture capital and buy-out, and other private equity, as well as any other business sectors or types of investments. In some cases, FAs invest in securities and financial instruments that employ hedging or other non-traditional investing techniques, such as long and short equity investing, relative value and event driven arbitrage strategies, distressed securities investing, trading and short selling strategies, opportunistic investing in global equity and fixed income investing, and specialized equity investing.

FAs choose managers for their expertise, investment strategies, and demonstrated ability to achieve risk adjusted rates of return greater than those available through traditional public equity investing. FAs place emphasis on managers who engage in extensive research and fundamental analysis. In selecting managers, FAs consider factors, including, but not limited to:

- Strong consistent historical returns;
- Well-articulated and understandable investment strategies;
- Reasonable expenses;
- Tax efficiency;
- Transparency;
- Manageable downside risk; and
- A strong cohesive team that is aligned with investor interests.

Risk of Loss

For all of the investment and market risks described here, it should be noted that investing in securities involves a risk of loss that clients should be prepared to bear. There is no performance guarantee associated with investing in any investment strategy or security type. Certain investments are considered to be higher risk than others due to such factors as individual security trading liquidity, and foreign and domestic market liquidity, among other factors.

CSPIA does not represent, warrant, or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate clients from major losses due to market corrections or crashes. No guarantees are offered that clients' goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by CSPIA will provide a better return than other investment strategies.

Equity Security Risks. Equity markets are volatile and impacted by liquidity and investor sentiment. Many issues impact investor sentiment and thus investors' willingness to participate or purchase equity securities or thus provide liquidity to the market. Investor sentiment is impacted by economic conditions, sovereign monetary policy, political climate, world events, tax rates and other social factors. Sentiment can change rapidly causing major stock price declines in short order. It is difficult, if not impossible, to forecast these changes in sentiment and the resulting price declines. Thus, investing in stocks is a risky proposition that could result in significant losses that are not related to an individual company's fundamentals. However, individual companies also have the potential to report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies can suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in equity securities.

Market Event Risks. Some countries and regions in which CSPIA invests have experienced security concerns, outbreaks of infectious diseases, pandemics, war or threats of war and aggression, terrorism, economic uncertainty, natural and environmental disasters and/or systemic market dislocations which have led, and in the future may lead, to increased market and liquidity volatility and exchange trading suspensions and closures. These events may have adverse effects on the U.S. and world economies and markets generally, each of which may negatively impact CSPIA's investments and performance.

Individual Security Risks. Each equity security has the risks mentioned above and has company or industry related fundamental risks. As above, sentiment and liquidity can create price declines or negatively impact valuation metrics. In addition, companies are faced with other fundamental risks like changes in industry, competition, lower demand for products, technological obsolescence, competitor innovation, patents, regulatory changes, political risks, cost inflation, labor relations, environmental issues, product liability and numerous other fundamental factors. Negative fundamental factors can reduce a company's equity value. In addition, some companies also face financial risks as they are dependent on raising capital in the financial markets to fund their operations. Financial markets may refuse to provide this funding.

Fixed Income Security Risks. Fixed income investments have the same liquidity and volatility risks of all financial assets. In addition, they have several other asset-class specific risks. Inflation risk reduces the real value of such investments as purchasing power declines on nominal dollars that are received as principal and interest. Interest rate risk comes from a rise in interest rates that causes a fixed income security to decline in price in order to make the market price-based yield competitive with the prevailing interest rate climate. Fixed income securities are also at risk of issuer default or the markets' perception that default risk has increased. In default, either some or all the securities' interest and principal payments will be omitted or delayed. The increase of this possibility can, in itself, cause the market price for a fixed income security to fall. CSPIA attempts to manage these risks by designing strategies that focus on fixed income diversification.

The credit rating or financial condition of an issuer can affect the value of a fixed income or debt security. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. The issuer of an investment grade security is more likely to pay interest and repay principal than an issuer of a lower rated bond. Adverse economic conditions or changing circumstances, however, can weaken the capacity of the issuer to pay interest and repay principal. High yield or "junk" bonds are considered to be "less than investment grade" (rated BB and lower) and can be highly speculative securities that are usually issued by less creditworthy and/or highly leveraged (indebted) companies. Compared with investment grade bonds, high yield bonds can carry a greater degree of risk and can be less likely to make payments of interest and principal.

