

Vestmark Advisory Solutions, Inc.

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This brochure provides information about the qualifications and business practices of Vestmark Advisory Solutions, Inc. (“VAS,” “Firm” or “the Adviser”). If you have any questions about the contents of this brochure, please contact us at 888-355-0477 or via www.vestmarkmm.com or www.vestmark.com/outsourced-services.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.

Additional information about Vestmark Advisory Solutions, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

The following items noted are the material changes to the Firm's Brochure since the last annual amendment that was filed on March 30, 2020:

- a. VAS has modified its regulatory assets under management ("RAUM") both in terms of the overall amount and classification of discretionary assets and non-discretionary assets for which advisory services are furnished.

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Item 4 Advisory Business

Vestmark Advisory Solutions, Inc. (“VAS” or the “Adviser”) is a corporation organized under the laws of Delaware since October 2014. VAS is registered as an investment advisor with the U.S. Securities & Exchange Commission (“SEC”) since September 2018. VAS is wholly owned by Vestmark, Inc. and has its principal office and only place of business in Jersey City, New Jersey.

VAS provides fee-only investment sub-advisory services on either a discretionary basis (i.e., Overlay Management) or non-discretionary basis (i.e., Manager Model Delivery, Separate Account Management), as described below, to businesses that sponsor their own investment management programs (“Sponsors”). VAS exclusively serves clients who are classified as institutional clients inclusive of financial institutions, broker-dealers, registered investment advisors and others who manage investors’ accounts or portfolios. VAS provides its services either directly to Sponsors or as a sub-advisor to Sponsors for their customers (“Customers”). VAS does not service individual retail investors who are Customers of the Sponsors to whom the Adviser provides advisory services.

VAS contracts with an array of third-party asset managers (“Managers”) and offers Sponsors access to those Managers’ proprietary discretionary and non-discretionary investment strategies and advisory services to clients in three ways:

1. Manager Models Delivery: VAS obtains recommendations for the purchase or sale of securities from the Manager (the “Manager Models” and formerly “Manager Signals”) and supplies those Manager Models to the Sponsor upon request. Sponsor makes the ongoing decision to invest the Customer’s assets based entirely or in part on the Manager Models.
2. Separate Account Management: Sponsor communicates to VAS the decision to select an investment strategy of a particular Manager for a Customer’s account. VAS facilitates the selected investment strategy by arranging for the selected Manager to purchase and sell securities within the Customer’s account pursuant to Manager’s contract with VAS (“Separate Account Management”). VAS does not verify any information received from Sponsor regarding the selection of a particular investment strategy and VAS is expressly authorized by Sponsor to act based on Sponsor’s instructions.
3. Overlay Management: Sponsor selects one or more strategies of participating Managers and specifies the percentage weight for each strategy to be implemented within a Customer’s portfolio. VAS provides overlay management services, which include discretionary implementation of trades to maintain with reasonable precision both (a) the Sponsor-specified allocation percentages among strategies and (b) the Manager-specified holdings within each strategy.

In addition, VAS may offer to Sponsors complementary technology services (“Tech Services”) and business process outsourcing services (“BPO”) through arrangements VAS has with affiliated companies. The Tech Services consist of the various account

and practice management tools that make up the wealth management solution called the VestmarkONE platform, offered by VAS's parent company, Vestmark, Inc. BPO consists of a range of middle-office and back-office capabilities, to assist clients in managing their internal operations. BPO may include hands-on operation of the Tech Services to the extent a client desires a more comprehensive solution. BPO is offered by Vestmark Outsourcing Solutions, Inc., whose parent company is also Vestmark, Inc. Clients who purchase Tech Services or BPO will be billed separately at the rates indicated below in Item 5.

