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Managed Account Solutions  
Form ADV Part 2A (“Brochure”)

June 30, 2023

This Brochure provides information about the qualifications and business practices of UnionBanc Investment Services LLC. If you have any questions about the contents of this Brochure, please contact us at (800) 634-1100. 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.

UnionBanc Investment Services LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about UnionBanc Investment Services LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Below is a summary of material changes made to the Brochure since its last amendment on March 31, 2023.

- Replaced references to MUB Union Bank with U.S. Bank.
- Item 9 Disciplinary Information section – On June 6, 2023, the Financial Industry Regulatory Authority (“FINRA”) issued an Acceptance, Waiver and Consent (AWC) in which UBIS was censured and fined \$75,000. Specifically, UBIS consented to an order without admitting or denying the allegations that from February 2020 through May 2021, UBIS violated FINRA Rule 2010 and FINRA IM-13000 by failing to comply with its discovery obligations prior to the hearing on the merits during an arbitration filed against UBIS in FINRA’s dispute resolution forum for claims arising out of the termination of a former UBIS registered representative. FINRA notes that the arbitration panel awarded claimant sanctions and attorney fees of \$35,000, which UBIS subsequently paid. Claimant’s substantive arbitration claims were ultimately denied after the hearing.
- Item 10 Other Financial Industry Activities and Affiliations section
  - Related Persons and Material Arrangements subsection – Deleted references to HighMark Capital Management (HCM). The Private Bank Asset Allocation Model is no longer offered by UBIS, therefore, UBIS no longer has a relationship with HCM related to UBIS’ advisory business. Also, added U.S. Bancorp Investments, Inc. as an affiliate.
- Item 14 Client Referrals and Other Compensation section
  - Compensation for Client Referrals to UBIS subsection – Updated references to UBIS’ Licensed Banker Program to U.S. Bancorp Investments Referral Only Registered Representative. UBIS no longer maintains a Licensed Banker Program.
  - Compensation for Client Referrals to U.S. Bancorp Investments, Inc. subsection (New) – Registered representatives of U.S. Bancorp Investments, Inc. are eligible to receive compensation for referral of clients to UBIS for brokerage or investment advisory services. The referral fees paid do not entail an additional cost to the client.

Additional non-material changes that update, enhance or further clarify existing language have also been incorporated throughout the Form ADV Part 2A Brochure since its prior version.

A full copy of the Form ADV Part 2A Brochure may be requested by contacting your Financial Advisor or our Client Services Desk at 800.634.1100. It is also available on our web site at <https://www.usbank.com/unionbanc-investment-services/terms> or on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 – Advisory Business**

UnionBanc Investment Services LLC (“UBIS”) is an investment adviser registered with the SEC and is a subsidiary of U.S. Bancorp, and an affiliate of U.S. Bank, National Association (“U.S. Bank” or “the Bank”), a national bank regulated by the Office of the Comptroller of the Currency. Please refer to Item 10, *Other Financial Industry Activities and Affiliations*, for additional information regarding UBIS’ affiliates.

UBIS provides investment advisory services to clients through two programs: the Managed Account Solutions Program (“MAS Program”) and the Personal Portfolio Solutions Wrap Fee Program (“PPS Program”).

This Brochure applies only to the MAS Program. UBIS Financial Advisors authorized to provide services include Financial Advisors or Senior Financial Advisors, collectively referred to as Financial Advisors (“FAs”).

UBIS and its FAs may be referred to as “us,” “we” or “our,” while clients may be referred to as “you” and “your” throughout this Brochure.

Envestnet Asset Management, Inc. (“Envestnet”), an SEC-registered investment adviser that is not affiliated with UBIS, is the sponsor for the MAS Program and provides the technology platform for all accounts on the MAS Program. The MAS Program is a discretionary wrap fee program for which clients pay a single fee (or “wrap fee”) for both investment advisory services and the associated brokerage transactions and custody. We receive a portion of this fee. This wrap fee is not based on the number of transactions made in your account. It is based on the size of the account we manage for you. If you invest in a traditional brokerage account, you will likely be subject to charges for each transaction. Because wrap programs do not have fees or charges associated with each transaction, wrap fees may be greater for similar services provided through a traditional brokerage account. Conversely, clients invested in a traditional brokerage account may incur a higher or lower overall cost for the same services, depending on the number of trades in their account. Clients may request fee information on similar programs or other types of accounts from their FA. In the MAS Program, we generally do not exercise investment discretion although we are permitted to do so under the terms and conditions of our agreement with you. Any applicable sub-adviser(s), which may include Envestnet or its subsidiary Portfolio Management Consultants (“PMC”) (also referred to as “Sub-managers”), generally exercise investment discretion over your account. Please refer to Envestnet’s disclosure document for more information.

In the MAS Program, we present a selection of various investment strategies for your review and approval. If you approve the investment strategy, we will invest your assets accordingly. Once your assets are invested, Sub-managers are granted the authority by you to manage the account on a discretionary basis. The MAS Program is described in more detail below.

All accounts in the MAS Program are held in custody at National Financial Services LLC (“NFS”), a registered broker-dealer operating as a brokerage clearing firm to provide transaction execution, clearance, settlement, custody and related services in connection with the MAS Program. NFS, which is not affiliated with us, also is the clearing broker for UBIS brokerage accounts. However, UBIS may be deemed to have custody under applicable regulations because of its arrangement with NFS where NFS may rely wholly on UBIS for certain actions on behalf of your account. In addition, U.S. Bank serves as the IRA Custodian for clients with Individual Retirement Accounts although all custodial functions are performed by NFS.

Including our predecessor organizations, we have been in business as a broker-dealer since 1983 and began offering investment advisory services as a registered investment adviser in 1999. Our registration with the SEC as a registered investment adviser became effective in August 2009. As of December 31, 2022, client assets managed on a discretionary basis under the MAS Program were \$1,373,103,628 for 4343 clients. There are no client assets managed on a non-discretionary basis under the MAS Program.

### **MANAGED ACCOUNT SOLUTIONS PROGRAM**

#### *Overview*

You may choose one or more of the following investment advisory Sub-programs offered through the MAS Program:

- (1) Fund Strategist Portfolio Sub-program (“FSP”);
- (2) Separately Managed Account Sub-program (“SMA”);
- (3) Unified Managed Account Sub-program (“UMA”); and
- (4) Choice Unified Managed Account Sub-program (“Choice UMA”).

With respect to all of the Sub-programs described in this section, we assist you in your selection of one or more of the MAS Sub-programs through a review of your investment criteria, including, among other information, your investment goals, income requirements, time horizon, and risk tolerance. We enter the relevant information you provide into Envestnet’s system, which analyzes the information and establishes an investor profile for you. This investor profile forms the basis for the investment strategy that is recommended. The recommended investment strategy, including the recommended Sub-program(s) and portfolio investments within the Sub-program, will generally be based on a combination of both Envestnet’s and our recommendations, and in all cases is based on your investor profile. Portfolio investments and any Sub-manager are selected by Envestnet and its subsidiary PMC and placed on an approved products list (“Approved Products List”). UBIS does not have any role in selecting or maintaining Envestnet’s and PMC’s Approved Product List.