Liquidity Risks. Despite the heavy volume of trading in securities and futures, the markets for some securities and futures, such as certain private funds or interval funds, have limited liquidity and depth. This lack of depth could disadvantage an investor, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Option Security Risks. Options involve risks and are not suitable for everyone. Options trading can be speculative in nature and can carry substantial risk of loss.

CSPIA helps manage or mitigate the risks discussed above by selecting investment strategies, investment managers, investment structures, and individual securities within diversified portfolios, that spread security risk across numerous asset classes, companies, sectors of investment, and strategic allocation targets.

Cybersecurity Risks. Any significant limitation on the use of our facilities or the failure or security breach of our software applications or operating systems and networks, including the potential risk of cyber-attacks, could result in the disclosure of confidential client information and financial losses. CSPIA maintains policies and procedures to reduce risks related to cybersecurity.

Business Disruption Risks. Business disruptions resulting from catastrophic and other material events (such as a pandemic) could negatively impact our ability to continue to transact business. Any significant limitation on

the use of our facilities or our software applications, operating systems and networks could result in financial losses. Similar types of business disruption risks are also present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause your investments to lose value. CSPIA maintains business continuity and disaster recovery policies and procedures that seek to identify and plan for potential disruptions; these policies and procedures are tested at least annually.

Item 9 Disciplinary Information

Neither CSPIA, nor its management personnel, are involved, and have not been involved, in any legal or disciplinary events that are considered material.

Item 10 Other Financial Industry Activities and Affiliations

CSPIA is a registered investment adviser with the SEC. The appropriate personnel of CSPIA are registered as investment adviser representatives within their state jurisdiction. Currently, there is not a pending application for registration as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person for CSPIA.

Cary Street Partners LLC

Cary Street Partners LLC (“CSP”) is a registered broker-dealer and member of the Financial Industry Regulatory Authority (“FINRA”). CSP provides investment banking, wealth management and brokerage services to its clients. Client accounts of CSP are custodied at WFCS. Currently, there is not a pending application for registration as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person for CSP, the broker-dealer affiliate or any management person.

CSP, will serve, periodically, as a private placement agent for issuers of equity and debt securities. In that capacity, certain advisory clients who are accredited investors and qualified advisory clients for which the private placement is suitable are shown transactions represented by CSP. If they elect to do so and are acceptable to the issuer and its counsel, these clients purchase securities in some of those offerings.

In addition, CSPF, the holding company for CSP and CSPIA, has completed private placements of securities and some of our qualified advisory clients invested in those offerings. The Firm could offer similar investments to our investment advisory clients in the future.

CSP offers a securities-backed loan program (offering securities-backed lines of credit (“SBLOC”s) through its clearing firm, WFCS, and CSPIA refers clients to the CSP/WFCS program. The loans are secured by eligible marketable securities held in custody at WFCS.

CSPIA and your Advisor will have an incentive to recommend borrowing money on a client account and pledging the assets as collateral through CSP. Both CSPIA and CSP are affiliated entities and wholly owned subsidiaries of CSPF. CSP sets the interest rates on which your margin account or SBLOC will be charged. A portion of the interest charged on the outstanding balance of your margin loan or SBLOC will be paid to CSPIA, and solely with respect to an SBLOC, to your Advisor. Additionally, for margin loans, the purchase of securities in the account will result in increased asset-based fees, which may provide an incentive for your Advisor to recommend the use of margin.

Riverstone Business Advisory Services, Inc.

RiverStone Business Advisory Services, Inc. (“RBAS”), is an affiliated entity of CSPIA and a wholly owned subsidiary of CSPF. Through this entity, certain FAs provide business consulting, bookkeeping services and tax services. Only a limited number of FAs participate in this entity.

Luxon Insurance Services LLC

Luxon Insurance Services LLC (“Luxon Insurance”) is an affiliated entity of CSPIA and a wholly owned subsidiary of CSPF. Luxon Insurance provides business insurance services to clients and corporate entities.

Cary Street Partners Asset Management LLC

Cary Street Partners Asset Management LLC (“CSPAM”) is an affiliated entity of CSPIA and a wholly owned investment advisory subsidiary of CSPF. CSPAM provides sub-advisory investment management services to clients of affiliated and unaffiliated Investment Advisors who have engaged with CSPAM. In limited circumstances, CSPAM provides its services directly to retail clients, but generally all services are provided through Advisors, who then interact with the clients.