Where VAS provides Manager Model Delivery, it obtains recommendations for the purchase or sale of securities from the Manager (the "Manager Models") and supplies those Manager Models to the Sponsor upon request. Sponsor makes the ongoing decision to invest the Customer's assets based entirely or in part on the Manager Models. The Customer may impose restrictions on investing in certain securities or types of securities. Sponsor is responsible for ascertaining such restrictions from the Customer and communicating them to VAS. VAS provides the Manager Model Delivery service but does not count underlying assets as either discretionary or non-discretionary as this service does not encompass the mandatory requirements to allow such assets to be classified as RAUM.

Where VAS provides Separate Account Management services, Sponsor determines which third-party Managers' investment strategies to employ within the Customer's account, and discretion is accordingly delegated to the selected Managers so that they can buy and sell securities within that account to implement the strategy or strategies selected by the Sponsor. Once such a discretionary arrangement is established for a given account, it shall continue until terminated or modified by the Sponsor or Customer. Where VAS provides Separate Account Management services, VAS delegates to the selected Manager or Managers compliance with trade restrictions communicated by the Sponsor. VAS provides Separate Account Management services on a non-discretionary basis.

Where VAS provides Overlay Management, Sponsor determines which third-party Managers' investment strategies to employ within the Customer's account, and discretion is accordingly delegated to VAS so that VAS can buy and sell securities within that account to implement the strategy or strategies selected by the Sponsor and to maintain the Sponsor-specified allocation among strategies selected by the Sponsor. Where VAS provides Overlay Management, VAS assumes responsibility for compliance with trade restrictions communicated by the Sponsor. VAS provides Overlay Management on a discretionary basis. Once such a discretionary arrangement is established for a given account, it shall continue until terminated or modified by the Sponsor.

VAS maintains and makes available to Sponsors a list of approved Managers and strategies. Approved Managers and their strategies are subjected to a program of limited operational due diligence and ongoing monitoring, which VAS makes available to Sponsors through an online portal interface.

When exceptions to VAS's due diligence requirements are noted, VAS either:
(a) discloses such exceptions to Sponsors, or (b) elects to exclude the Manager or strategy

from the list of available Managers and strategies. This due diligence and monitoring program is limited in scope and is not designed to assess or predict investment performance or verify regulatory compliance by Managers.

In all cases, the Sponsor, and not VAS, is responsible for the following:

1. Understanding, in connection to the end retail investor or institutional investor (collectively, the “Sponsor Customers”), Sponsor Customers’ investment objectives and restrictions with respect to specific securities;
2. Determining the suitability of any investment for the Sponsor Customer;
3. Performing appropriate anti-money laundering and know-your-client procedures;
4. Communicating and meeting with the Sponsor Customer with a frequency that complies with the Investment Advisers Act;
5. Designating a custodian and/or broker dealer for the Sponsor Customer and ensuring compliance with applicable rules and industry practices regarding best execution of trades. However, when providing Overlay Management services in situations where the Sponsor does not have a directed brokerage agreement, VAS will be responsible for seeking best execution of trades. Currently, all our clients have directed agreements.
6. Delivering Brochures of participating Managers to the Sponsor Customers.
7. Maintaining ultimate decision-making authority in connection to proxy voting, corporate actions, and class actions.

In exchange for VAS’s services, each Sponsor pays to VAS a portion of the investment advisory fee received from Sponsor Customers for allocated assets.

As of December 31, 2020, VAS had \$1,643,231,554 total regulatory assets under management (“RAUM”), including \$1,115,652,502 in discretionary client assets under management and \$527,579,052 in non-discretionary assets under management. These RAUM amounts include Separate Account Management for non-discretionary assets and Overlay Management for discretionary assets; however, it does not include assets managed in connection to Manager Model Delivery services as these particular advisory services do not meet the requirements to count as part of a registered investment adviser’s RAUM.