After your initial approval, Envestnet and Sub-managers will manage your portfolio(s) on a fully discretionary basis and are not required to seek your approval prior to each transaction. Under certain circumstances, we may exercise our discretionary authority, pursuant to the MAS Program Terms and Conditions to replace any Sub-manager and/or investment(s) held in your account(s) that are no longer eligible for participation in PMC’s Approved Product List, with an approved Sub-manager and/or investment(s) without your consultation or your verbal or written authorization. In addition, if you choose a UMA or Choice UMA, your FA may, without consulting you, change the allocation of your account by changing any Sub-manager, investment model, or security held in the account solely for the purpose of disposing of a Sub-manager, investment model, or security being removed from PMC’s Approved Product List as long as the changes are consistent with your risk tolerance and investment objective. Generally, your FA will present any recommended changes to you for approval before implementing them. A taxable event may occur as a result of changing Sub-managers and/or investment(s) and you are solely responsible for any resulting tax liabilities. You are encouraged to consult with your tax professional regarding these types of events.

You may also request reasonable instructions and/or investment restrictions to the extent that we, Envestnet or a Sub-manager are able to accommodate the request. Restrictions cannot be imposed on how any particular mutual fund, exchange-traded fund (“ETF”) or investment company security is managed, including the selection of securities invested by each fund. For all Sub-programs, you directly own an interest in each of the securities that are invested in your account.

The available MAS Sub-programs are described below:

#### *Fund Strategist Portfolio Sub-program*

FSP is a discretionary asset allocation program that offers clients diversified model portfolios generally using ETFs and mutual funds. Each FSP model portfolio seeks to achieve a specific investment objective while striving to maintain a level of risk that is appropriate for your investor profile. The FSP model portfolios are designed and actively managed by Envestnet and/or Sub-managers that provide their model portfolios to Envestnet. Some FSP model providers may use mutual funds that invest in alternative investments, leveraged and/or inverse ETFs in the portfolios as appropriate, and in a manner that is consistent with the client’s investor profile and investment strategy. The use of such securities can result in higher volatility and involves significant risks. Please refer to Item 8, *Methods of Analysis, Investment Strategies and Risk of Loss*, for additional information. You will be provided with an initial allocation recommendation that corresponds to your investor profile. After your approval, Envestnet manages your account on a discretionary basis in a manner consistent

with the Sub-manager's management of the model portfolio. Should the risk associated with the model portfolio drift from your risk tolerance over time, your FA may recommend a different model or discuss potential changes to your investor profile as necessary.

#### *Separately Managed Account Sub-program*

SMA offers an investment portfolio of actively managed individual securities that correspond to specific asset classes. Each investment portfolio is managed by a Sub-manager ("Separate Account Manager"). Envestnet and the Separate Account Manager manage the separate account model portfolio on a discretionary basis. Neither Envestnet nor the Separate Account Manager coordinates their management of your account with any of your other accounts which may be managed by the same Separate Account Manager or other Separate Account Managers. This may cause your portfolio to be over-weighted in certain securities or asset classes. Should the risk associated with the model portfolio drift from your risk tolerance over time, your FA may recommend a different model or discuss potential changes to your investor profile as necessary.

#### *Unified Managed Account Sub-program*

UMA offers an investment portfolio that accesses Separate Account Managers, mutual funds and/or ETFs within one integrated managed account. To implement your investment strategy, Envestnet and your FA will recommend a suitable asset allocation model for you and a selection of Sub-managers, mutual funds, and ETFs from which your FA can select and recommend for each asset class within the model. Subject to your investor profile and risk tolerance, your FA may customize the Envestnet-recommended asset allocation model as necessary. Your FA will present the recommended investment portfolio to you for approval, subject to reasonable investment restrictions that you request and that we and Envestnet can accommodate. Envestnet rebalances the account among the asset classes periodically, to remain consistent with your investor profile, and as investment risks and opportunities are identified. After your approval of the investment strategy, Envestnet and the Sub-manager(s) manage the portfolio on a discretionary basis, without your prior consent. During the life of your account, your FA may, without consulting you, change the allocation of your account by changing any Sub-manager, investment model, or security held in the account as long as the changes are consistent with your risk tolerance and investment objective. Should the risk associated with the model portfolio drift from your risk tolerance over time, your FA may recommend a different model or discuss potential changes to your investor profile as necessary.

Envestnet provides two optional overlay management services within the UMA sub-program for an additional fee. The first service is the tax overlay and management service ("Envestnet Tax-Overlay Management Services") which seeks to consider tax implications that may detract from your after-tax returns. The end goal of the Envestnet Tax-Overlay Management Services is to improve the after-tax return for you while staying as consistent as possible with your risk and return characteristics provided by the model portfolios. The second service is the Impact Overlay Management Services ("Envestnet Impact Overlay Management Services") which seeks to integrate environmental, social and governance (or ESG) factors into their investment based on your personal social values while staying as consistent as possible with your risk and return characteristics provided by the model portfolios. In order to be eligible to select one or both overlay management services, Envestnet requires that at least 50% of your portfolio is managed by an equity Separate Account Manager. You may choose to add or terminate these services at any time, and if you remove a Separately Managed Account from your portfolio, the overlay management services will terminate as well. Neither UBIS (or your FA) nor Envestnet can guarantee that your tax liability will be reduced or that any indicated limits or mandates will be met. As a reminder, UBIS, your FA and Envestnet do not provide tax planning advice or services; you should speak with your own tax advisor for tax related questions.

#### *Choice Unified Managed Account Sub-program*

Choice UMA offers an investment portfolio that accesses mutual funds and/or ETFs within one integrated managed account. To implement your investment strategy, Envestnet and your FA will recommend a suitable

asset allocation model for you and a selection of mutual funds and/or ETFs from which your FA can recommend and select for each asset class within the model.

The Private Bank Asset Allocation Model was developed by HighMark Capital Management, Inc (“HCM”), a registered investment advisory wholly owned subsidiary of U.S. Bancorp and an affiliate of UBIS, providing investment advisory and other services to U.S. Bank and UBIS clients. The Private Bank Asset Allocation Model is no longer offered as of June 9, 2023.

The Envestnet asset allocation models are based on a 7-point risk scoring system and your FA will present the recommended investment portfolio to you for approval, subject to reasonable investment restrictions that you request and that we and Envestnet can accommodate. Envestnet rebalances the account among the asset classes periodically, to remain consistent with your investor profile, and as investment risks and opportunities are identified. After your approval of the investment strategy, Envestnet will manage your portfolio on a discretionary basis, without your prior consent.

During the life of your account, your FA may, without consulting you, change the allocation of your account by changing the investment model, or security held in the account as long as the changes are consistent with your risk tolerance and investment objective. Should the risk associated with the model portfolio drift from your risk tolerance over time, your FA may recommend a different model or discuss potential changes to your investor profile as necessary.