Other Investment Advisers—Sub-Advisory Services

CSPIA will engage with other investment advisers whereby CSPIA agrees to provide certain services to clients of the investment adviser in exchange for a portion of the investment advisory fee paid to the investment advisers by their clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

CSPIA is guided in all actions by the highest ethical and professional standards. Accordingly, the Firm has embraced the SEC’s adoption of the “Code of Ethics rule”, as an opportunity to affirm its duty to its clients. CSPIA’s Associates are required to comply with the CSPIA’s Code of Conduct and related policies which are made available to all employees.

Pursuant to the SEC’s adoption of this rule, CSPIA has adopted this Code of Ethics (“the Code”) in order to set the standards of conduct to be followed by all persons associated with the Firm. The policies and guidelines set forth in this Code of Ethics must be strictly adhered to by all employees. Severe disciplinary actions, including dismissal, may be imposed for violations of this Code of Ethics.

The Firm’s Advisory Code of Ethics consists of the Code of Ethics and Personal Trading policies, together with the CSPIA Code of Conduct. All Advisory Supervised Persons are subject to the requirements of this Code of Ethics. Advisory Supervised Persons are IA employees acting in an investment advisory capacity and have a fiduciary obligation to their advisory clients to:

- Place the advisory clients’ interests over their own;
- Comply with this Code of Ethics and the Firm’s Investment Adviser Policies and Procedures Manual;
- Comply with applicable federal and state securities laws; and
- Avoid actual or potential conflicts of interest or fully disclose them to the client.

In addition, we have adopted a Privacy Policy to prohibit the transmission, distribution or communication of any information regarding securities transactions in client accounts or other non-public client information. Violation of the Privacy Policy is also considered a violation of this Code of Ethics.

Personal trading by CSPIA Associates must be conducted in compliance with all applicable laws and procedures adopted by CSPIA. CSPIA places restrictions upon certain personnel in connection with the purchase or sale of securities recommended to you. It is CSPIA's internal policy that certain management personnel not recommend the purchase of a security that they have purchased for their own account or the account of a closely related party within an established number of days, unless such shares are sold prior to issuance of a buy recommendation. Some advisors are prohibited from purchasing securities that we have recommended for 24 hours following the official release of the recommendation except within the models which trade concurrent with client accounts. All trades in accounts of the personnel in these departments and their immediate relatives are subject to supervisory review. Policies and procedures have been designed to prevent, among other things, any improper conduct wherever any potential conflict of interest exists with respect to any client.

Item 12 Brokerage Practice

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, competitive when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds ("ETFs"), etc.);
- Availability of investment research and tools that assist us in making investment decisions;
- Quality of service;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength and stability; and
- Prior service to us and our other clients.

When, and if, CSPIA has discretion to determine the broker-dealer to be used in a securities transaction, the general policy, in conjunction with the CSPIA's duty to obtain best execution, is to select or recommend, as applicable, broker-dealers on the basis of the best combination of market price, responsiveness, financial responsibility and execution capability, under the requirements of all applicable laws and regulations. Lowest possible cost is not the determinative factor.

Depending on the product or service, CSPIA may recommend that you establish account(s) at Wells Fargo Clearing Services ("WFCS"), Charles Schwab, TD Ameritrade Inc. ("TD Ameritrade"), Fidelity Brokerage Services LLC ("Fidelity") or another qualified custodian. Ultimately, though, it is the client's decision to choose where to custody assets. CSPIA is independently owned and operated and not affiliated with WFCS, Schwab, TD Ameritrade, Fidelity, or any other qualified custodian.

A client who designates use of a particular broker-dealer, including a client who directs use of a broker who will also serve as custodian of the client's securities, should recognize that such designation has the possibility to operate to the client's disadvantage, as under those circumstances CSPIA will not be able to negotiate commissions and may not be able to obtain volume discounts or best execution. This designation can cost the client more money. In addition, a disparity in commission charges can exist between the commissions charged to clients who direct the broker-dealer selection and other clients who do not direct the selection.