Item 5 Fees and Compensation

VAS typically calculates fees and invoices Sponsors quarterly in arrears but does permit Sponsors to have fees and invoices calculated in advance on a quarterly basis. As a

general standard, fees are based on either the average daily balance or the quarter-end balance of each account, as negotiated as follows:

Manager Model Delivery:	between 0 bps and 15 bps
Separate Account Management:	between 0 bps and 30 bps
Overlay Management:	between 8 bps and 20 bps
Manager Fees:	between 10 bps and 100 bps
Tech Services and BPO:	between 0 bps and 50 bps

Each invoice includes: (i) VAS's fees for Manager Model Delivery, Separate Account Management and/or Overlay Management; (ii) Manager fees for the strategies selected by Sponsor for its Customer accounts; and (iii) fees for any Tech Services and/or BPO purchased by Sponsor. Manager fees will vary depending on the Managers and strategies selected.

If more than one Manager is deployed within a single account, VAS allocates the invoiced Manager fees among the selected Managers based on the average daily percentage of the account assigned to each Manager's strategy.

Each Sponsor is responsible for deducting from or billing its own Customers as appropriate. The fees set forth above are in addition to advisory, brokerage, custody and other transaction costs that may be charged by Sponsor or other entities unrelated to VAS. See Item 12, Brokerage Practices, for additional information on brokerage costs.

Some Managers may reduce the fees they charge for their services as part of the Managers' business relationship with VAS, based on asset volume or other factors. VAS may in its discretion pass such discounts on to Sponsors or not, on a case-by-case basis.

VAS may charge Sponsors different fee levels for similar services based on objective and subjective factors, including asset levels, engagement complexity, levels of service provided, and the overall business relationship. The services provided by VAS may be available from other advisors at lower fees.

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

Neither VAS nor any of its supervised persons accepts performance-based fees. Certain Managers may charge performance-based fees, but no such fees will be accepted by or shared with VAS.

Item 7 Types of Clients

As noted above in Item 4, VAS serves clients who are classified as institutional clients inclusive of financial institutions, broker-dealers, registered investment advisors and others who manage their own investors' accounts or portfolios. VAS provides its

services either directly to Sponsors or as a sub-advisor to Sponsors for their customers. VAS does not offer financial planning, investment advisory or other services directly to clients other than those described herein and, under no circumstances, does it provide advisory services for customers that meet the SEC's definitions of "Retail Investors". For this reason, VAS is not required to nor voluntarily furnishes a Form CRS to any of its clients. VAS maintains a fiduciary obligation to its clients, or Sponsors, and does not tailor or customize investment advice to the Sponsor Customers as VAS does not have information concerning financial objectives, risk tolerances, or net worth, among others, to make such determinations. As such, the Sponsors are solely responsible to meet their fiduciary obligations to the Sponsor Customers.

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

Investing in securities involves risk of loss that Sponsors and the Sponsor Customers should be prepared to bear. Different investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and investment strategies recommended or undertaken by VAS) will be profitable or will achieve any specific performance levels.

As described in Item 4, VAS performs certain functions designed to provide limited monitoring and approval of Managers with whom VAS enters into contracts for the services it offers to Sponsors. The monitoring functions performed by VAS are not designed to assess or predict investment performance by a Manager. Each Manager adheres to its own protocol for analysis and risk measurement.

The limited monitoring of Managers performed by VAS is designed to complement, not replace, thorough due diligence and analysis by each Sponsor. The decision to allocate Customer assets to a Manager's strategy is made by Sponsor based primarily on Sponsor's analysis and risk assessment.

VAS does not recommend any particular type of security. Rather, VAS makes available strategies of Managers who purchase and sell securities or recommend the purchase and sale of securities. Each Manager determines which markets to invest in and which securities to trade within a strategy. Accordingly, each strategy carries unique risks, including but not limited to market risk, currency risk, interest rate risk, default risk, etc.