#### *WealthBuilder Sub-program*

WealthBuilder is a discretionary asset allocation program that offers clients diversified model portfolios generally using ETFs and/or mutual funds. The model portfolios are designed and are actively managed by Envestnet and Sub-managers that provide their model portfolios to Envestnet. WealthBuilder model providers may also use alternative mutual funds, leveraged and/or inverse ETFs in the portfolios as appropriate, and in a manner that is consistent with the client’s investor profile and investment strategy. The use of alternative mutual funds or leveraged and/or inverse ETFs can result in higher volatility and decreased or increased performance and involves significant risks. Please refer to Item 8, *Methods of Analysis, Investment Strategies and Risk of Loss*, for additional information. Envestnet manages your account on a discretionary basis in a manner consistent with the Sub-manager’s management of the model. Should the risk associated with the model portfolio drift from your risk tolerance over time, your FA may recommend a different model or discuss potential changes to your investor profile as necessary. WealthBuilder is no longer offered as of January 10, 2020.

## **Item 5 – Fees and Compensation**

### *MAS Program Fee Schedule*

The fees for the MAS Program are generally based on “Assets Under Management.” This means that the account is charged a fee based on the account balance as of a certain date. Your account will be charged a quarterly program fee which consists of the Sponsor Fee and the UBIS Financial Advisor Fee (“FA Fee”), collectively called the “Program Fee.” The Sponsor Fee is comprised of the Platform Fee which is payable to Envestnet for services provided to your account, the Custody Fee, which is payable to NFS, and Manager Fee which is payable to the Submanagers for the investment management services provided on your account. Please note that certain fees may not be applicable based on the specific sub-program(s) selected. The FA Fee charged by your FA may be negotiable. The Program Fee is charged in advance (or pre-paid) each quarter. Envestnet calculates the Program Fee at the beginning of each quarter by applying the fee schedule on the Statement of Investment Selection (“SIS”) to the fair market value of your account, as determined by Envestnet, on the last business day of the prior calendar quarter. For new accounts, your account will be billed when it is opened for the remaining days in the quarter. For accounts that are terminating management, we will automatically credit you back any pre-paid fees for the portion of the quarter remaining after management has terminated. In the event a deposit or withdrawal of \$10,000 or more on a single day in one investment account occurs, we will calculate the fee owed or refund due and adjust the normal fee charged at the end of the calendar quarter.

Envestnet determines and applies the applicable fee schedule to the value of your assets in each Sub-program or account separately and does not aggregate all of your assets invested in the MAS Program for billing purposes. Please refer to *Additional Information About Fees and Related Conflicts of Interest, Non-Aggregation of Client Fees for Multiple Programs or Accounts* below, and to the MAS Program Terms and Conditions for additional information about fees on assets invested in multiple programs.

Envestnet will calculate the initial Program Fee on a pro-rated basis based on the number of calendar days in the partial quarter and depending on when in the calendar quarter the account is opened. The Program Fee is shared between UBIS, Envestnet, and NFS pursuant to an agreement between them. In certain circumstances, at our discretion, the Program Fee may be negotiated. Generally, the portion of the Program Fee that is negotiable is the FA Fee, however the Sponsor Fee may also be negotiable subject to Envestnet and NFS' ability to accommodate.

Your Sponsor Fee may vary based on the type of Sub-program and Sub-managers selected. Your Sponsor Fee may also vary if the amount deducted from your account does not adequately cover the Annual Minimum Account Fee.

If your account does not have sufficient cash balance to pay the Program Fee or other expenses, securities positions in the account may be liquidated to pay the Program Fee without your consent. You may incur transaction costs and there may be tax consequences when securities positions in the account are liquidated to pay the Program Fee or other expenses. You are solely responsible for any resulting tax liabilities and we encourage you to consult with your tax professional regarding these types of events. Your Program Fee for the MAS Program is described in the SIS.

The Program Fee in the schedules below do not cover other charges, including commissions, dealer mark-ups or fees for portfolio transactions executed away from NFS, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in Envestnet's disclosure document that would apply separately. Please refer to Item 12, *Brokerage Practices* and Envestnet's Form ADV Part 2A for additional information.

The UnionBanc Investment Services Commission and Fee Schedule discloses the account custodial fee, IRA termination fee, various fees and charges, and account minimums that apply to your accounts with us. Please refer to the UnionBanc Investment Services Commission & Fee Schedule, Disclosures, and Services Agreement available on our website at <https://www.usbank.com/unionbanc-investment-services/terms>.

Except as required by law, we reserve the right to change any of the information contained in each fee schedule upon a 30-day written notification.

In certain cases, a Minimum Annual Account Fee will apply and is assessed quarterly to cover the costs associated with any applicable clearing, custody, and platform-related services that may not be adequately covered by the Sponsor Fee. The Minimum Annual Account Fee that is assessed by Envestnet and/or NFS may apply to certain Sub-programs, which could result in an overall fee that is higher than the Program Fee shown in the tables below. Because a portion of the Sponsor Fee is payable to Envestnet and NFS, respectively, the Sponsor Fee may be increased proportionally in order to satisfy the minimum fees due to each of Envestnet and NFS, as the case may be. We do not receive any portion of this fee. Please refer to the SIS for the specific Minimum Annual Account Fee applicable to your account.

The standard fee schedule below represents the range of fees applicable to your account and does not represent the total fees you will pay. The tiered fee structure will result in a blended rate for your account, please refer to your SIS for your Program Fee.

The Program Fee equals FA Fee plus Sponsor Fee. Note that the Sponsor Fee will be disclosed in your SIS.



### *Fund Strategist Portfolio Sub-program*

Account Size	Program Fee	FA Fee
First \$250,000	1.07% - 2.39%	0.90% - 1.75%
Next \$250,000	0.92% - 2.07%	0.75% - 1.50%
Next \$500,000	0.81% - 1.79%	0.65% - 1.25%
Next \$1,000,000	0.70% - 1.67%	0.55% - 1.15%
Next \$3,000,000	0.65% - 1.52%	0.50% - 1.00%
Over \$5,000,000+	0.65% - 1.50%	0.50% - 1.00%

### *Separately Managed Account Sub-program*

Account Size	Program Fee*	FA Fee
First \$250,000	1.69% - 2.54%	0.90% - 1.75%
Next \$250,000	1.48% - 2.23%	0.75% - 1.50%
Next \$500,000	1.34% - 1.94%	0.65% - 1.25%
Next \$1,000,000	1.21% - 1.81%	0.55% - 1.15%
Next \$3,000,000	1.14% - 1.64%	0.50% - 1.00%
Over \$5,000,000+	1.11% - 1.61%	0.50% - 1.00%

\*The Program Fee for SMA varies depending on the type of investment model utilized in your account. For purposes of this illustration, the Program Fee assumes 0.50% which is a typical fee charged by an equity Sub-manager available through the MAS Program as of March 2019. Your actual Program Fee may be greater or lesser than the rates shown.

### *Unified Managed Account Sub-program*

Account Size	Program Fee**	FA Fee
First \$250,000	1.25% - 2.10%	0.90% - 1.75%
Next \$250,000	1.10% - 1.85%	0.75% - 1.50%
Next \$500,000	0.90% - 1.50%	0.65% - 1.25%
Next \$1,000,000	0.76% - 1.36%	0.55% - 1.15%
Next \$3,000,000	0.69% - 1.19%	0.50% - 1.00%
Over \$5,000,000+	0.62% - 1.12%	0.50% - 1.00%

\*\*The Program Fee for UMA varies depending on the type and number of investment model(s) utilized in your account. Each investment model carries its own costs. The Program Fees shown in this table do not reflect the costs associated with any investment model. Therefore, your Program Fee will be greater than the amounts shown. Refer to the SIS for a breakdown of your actual fees.