CSPIA participates in the institutional advisor program (the "Program") offered by TDA Institutional ("TDA"). TDA is a division of TD Ameritrade, member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. CSPIA receives some benefits from TD Ameritrade through participation in the Program. Please see additional disclosures under "TD Ameritrade AdvisorDirect" in Item 14.

Soft Dollars

In limited cases, CSPIA receives research and other products or services, other than execution, from broker-dealers or third parties in connection with client securities transactions ("soft dollar benefits"). By utilizing client brokerage commissions to obtain research or other products and services, CSPIA receives a benefit because it does not have to produce or pay for such research, products or services. Any research, products or services considered for use under CSPIA's Soft Dollar policy must pass the SEC's three-fold test: 1.) Does the product or service meet the eligibility criteria for brokerage or research, as defined in Section 28(e)(3)? 2.) Does the item actually provide lawful and appropriate assistance in the performance of CSPIA's investment decision making responsibilities? 3.) Has CSPIA made a good faith determination that the commissions paid are reasonable in relation to the value of the goods and services provided by the broker-dealer?

Research and brokerage services obtained and permitted by Section 28(e) of the Securities Exchange Act of 1934 that are obtained from various industry sources include services such as: historical and forecasted financial and valuation information on individual companies, indices, markets and the economy; industry and individual company analysis; comparative information on individual companies and industries; charting services; and proprietary database information.

CSPIA uses research services obtained through soft dollar arrangements in its management of certain directed accounts. The use of soft dollars presents a potential conflict of interest, as CSPIA has the incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on its client's interest in receiving most favorable execution. While CSPIA has an incentive to continue to use a broker-dealer who provides research, CSPIA evaluates a broker-dealer's ability to achieve best execution on a regular basis, and the reasonableness of each brokerage arrangement is evaluated on an ongoing basis.

Item 13 Review of Accounts

CSPIA associates will review your account on a periodic basis to evaluate performance, concentration, style drift, cash flows, adherence to investment guidelines or restrictions, investment selection, and asset quality and other metrics of the investment vehicle. CSPIA, if requested, will show you how the investment compares to its peers and/or relevant benchmark and provide other assessments.

In performing its services, CSPIA is not required to verify any information received from the client or from the client's other professionals. Clients are advised to promptly notify us if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon CSPIA's management services. The client may impose restrictions on investing in certain securities or types of securities.

Upon the opening of each account, your investment objectives and strategy are reviewed for approval and consistency. Thereafter, accounts are reviewed on a transaction, monthly, quarterly or annual basis, as applicable, to monitor the account's performance, the individual mutual funds for appropriateness, and certain restrictions that apply. Additional reviews take place during the year as requested by each client. Finally, your custodian will transmit to you, a statement of account activity at least quarterly.

Item 14 Client Referrals and Other Compensation

CSPIA, as a matter policy and practice, compensates persons, i.e., individuals or entities, for the referral of advisory clients to the Firm, provided appropriate disclosures and regulatory requirements are met. Under the SEC Cash Solicitation Rule (Rule 206(4)-3) and comparable rules adopted by most states, investment advisers may compensate persons who solicit advisory clients for a firm if appropriate agreements exist, specific disclosures are made, and other conditions are met under the rules. CSPIA's CCO must approve any solicitor arrangement. Upon Compliance approval, CSPIA will enter into solicitation agreements providing cash compensation to solicitors who secure clients for its investment advisory programs. These agreements are fully disclosed to the client.

CSPIA, at its sole discretion, will engage in joint marketing activities with investment managers and/or sponsors of mutual funds in the investment advisory programs it offers. These managers and/or sponsors pay a portion, or all, of the cost of the activities, which payment at times takes the form of reimbursement to CSPIA.

Clients who have investment advisory accounts with CSPIA also have other accounts with the Firm or its affiliates in which management fees are not charged. The payment of commissions in these non-managed accounts is negotiated on an entirely separate basis from the payment of fees and commissions, if any, in the investment advisory accounts.

TD Ameritrade AdvisorDirect

As disclosed in Item 12, CSPIA participates in TD Ameritrade's institutional customer program and CSPIA may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between CSPIA's participation in the program and the investment advice it gives to its clients, although CSPIA receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving CSPIA participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by

CSPIA's related persons. These products or services may assist CSPIA in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help CSPIA manage and further develop its business enterprise. The benefits received by CSPIA or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, CSPIA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CSPIA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence CSPIA's choice of TD Ameritrade for custody and brokerage services.