Pandemic Risk. The recent COVID-19 pandemic has caused and continues to cause disruptions in economies and individual companies and volatility in financial markets throughout the world, including those in which VAS' clients ("Clients") invest. The impact of the pandemic and resulting economic disruptions may negatively impact Clients and the performance of their portfolios due to, among other things, (i) interruption of business operations resulting from travel restrictions, reduced consumer spending, and quarantines of employees, customers and suppliers in areas affected by the outbreak, (ii) closures of manufacturing facilities, warehouses and logistics supply chains, and (iii) uncertainty about the duration of the virus' impact on global financial markets.

Governments and central banks throughout the world have responded to the pandemic and resulting economic disruptions with a variety of fiscal and monetary policy changes, including direct capital infusions into companies and other issuers, new monetary policy

tools and lower interest rates, but the ultimate impact of these efforts is uncertain. It is not possible to determine the duration or severity of the disruption in financial markets or the long-term economic impact of the COVID-19 pandemic, or other future epidemics or pandemics, which may adversely affect Clients' performance and investment strategies and significantly reduce available investment opportunities.

Item 9 Disciplinary Information

Neither VAS nor its supervised persons have been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

As noted in Item 8, VAS makes available to Sponsors strategies of third-party Managers. Because VAS could set prices in a way that favors one strategy over another, VAS has procedures in place to ensure conflicts of interest do not influence the way that prices are set. Specifically, when VAS fees for comparable strategies are to be assessed differentially for the same Sponsor, VAS requires documentation of the business rationale for such differential pricing.

VAS's parent company, Vestmark, Inc., provides middle and back office technology solutions, including portfolio accounting and trading tools, to institutional clients, some of whom separately contract with VAS.

As both VAS and Adhesion Wealth Advisor Solutions, Inc. ("Adhesion Wealth")—a North Carolina-based registered investment adviser subject to SEC governance—are under common control of Vestmark, Inc. Adhesion Wealth and VAS are related advisers given they are under common control of Vestmark Inc. However, while VAS and Adhesion Wealth may have commonalities in the advisory services offered, the two organizations operate independently of one another although both, as noted, ultimately are controlled by the same parent company.

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

VAS has adopted a Code of Ethics ("Code") pursuant to SEC Rule 204A-1 that sets forth the basic policies of ethical conduct for individuals subject to the VAS Code (or "Access Persons"). Access Persons are required to routinely submit brokerage account statements containing the preceding quarter's personal securities transactions for review by the Chief Compliance Officer ("CCO"). The Code, moreover, compels Access Persons to request pre-clearance of certain transactions (e.g., IPOs, limited offerings) from the CCO. The Code is designed to govern personal securities transactions conducted by each Access Person to help ensure that securities transactions are conducted in a manner that avoids any existing or potential conflict of interest between such Access Persons and the Adviser's clients (e.g., Sponsors). VAS reviews records of securities holdings and securities transactions conducted by Access Persons to identify and resolve conflicts of interest. VAS will provide a copy of the Code of Ethics to any client or prospective client upon request via telephone at 888-355-0477.

As described above in Item 8, rather than recommend particular securities, VAS makes available certain strategies of Managers who purchase and sell, or who recommend the purchase and sale of, securities. Accordingly, neither VAS nor any related person recommends securities in which VAS or a related person has a material financial interest.

VAS does not have proprietary accounts although its Access Persons may, from time to time, invest in the same securities or related securities that one or more Managers selected by Sponsor recommends to or purchases for a Customer. Access Persons are nonetheless subject to the Code which prohibits conflicts of interests that are detrimental to clients, including front running (i.e., executing personal trades ahead of Customer trades), or insider trading and/or other potentially abusive practices. VAS' Access Persons are required to abide by the Code at all times. The Code is designed to prohibit such practices, and VAS has in place the policies described above to monitor personal trading by Access Persons and reduce the risk of such abuses. Further, VAS and its Access Persons are bound by fiduciary duty to put the interests of VAS's clients ahead of their personal interests and the interests of the Adviser.