### *Product Change Billing for the Unified Managed Account Sub-program*

In certain circumstances, you may see a billing adjustment in your account in the form of “product change billing” during a billing cycle. Product change billings are generated when the product attached to an account or the allocation to third party managed model sleeves within a Unified Managed Account (UMA) is changed through a Goal Modification or the model management tools. Product change billing will generate a product termination and product reinstatement bill. This will appear as a refund in the pro-rated amount of the previously billed product or allocation (that was based on the last quarterly fee bill) and a charge for the new product or allocation (based on the market value of assets that day) for the remaining period of the billing cycle. The rate charged for the new product or allocation may be more or less than the rate charged for the terminated product or allocation.

*Choice Unified Managed Account Sub-program*

Account Size	Program Fee**	FA Fee
First \$250,000	1.15% - 2.00%	0.90% - 1.75%
Next \$250,000	1.00% - 1.75%	0.75% - 1.50%
Next \$500,000	0.88% - 1.48%	0.65% - 1.25%
Next \$1,000,000	0.75% - 1.35%	0.55% - 1.15%
Next \$3,000,000	0.68% - 1.18%	0.50% - 1.00%
Over \$5,000,000+	0.65% - 1.15%	0.50% - 1.00%

\*\*The Program Fee for Choice UMA varies depending on the type and number of investment model(s) utilized in your account. Each investment model carries its own costs. The Program Fees shown in this table do not reflect the costs associated with any investment model. Therefore, your Program Fee will be greater than the amounts shown. Refer to the SIS for a breakdown of your actual fees.

*Investnet Overlay Management Services fees*

If you choose to have Investnet provide either Tax-Overlay Management Services or Impact Overlay Management Services, the additional fee charged to your overall program fee will increase based on the following table:

Account Assets	Overlay Service Fee
First \$10,000,000.00	0.10%
Next \$15,000,000.00	0.08%
Over \$25,000,000.00	0.05%

Please note that if you choose one or both overlay management services, your program fee will only be charged one overlay service fee.

*Wealthbuilder Sub-program\*\*\**

Program Fee	FA Fee
1.52%	1.25%

The Program Fee is deducted from your account. For this purpose, you authorize NFS to deduct the Program Fee from your account. NFS will deduct the Program Fee from your account and pay the fees to Investnet and UBIS as applicable upon NFS' receipt of instructions from Investnet to do so.

\*\*\*The WealthBuilder sub-program is no longer offered as of January 10, 2020.

*Reporting Only Services*

Provided that Investnet is able to accommodate, you have the option to receive reporting services with respect to your assets held in securities accounts outside of the MAS Program. This service allows you to receive a single report that includes your assets on the MAS Program and assets held elsewhere. Fee rates for this service are listed below. Neither we nor Investnet provide any investment advice, asset allocation, or rebalancing services on any assets held outside of the MAS Program. Clients have no obligation to choose the reporting services to participate in the MAS Program.

*Fees for Reporting Only Services*

Reporting Service Fee Schedule	Fee (billed quarterly in advance)
For All Assets	0.06%

Minimum Quarterly Fee	\$22.50
Manual entry of cost basis data at set-up	\$1.00 per tax lot
Manual entry of historical data	\$100.00 per hour
Minimum Annual Account Fee	\$90.00

*Fee Refunds upon Termination of Client Participation in MAS Program*

Management of your account may be terminated by you, us, or Envestnet at any time. We reserve the right to terminate management of your account without prior notice. Upon termination, we will automatically credit you back any pre-paid fees for the portion of the quarter remaining after management has terminated. Should we become aware that the account owner has died or is otherwise incapacitated, we may terminate management of the account and wait for instructions from the executor or an authorized agent.

**ADDITIONAL INFORMATION ABOUT FEES AND RELATED CONFLICTS OF INTEREST**

*Non-Aggregation of Client Fees for Multiple Programs or Accounts*

Program Fees are assessed on an account-by-account basis. If you have more than one account, each account will be subject to the fee schedule on the corresponding SIS. Therefore, it is possible that the sum of your fees paid across all of your accounts may be greater and your overall return across all accounts may be less when you invest in more than one type of UBIS investment advisory program or account than if you invested all of your assets in a single program or account. This also means that our compensation may be greater when clients invest in more than one type of program or account than if a client invested in a single program or account.

*Additional Information Related to Mutual Funds, ETFs, and Bundled Services*

MAS Program assets may be invested in mutual funds or ETFs that also charge fees (such as operating expenses, management fees, redemption fees, distribution and shareholder servicing fees or “12b-1” fees and other fees and expenses) as described in each applicable prospectus. These fees and expenses are in addition to the Program Fee and other applicable fees described in this section; however, we rebate to client accounts, distribution and shareholder servicing fees or “12b-1” fees.

Individual Retirement Accounts (each an “IRA”) that are subject to the Internal Revenue Code of 1986, as amended (the “IR Code”) and retirement plan assets that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), may be invested in securities products that pay us distribution or shareholder servicing fees or “12b-1” fees. We will waive, offset, or refund these fees, for such IRAs and retirement plan assets in a MAS Program account to the extent required by ERISA, the IR Code, or any other applicable law. We no longer accept accounts of employee retirement plans subject to ERISA.

Envestnet may also invest assets within your portfolio in mutual funds or other securities, including Envestnet’s proprietary mutual funds, the PMC Funds. Envestnet serves as the investment adviser to the PMC Funds and receives an advisory fee from the PMC Funds for its services. To address the economic incentive that Envestnet may have in investing assets in the PMC Funds, Envestnet will credit back its portion of the Sponsor Fee that it receives on assets invested in the PMC Funds. Please refer to Envestnet’s Form ADV Part 2A and the prospectus for the PMC Funds for additional information. Envestnet may still recognize other benefits from the investment of client assets in the PMC Funds.

Certain mutual funds may impose short-term trading restrictions that could impact our ability to rebalance, liquidate, deposit or conduct other transactions that may otherwise be appropriate or requested by you. Certain mutual funds also may impose redemption fees that are additional costs to the client to discourage short-term trading. Please review each applicable mutual fund prospectus or disclosure document for policies regarding short-term trading and redemption fees.

You should also be aware that contingent deferred sales charges (“CDSC”) may be imposed on the liquidation of mutual funds that have been transferred into your account. As a result, you may be subject to taxes when

Envestnet liquidates mutual funds that are subject to a CDSC. Please consult with your FA and a tax professional before transferring any securities in-kind into the account.