CSPIA receives client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, CSPIA may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with CSPIA. TD Ameritrade does not supervise CSPIA and has no responsibility for CSPIA's management of client portfolios.

CSPIA pays TD Ameritrade an on-going fee for each successful client referral. This does not apply to already existing clients of CSPIA. For referrals that occurred through AdvisorDirect before April 10, 2017, this fee is a percentage (not to exceed 25%) of the advisory fee that the client pays to CSPIA ("Solicitation Fee"). For referrals that occurred through AdvisorDirect on or after June 9, 2017, the Solicitation Fee is an annualized fee based on the amount of referred client assets that does not exceed 25% of 1%, unless such client assets are subject to a Special Services Addendum. In the case of a Special Services Addendum, the Solicitation Fee is an annualized fee based on the amount of referred client assets that does not exceed 10% of 1%. CSPIA will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by CSPIA from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired CSPIA on the recommendation of such referred client.

CSPIA will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

CSPIA's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. CSPIA has an incentive to recommend clients to select TD Ameritrade as the custodian and place trades with TD Ameritrade. CSPIA will continue to obtain competitive, or lesser-in-cost, custodial and brokerage charges and commissions than those available at other brokers and custodians. CSPIA has agreed not to solicit clients referred through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so.

CSPIA's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

Item 15 Custody

As a matter of policy and practice, CSPIA does not permit its employees or the Firm to accept or maintain possession or custody of client assets. Instead, assets will be held by an independent, qualified custodian (“Custodian”) that will provide monthly or quarterly statements to the client. Each client must designate a Custodian, and although CSPIA does provide relevant information regarding various custodians, custodian selection is ultimately the client’s decision. CSPIA urges its clients to carefully review Custodian statements, which are the official custodial records of the client’s account. CSPIA statements or reports can vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

In certain cases, CSPIA is deemed to have custody of clients’ assets due to standing letters of authorization involving third-party recipients, or due to other grants of authority including serving as trustee of a client’s trust. All trusts maintain accounts with qualified custodians. In cases where CSPIA employees are occasionally appointed as a trustee or other fiduciary position involving CSPIA clients, these trustee appointments are usually initiated on the basis of a personal or family relationship the client has with the employee, rather than that employee’s employment with the Firm. In such cases, CSPIA would not be deemed to have custody. This is especially true where an outside third-party co-trustee serves alongside the CSPIA employee.

CSPIA may give instructions to the Custodian with respect to all investment decisions regarding the assets and the Custodian is authorized and directed to effect transactions, deliver securities, make payments, and otherwise take such actions we direct. For non-discretionary accounts, we may request documentation from you that such instructions are authorized.

Item 16 Investment Discretion

The client may grant discretionary authority to CSPIA by signing the CSPIA Investment Advisory Agreement. We will have full discretionary power to supervise and direct the investments in these accounts, as long as the accounts have the same client registration, based on your Investment Policy Statement and any other written investment guidelines or restrictions you have provided to us.

Item 17 Voting Client Securities

CSPIA acknowledges it has a fiduciary obligation to its clients that requires it to monitor corporate events and vote client proxies where clients have assigned that responsibility to CSPIA. The Firm may vote proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. CSPIA has developed its policy to be consistent with, wherever possible, enhancing long-term shareholder value and leading corporate governance practices. CSPIA has retained the services of Broadridge ProxyEdge to vote securities on its behalf. Broadridge ProxyEdge provides voting recommendations to CSPIA and votes accounts on CSPIA’s behalf under the guidance of ProxyEdge’s PPI voting guidelines.

Clients may direct CSPIA’s vote if the request is received in writing no later than 30 days in advance of the proxy voting deadline. In some instances, clients of CSPIA have reserved the right to vote their own proxies. In these cases, CSPIA does not have the authority to vote on the client’s behalf. Arrangements should be made by the client to have the custodian and/or transfer agent deliver the proxy solicitations directly to them. Clients may contact our Chief Compliance Officer for more information on CSPIA’s proxy voting policies.

Item 18 Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about their financial condition. CSPIA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.