Item 12 Brokerage Practices

As described in Item 4, the Sponsor, and not VAS, is responsible for designating a custodian and/or broker dealer for each Customer as well as ensuring compliance with applicable rules and industry practices regarding best execution of trades; however, when providing Overlay Management, VAS will be responsible for seeking best execution of trades for Overlay Management in circumstances where the Sponsor has not entered into a standard directed brokerage arrangement. VAS does not recommend a particular broker-dealer or custodian.

Note that directing brokerage may cost Customers more money. For example, in a directed brokerage account, the Customer may pay a higher brokerage commission because orders cannot be aggregated to reduce transaction costs or the Customer may receive less favorable prices.

VAS does not receive referrals from broker-dealers, nor does VAS receive research, products, services, or "soft dollars" from broker-dealers or other third parties in connection with securities transactions for Sponsors or Customers.

VAS will allow its clients, or Sponsors, on behalf of itself or the Sponsor Customers, to select direct brokerage at their sole discretion. VAS Clients should be aware that if they direct VAS to a particular broker-dealer for execution, under certain circumstances, VAS may be unable to achieve the most favorable execution of Sponsor Customers transactions.

VAS may combine orders into block trades when more than one account is participating in the trade provided the accounts involved are maintained at the same Sponsor and custodian. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g., for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed

when it is consistent with the duty to seek best execution and is consistent with the terms of VAS's investment advisory agreements. Equity trades are blocked based upon fairness to VAS' client, both in the participation of their accounts, and in the allocation of orders for the accounts.

Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any partial fill order will be allocated to end investor accounts pro-rata, with average share price. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day.

Item 13 Review of Accounts

VAS monitors the Sponsor's investment guidelines to enact measures, including, reallocation, rebalancing and trading, to maintain the portfolio composition within certain established parameters. VAS also monitors client account portfolios in accordance with regulatory restrictions as set forth under Section 13 of the Securities and Exchange Act.

VAS regularly reports assets and number of accounts to its Sponsor Customers that enter into Overlay Management accounts and Separate Account Management accounts.

Item 14 Client Referrals and Other Compensation

VAS has established policies and procedures to ensure that its solicitation activities are compliant with the requirements under the Advisers Act. VAS does not receive any direct compensation for referrals.

VAS' parent company, Vestmark, Inc., earns fees for providing Tech Services and BPO to some Sponsors contingent on the contract terms and provisions. These fees do not impact fees paid by VAS clients.

Item 15 Custody

Neither VAS, nor its related persons, maintain custody of client securities or funds and does not send account statements to end investor accounts. Sponsors may, pursuant to their investment advisory agreements with their Customers, make arrangements for custody. In some cases, Sponsor or a related firm of the Sponsor may act as a qualified custodian and provide custody services to Sponsor Customers. In that case, Customers should carefully review statements provided by the Sponsor to those received from the qualified custodian.

Item 16 Investment Discretion

Where VAS provides Overlay Management services, the Adviser and Sponsor maintain discretionary authority where its other advisory services, namely Separate Account Management, is furnished on a non-discretionary basis.

In regard to Overlay Management services, the Sponsor determines which third-party

Managers' investment strategies to deploy within the Customer's account, and trading authority is accordingly shared with VAS to allow us to implement the strategy or strategies selected by the Sponsor through buying and selling securities within that account(s) and to maintain the Sponsor-specified allocation among strategies selected by Sponsor.

Item 17 Voting Client Securities

VAS does not accept proxy voting obligations (including for corporate or class actions) for Sponsors' accounts and, as such, does not maintain a fiduciary obligation to exercise voting decisions. VAS is not a research firm nor does it use a third party to conduct research in connection to proxy votes.

Item 18 Financial Information

VAS does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

VAS is not aware of any financial condition that is reasonably likely to impair VAS's ability to meet contractual commitments relating to VAS's discretionary authority over any Customer accounts. VAS has not been the subject of a bankruptcy petition.