It is possible that we will have greater financial incentives and will receive higher fees where we recommend that a client invest through the MAS Program rather than through the purchase(s) of a security, investment product or investment service on a separate and 'unbundled' basis, either through us as a broker-dealer or another financial services firm. Investment advisory programs and brokerage services are separate and distinct, with different fees and expenses, and each is governed by different laws and legal agreements. To help you make an informed decision about what type of account is best for you, please read the *Brokerage or Advisory Account: Which is the Best Fit for You* disclosure document. You should also understand that extended periods of inactivity in MAS Program accounts could lead to higher fees than if commissions were paid for each transaction through a brokerage account. We reserve the right, but are not obligated, to close a MAS Program account or convert it to a commission-based brokerage account based on trading activity in the account.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Item 7 – Types of Clients**

We generally provide advisory services to individuals, high net worth individuals, and businesses. The majority of our clients are individuals not considered high net worth individuals. Some individual clients have IRA assets invested in the MAS Program. Our clients may have both advisory accounts and brokerage accounts. Your FA may offer you advisory services, brokerage services, or both, depending on your needs. The MAS Program is intended for clients seeking discretionary investment management for a bundled or wrap fee. As noted above, we do not accept as advisory client employee benefit plans subject to ERISA.

In the MAS Program, we generally require a minimum account size of \$10,000 for WealthBuilder, \$50,000 for FSP, \$100,000 for SMA, \$150,000 for UMA, and \$100,000 for Choice UMA. However, certain Sub-managers or investment strategies may require higher or lower minimums. Please consult with your FA to determine if an underlying Sub-manager or investment has a specific investment minimum that is different from what we require. If the value of your account falls below the applicable minimum, we may require you to deposit additional money or securities. In certain circumstances, at our discretion and with the applicable Sub-manager's approval, account minimums may be negotiated. If your account does not meet the account minimum, we may terminate the advisory relationship and close the account or initiate the steps required to convert it to a commission-based brokerage account. In some circumstances, we may waive the minimum account size requirement based on our assessment of your circumstances. If your account is converted to a commission-based brokerage account, it will be subject to the UnionBanc Investment Services Commission & Fee Schedule, Disclosures, and Services Agreement available on our website at <https://www.usbank.com/unionbanc-investment-services/terms>.

### **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss**

Your FA will conduct an assessment of your investment objectives, goals and income needs, time horizon, risk tolerance, and other information you provide to create an investor profile. Your FA uses the investor profile to assist you in selecting an investment advisory program and implementation strategy that is right for you. On a periodic basis, we review the overall performance of your investments and the ongoing appropriateness of the program by reviewing your investor profile and making the necessary updates as your circumstances change. Because investment advice is based on each client's unique investor profile, Envestnet, any Sub-managers as the case may be, and we may recommend the purchase of certain investments to one client and recommend the sale of the same investments to another client.

For all programs, you and your FA will compile pertinent information to develop an investment strategy that will meet your goals and objectives. Utilizing Envestnet, your FA will allocate your assets among the different options in the program and determine the suitability of the asset allocation and investment options based on your

needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. For the Choice UMA program, you and your FA will have the ability to utilize either an asset allocation generated by Envestnet or The Private Bank Asset Allocation Model. Among the factors considered in designing these strategies are historical rates of risk and return for various asset classes, correlation across asset classes and risk premiums. For all programs, you directly own the underlying securities, mutual funds, or ETFs in each investment strategy.

Based on the information provided to Envestnet by your FA, you will be provided with an investment policy statement (“Proposal”) and a SIS. The purpose of the Proposal and SIS is to establish an understanding between you, us, Envestnet, and any Sub-manager as the case may be, regarding the investment objectives, goals, and guidelines for your account, and to recommend a suitable investment program for you. You should be aware that investment analysis tools are subject to limitations and assumptions and may vary with each use and over time. Investments considered in the analysis undergo a rigorous screening process wherein Envestnet ranks all mutual funds and Separately Managed Account portfolios within each peer group over trailing periods. For ETFs, Envestnet identifies a list of best in-class beta exposures. The platform tool selects certain securities, asset allocation models, and Sub-managers based upon their current participation in the Envestnet program. It is possible that other investments, asset allocation models, or Sub-managers not participating in Envestnet’s program may have characteristics similar or superior to those being analyzed. **IMPORTANT: Projections or other information generated by Envestnet regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.** On a periodic basis, your FA will review the performance of your investments relative to your investor profile, including any updated information provided by you to determine if the Program and/or investment strategy remains appropriate. For more information on Envestnet, its tools, and investment methodologies, please refer to the Envestnet Form ADV Part 2A and/or contact your FA.

**Investments in securities involve the risk of loss.** Some of the more common risks involved in the types of investments that are generally available through the MAS Program are listed below. Depending on the Sub-manager, mutual fund, ETF or other asset manager used in an account, you may be exposed to additional and/or heightened risks. You should review each applicable mutual fund prospectus or disclosure document for the specific risks related to their investments. The following are some principal risks of investing in securities, both directly in a mutual fund or ETF or indirectly through a fund’s investment in securities:

**Market Risk:** The risk that a security’s market value may decline, especially rapidly and unpredictably for short or extended periods. These fluctuations may cause a security to be worth less than the price the investor originally paid for it. Market risk may affect a single issuer, industrial sector or the market as a whole.

**Liquidity Risk:** The risk that a security may be difficult or impossible to sell at the time and price the seller wishes. The seller may have to accept a lower price for the security, sell other securities instead, or forego a more attractive investment opportunity.

**Credit Risk:** The risk that the issuer of a security or the counterparty to a contract will default or otherwise become unable to honor a financial obligation. Generally speaking, the lower a security’s credit rating, the higher its credit risk. If a security’s credit rating is downgraded, its price tends to decline sharply, especially as it becomes more probable that the issuer will default.

**Interest Rate Risk:** The risk that debt prices overall will decline over short or even long periods due to rising interest rates. Interest rate risk usually is modest for shorter-term securities, moderate for intermediate-term securities, and high for longer-term securities. Changes in interest rates also may affect an underlying fund’s or security’s share price: a sharp rise in interest rates could cause the fund’s share price to fall. The longer an underlying fund’s or debt security’s duration, the more sensitive to interest rate movements its share price is likely to be. A change in a central bank’s monetary policy or improving economic conditions may result in an increase in interest rates. Rising interest rates may decrease liquidity in the fixed income securities markets, making it more difficult for the underlying fund to sell its fixed

income securities holdings at a time when the investment adviser might wish to sell such securities. In addition, decreased market liquidity also may make it more difficult to value some or all of an underlying fund's fixed income securities holdings.

**Reinvestment Risk:** The risk that the proceeds, dividends, or interest that may be generated from an investment are reinvested in a security that offers a lower rate of return compared to the returns generated by the original investment.

**Counterparty Risk:** The risk that the counterparty to a repurchase agreement, futures contract, swap agreement or other similar instrument may not fulfill its obligation which may cause the income and the value of the investment to decline sharply.

**Non-diversification Risk:** The risk involved with excessive exposure to securities in any one issuer, industry or sector.

**Foreign Investments:** Compared with investing in the United States, investing in foreign markets involves a greater degree and variety of risk including the possibility of delayed settlements, currency controls, adverse economic developments, and higher overall transaction costs. In addition, fluctuations in the U.S. dollar's value may erode or reverse gains from investments denominated in foreign currencies or widen losses.

**Exchange-Traded Funds:** ETFs charge their own fees and expenses; thus, mutual funds that invest in ETFs will bear extra costs, such as duplicative management fees, brokerage commissions and related charges. In addition, there may from time to time be a significant discrepancy between its net asset value calculated at the end of each trading day and the price at which the ETF trades on an exchange. There can be no guarantee that an ETF will achieve a high degree of correlation with its index which could prevent an ETF from achieving its objective.

**Leveraged/Inverse ETFs:** Leveraged and Inverse ETFs use investment techniques and derivatives (i.e. futures contracts, swap agreements and similar instruments) that can result in higher volatility and increased or decreased performance. The correlation or performance characteristics of the ETF will likely vary in relation to the intended inverse or multiple returns and the index tracked by the ETF; therefore, the objectives of the ETF may not be achieved from time to time.

**Alternative Investments:** Alternative mutual funds and other managers that employ alternative investment strategies primarily invest in non-traditional asset classes and implement speculative investment techniques. Alternative investments may offer investment return characteristics that are non-correlated to traditional investments, but also present greater and/or unique risks to investors. Such risks include: loss of all or a substantial portion of the investment due to leveraging, short selling or other speculative practices; management risk; lack of liquidity; restrictions on transferring interests; higher or excessive volatility; absence of information for valuations and pricing; less transparency on underlying investments, complex tax structures and delays in tax reporting; less regulation; and potentially higher fees than traditional investments.

**Management Risk:** The risk that a strategy or investment technique used by your FA, Envestnet, a Sub-manager or asset manager may fail to produce the intended result or achieve its investment objective.

**Tax Risk:** The risk of unfavorable tax consequences to a client that could result from the administration of a client account pursuant to the advisory services described in this Brochure and the Managed Account Solutions Program Terms and Conditions.

**Unapproved Product Risk:** The risk that a previously approved mutual fund, ETF, or Sub-manager no longer meets listing requirements established by PMC. If a product or Sub-manager is delisted from the

PMC Approved List, clients must select a replacement which may result in a taxable event to the client; if no replacement is selected or the client refuses to select a replacement, we may close the account or convert it to a brokerage account.

**Model Risk:** A variety of data may be used, including data from third-party models, as inputs into the investment advisory process. Use of data generated by investment-related models invariably presents model risk, which is the potential for adverse consequences from asset allocation or investment advisory decisions based on incorrect or misused data output and reports.

**Third-Party Risk:** Services from third parties may be relied on in the execution of investment advice or analysis and servicing of client accounts. Types of such third parties may include but are not limited to: broker-dealers, reporting, pricing, proxy voting, research, investment-related models, and technology providers.

There is a possibility that investments will not successfully achieve their objectives or expectations notwithstanding the financial assumptions, investment strategies, securities selection, and due diligence research that we, Envestnet, or any Sub-manager, as applicable, implement.

If you execute a lending agreement with U.S. Bank, you should read and be aware of the associated risks when pledging assets in a securities-backed line of credit agreement as disclosed in the collateral addendum. This type of collateral loan allows clients to borrow money using securities held in a UBIS managed account as collateral for the loan. This type of loan carries a number of risks such as tax consequences, declining account value no longer supporting the line of credit and additional collateral must be deposited or repayment of the loan or the Bank can instruct UBIS to sell investments and keep the cash to satisfy maintenance calls. Retirement and ERISA-qualified accounts are not eligible for participation in a securities-backed line of credit agreement.

Occasionally errors occur in the execution of transactions for client accounts. When an error occurs, we generally will place the affected account(s) in the same position it would have been in had the error not occurred. Client accounts will not bear any losses or costs associated with corrections. If a trade error results in a net gain, we will retain such gains in a UBIS trade error account to offset any losses that could result from future trade errors. On a case-by-case basis, where the error is favorable to the client, we may decide to take no action to the extent that the error is not contrary to the client's explicit instructions, and we determine that taking no action is in the best interest of the client.

You should understand that the submission of new account documentation, the request to establish an account under the MAS Program, or to terminate and liquidate the account is not considered a market order. While we strive to process every new account or instruction promptly, such activities may be subject to various administrative processes that could delay the investment of your funds.

You may choose to invest only in specific asset classes or use non-diversified strategies within the MAS Program to complement additional assets held by you at another financial institution. Your FA will not be responsible for assets held or managed outside of UBIS which could significantly impact your overall investment portfolio and compromise overall portfolio performance. You should immediately inform your FA if changes are made to such complementary assets held at another financial institution.

***Investments in the MAS Program are: 1) NOT insured by the FDIC or by any other government agency; 2) NOT a deposit or other obligation of, or guaranteed by U.S. Bank or any of its affiliates; and, 3) involve risks, including possible loss of the principal amount invested, a risk that clients should be prepared to bear.***

## **Item 9 – Disciplinary Information**

The following disciplinary events relate to UBIS brokerage business.

On December 23, 2013, UBIS was censured and fined \$51,000 by the Financial Industry Regulatory Authority (“FINRA”) involving UBIS’ activities as a broker-dealer. UBIS consented to a finding without admitting or denying allegations that UBIS’ broker-dealer trading desk purchased and/or sold agency securities for its own account to customers at an aggregate price that was not fair and reasonable, and in doing so, UBIS failed to observe just and equitable principles of trade in violation of FINRA Rule 2010.

On May 5, 2021, the Financial Industry Regulatory Authority (“FINRA”) issued an Acceptance, Waiver and Consent (AWC) in which UBIS was censured and fined \$100,000 by FINRA pertaining to UBIS’ activities as a broker-dealer. Specifically, UBIS consented to an order, with two findings, without admitting or denying allegations that it failed to establish and maintain a reasonably designed supervisory system and written supervisory procedures to achieve compliance with applicable securities laws and regulations with respect to certain types of variable annuity transactions (exchanges of variable annuities and indexed annuities). Additionally, UBIS failed to establish and maintain a reasonably designed system and written supervisory procedures for the surveillance of rates of variable annuity exchanges.

On June 6, 2023, the Financial Industry Regulatory Authority (“FINRA”) issued an Acceptance, Waiver and Consent (AWC) in which UBIS was censured and fined \$75,000. Specifically, UBIS consented to an order without admitting or denying the allegations that from February 2020 through May 2021, UBIS violated FINRA Rule 2010 and FINRA IM-13000 by failing to comply with its discovery obligations prior to the hearing on the merits during an arbitration filed against UBIS in FINRA’s dispute resolution forum for claims arising out of the termination of a former UBIS registered representative. FINRA notes that the arbitration panel awarded claimant sanctions and attorney fees of \$35,000, which UBIS subsequently paid. Claimant’s substantive arbitration claims were ultimately denied after the hearing.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

We are also registered as a broker-dealer with the SEC and a member of FINRA and the Municipal Securities Rulemaking Board. As a broker-dealer, we may offer asset allocation services and buy or sell for our clients a variety of securities, including common stocks, bonds, variable annuities, and mutual funds. Certain FAs may also sell fixed annuities and other insurance products through an affiliated insurance agency, UnionBanc Insurance Services, which is a division of U.S. Bank.

##### *Related Persons and Material Arrangements*

As noted in Item 4, Advisory Business, UBIS is a subsidiary of U.S. Bancorp, a bank holding company regulated by the Federal Reserve Board, and an affiliate of U.S. Bank, National Association (“U.S. Bank” or “the Bank”), a national bank regulated by the Office of the Comptroller of the Currency.

UBIS’ Board of Managers is comprised of UBIS and U.S. Bank employees and it manages the business affairs of UBIS and exercises all of its powers. UBIS employees are also employees of U.S. Bank. U.S. Bank provides a variety of administrative services to UBIS, such as human resources and corporate accounting functions. U.S. Bank serves as the IRA custodian for certain UBIS accounts that are invested through the MAS Program. U.S. Bank also provides safekeeping services with respect to UBIS’ institutional broker-dealer business. U.S. Bank may also make general client referrals to us and we may refer clients to U.S. Bank for banking-related services.

U.S. Bank is licensed to sell certain types of insurance through its UnionBanc Insurance Services division. This activity by UnionBanc Insurance Services is not connected to UBIS’ investment advisory business.

UBIS has entered into a referral agreement to refer UBIS clients to U.S. Bancorp Investments, Inc. for financial services. U.S. Bancorp Investments, Inc. may also refer its clients to UBIS for financial services. UBIS and U.S. Bancorp Investments, Inc. are affiliates.

MAS Program clients are also broker-dealer clients, and we may effect securities transactions as principal, broker, or agent for such broker-dealer clients with respect to assets that are outside of the MAS Program. In addition, certain related persons such as U.S. Bank may, from time to time, buy securities from or sell securities



to mutual clients pursuant to the separate relationships that they may have with each other. Furthermore, we may enter into referral agreements with our related persons and receive compensation. These arrangements are done in a manner that is consistent with customary commercial practice and applicable federal and state regulations.

Under certain circumstances, you may elect to pledge or grant a security interest in the account as collateral for an extension of credit by our affiliate, U.S. Bank (collectively, the “Lending Arrangements”). In the event that your account assets are pledged as collateral in connection with the Lending Arrangements, U.S. Bank may exercise certain rights and powers over the assets in the account, including the disposition and sale of any and all assets pledged as collateral for the obligations under the Lending Arrangements, which may be contrary to a client’s interests and the investment objective of the account under the MAS Program. In the event of a collateral call on the account, securities may be liquidated, and the proceeds thereof withdrawn from the account and, as a result, the investment strategy for the MAS Program may become disrupted because positions may be redeemed more rapidly, at significantly lower prices, and in a less tax-efficient manner than might otherwise be desirable. You and your FA may not be provided with prior notice of such a liquidation of the assets in the account and may not be entitled to choose the assets which are to be liquidated by the lender.

The costs associated with the Lending Arrangements are not included in the fees that you pay under the MAS Program and may result in additional compensation to UBIS and U.S. Bank. You should carefully review the materials provided when entering into the Lending Arrangements and consult with your own independent tax professional in order to fully understand the tax implications associated with the Lending Arrangements. Neither we nor U.S. Bank, provide legal, tax or accounting advice to clients. Before using account assets as collateral in the Lending Arrangement, you should take the time to understand the associated risks and how this type of Lending Arrangement could impact long-term investment goals. Any action taken by us, U.S. Bank, or any of their respective affiliates against the assets held in the account pursuant to the Lending Arrangements will not constitute a breach of UBIS’ fiduciary duties as an investment adviser to you under the MAS Program.

#### *General Partner of Investment Partnership*

We do not generally serve as a general partner of any investment related partnership, and we do not solicit clients to invest in any partnership in which it may serve as a general partner. We also do not solicit our clients to invest in any partnership in which a related person, such as U.S. Bank, is a general partner. The related person could, however, solicit someone, who may also be a client of UBIS, to invest in one of these partnerships due to the separate relationship that the related person may have with the client.

#### *Envestnet Asset Management, Inc.*

Envestnet is an investment management firm founded in 1999 that provides investment management and investment advisory services through independent investment advisers for use with the advisers’ clients. Envestnet also serves institutional clients and provides advisory and research services directly to advisers. Envestnet is a wholly owned subsidiary of its parent company Envestnet, Inc. (NYSE:ENV), a publicly held company. Envestnet is under common control with Envestnet Portfolio Solutions, Inc., a registered investment adviser; Envestnet Retirement Solutions, LLC., a registered investment adviser; Portfolio Brokerage Services, Inc., a registered broker/dealer; Portfolio Management Consultants, Inc., a registered investment adviser. For additional information regarding Envestnet, clients should read Envestnet’s Form ADV Part 2A. UBIS and Envestnet are not affiliated entities.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, and Conflicts of Interests**

Our employees’ personal securities transactions and certain activities may raise potential conflicts with the interests of our clients. In compliance with applicable regulations, we have adopted a Code of Ethics (the “Code”) to mitigate such potential conflicts of interest. The Code establishes rules of conduct for all employees of UBIS and is designed to among other things govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that we and our employees owe a fiduciary duty to our clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving

their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm, and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. All of our officers, directors, and employees are subject to the provisions stated in the Code requiring that they place the interests of UBIS' clients before their own personal interests. We will provide a copy of the Code to clients who request it. You may request a copy of the Code by contacting your FA or our Client Services Desk at 800.634.1100.

#### *Interest in Client Transactions and Personal Trading*

It is possible that we, our advisory affiliates, and/or our employees will have a material financial interest in the investments that are recommended for clients' accounts by us, Envestnet, and any Sub-managers as the case may be. Similarly, it is possible that we, our advisory affiliates, and/or our employees will purchase and sell investments that may be recommended to clients under the MAS Program. The Code and our policies and procedures help identify and address actual or potential conflicts of interest resulting from securities transactions for our clients. These policies generally require our employees to maintain their brokerage accounts at UBIS or another brokerage firm that will forward their statements electronically to us so that they can be reviewed by our Compliance Department. In addition, the Code requires our employees with access to our advisory clients' accounts to submit periodic reports of their personal brokerage accounts and those of certain family members to the Compliance Department for review of transactions and holdings in their accounts. These policies and procedures serve to ensure that the investment activities of our employees do not disadvantage our clients in any way.

#### *Conflicts of Interests*

To fulfill our fiduciary obligation, we have objectively evaluated our firm, employees, business activities, fee structures, and our affiliates in order to mitigate, and to the extent possible, eliminate identified conflicts, and disclose to existing and prospective clients' inherent conflicts that may exist. It is for this very reason that we provide this disclosure document before or at the time a client engages our programs and services so that you can make an informed decision to engage us for your investment needs. Appropriate management of conflicts may also include but is not limited to obtaining specific client consent for the applicable transaction both as required by law and regulation, such as by providing the disclosure in this Form ADV 2A. Clients who engage us and our affiliates will pay fees and commissions that may be higher or lower than other UBIS clients or for services and products offered through other financial institutions.

Your FA will receive compensation as a result of your participation in the programs described in this Brochure. The amount of this compensation may be more or less than the amount of compensation your FA would receive if you were to pay separately for investment advice, brokerage, and other services. However, we attempt to design all of our advisory programs with pricing competitive with what a client might pay for investment advice, brokerage, and other services separately.

Your FA's overall production and compensation arrangement with us determines the percentage of the Program Fee he or she earns. Generally, the higher the FA's overall production, the higher his or her compensation will be. Your FA may also be entitled to earn more compensation for recommending managed accounts over other programs or products available to him or her as an employee of both UBIS and U.S. Bank. This presents a conflict of interest in that your FA may benefit from recommending certain programs based on the difference in compensation he receives rather than selecting investments without regard to compensation payable to him. However, this compensation differential to your FA does not impact how much you pay. In addition, your FA is required to always act in your best interest and we attempt to ensure that your FA's recommendation of a managed account is in your best interest, initially and throughout the life of your account.

The FA Fee, which is the portion of the Program Fee that is payable to us and your FA, is negotiable within a pre-defined range which we have determined to be reasonable compensation. UBIS intends that these fees generally decrease as the value of your account increases, however, there may be certain instances where the FA Fee may increase as a proportion of the overall Program Fee. While there is no increase in the Program Fee, any increase in the FA Fee represents a conflict of interest in that your FA may be incentivized to recommend

transactions in order to increase the FA Fee. However, your FA is required to always act in your best interest. In addition, we attempt to mitigate this conflict by requiring that the overall Program Fee never increases as the account appreciates in value.

Your FA may have a financial interest in certain securities. We do not permit our FAs to solicit for or use discretionary trading authority in any purchases or sales in a security in which that FA has a material financial interest. Your FA may purchase or sell the same security as long as he or she does not have a material financial interest in the security. This presents a conflict of interest. Our Code of Ethics mitigates this conflict by detailing policies designed to ensure that clients are not disadvantaged by an FA's trading activity.

Neither we nor our FAs retain mutual fund trailers in the MAS Program. However, in traditional brokerage accounts, our FAs and UBIS do accept mutual fund trailers. This presents a conflict of interest in that the receipt of these mutual fund trailers may give your FA an incentive to recommend mutual funds or different types of accounts based on compensation to be received. We help mitigate this conflict of interest by ensuring that the type of account your FA recommends is suitable for you. In addition, we attempt to ensure that the class of shares of any mutual fund investment that we recommend in your advisory account is in your best interest, which often times means that no mutual fund trailers are applicable. In some cases, our ability to offer certain classes of shares may be limited by eligibility requirements or other restrictions imposed by the fund company or NFS. Share class selection by Sub-managers is governed by their procedures. We are not responsible for specific mutual fund or other securities transactions performed by Sub-managers.

Though our advisory programs are generally only available through our FAs, similar programs or investment advice may be available from other investment advisers. In addition, you have the option to obtain similar investment products through investment advisers that are not affiliated with us. These services may cost you more or less if obtained elsewhere.

## **Item 12 – Brokerage Practices**

As you are opening a managed account through UBIS, you agree to the terms and conditions set upon the Investment Services Agreement. For further information regarding the Investment Services Agreement, please refer to the account opening document(s). We do not generally execute securities transactions on behalf of clients in the MAS Program. For the MAS Program, you authorize and direct us and Envestnet to designate NFS to provide custody and trade execution services for your account. By authorizing us, Envestnet, and any Sub-manager to direct brokerage, you may not receive "best execution" for transactions in your account. However, NFS provides a full range of brokerage services that are integrated with existing UBIS back-office systems and account administration processes and we believe that the benefits of using NFS allows us to achieve "best execution" for our clients. "Best execution" includes various factors such as execution capability, overall efficiency, timeliness of execution, trader expertise, pricing, and responsiveness, amongst others. Although we are able to negotiate competitive pricing from NFS that we believe is beneficial to our clients, our clearing relationship with NFS provides us with certain economic benefits by using ourselves as the broker-dealer for our advisory program accounts rather than an unaffiliated broker-dealer. For example, NFS allows UBIS the discretion to add a mark up to certain brokerage-related costs that are assessed to all client accounts at NFS; however, UBIS does not add any mark up to these brokerage-related costs.

You also authorize us, Envestnet and any Sub-manager to effect transactions for your account with or through another broker if Envestnet, or the Sub-manager believes that best execution for such transactions may be obtained through such other broker, dealer or bank, including any affiliated broker-dealer or bank. In the event Envestnet or a Sub-manager elects to utilize brokers or dealers other than NFS to effect a transaction in a recommended security, brokerage commissions and other charges for transactions not effected through NFS may be included in the price of the security or otherwise charged to you by the executing broker or dealer, whereas the Program Fee assessed by UBIS covers the cost of brokerage commissions on transactions effected through NFS. In the event a Sub-manager elects to trade away from NFS, those transactions are generally traded from broker to broker and are usually cleared without any commissions. However, the client should be aware that, in many cases, the executing broker or dealer may assess a commission or other charges to the transaction

and such costs will be in addition to the Program Fee. As a result, the net purchase or sale price reflected on trade confirmations provided by NFS on such trades may reflect brokerage commissions or dealer markups or markdowns charged by the executing broker, that are not separately itemized by NFS. As a result, transactions by Sub-managers that elect to trade away from NFS may be more costly than those that trade exclusively or primarily through NFS.

We do not receive soft dollar benefits or Initial Public Offering allocations in connection with client accounts invested through the MAS Program, although Sub-managers and asset managers used in the MAS Program may receive these benefits as described in their respective prospectuses or other disclosures. Please refer to the respective Sub-managers' or asset managers' disclosure documents for additional information regarding brokerage practices.

We do not engage in any principal or agency cross transactions in the MAS Program. Principal transactions are securities transactions where we buy or sell a security from our own account with yours, often times with a mark-up or mark-down in the price of the security resulting in a profit to us. Agency cross transactions involve the coordination of securities transactions between client accounts where we act as a broker, or intermediary. While, these transactions do not impact the market price of the stock, there is limited transparency with respect to the execution prices obtained by either party (i.e., buyer or seller).

Portfolio transactions for your account will generally be completed independently of other transactions, except when decisions are made to purchase or sell the same securities for a number of client accounts simultaneously. Such orders may be combined when possible to facilitate more favorable execution and to negotiate more favorable brokerage commissions. In this event, the transactions in your account may be averaged as to price and a proportional quantity based on transaction size in accordance with the daily purchase or sale orders placed for other client accounts. However, you should understand that transactions may not always be combined for purposes of execution with orders for the same securities for other accounts managed by Envestnet or the Sub-manager. We are under no obligation to aggregate trade orders or to average price transactions. For the MAS Program, responsibility for execution of trades is generally taken by either Envestnet or the Sub-manager. Depending on the method of trading chosen by Envestnet or the Sub-manager, trades are aggregated according to either Envestnet's trading policies and procedures or the Sub-manager's trading policies and procedures.

### **Item 13 – Review of Accounts**

Your FA will review your account periodically to confirm that your account's investments are consistent with your investment objectives, guidelines, and restrictions. Your FA will contact you at least annually to confirm, among other things, that your investment objectives, restrictions, and financial circumstances have not changed and/or to allow you to place reasonable restrictions. More frequent reviews may be triggered by factors such as material changes in your circumstances, the securities markets, or the political and economic environments. We also conduct various surveillances regarding your account to ensure that it remains suitable over the life of the account.

#### *Reports to Clients*

NFS is responsible for sending you trade confirmations and a written custodial account statement at least quarterly. The custodial account statement shows an inventory of trade executions, securities, including as-of-date market values, cash balances, fees and expenses charged to the client's account and account activities during the most recent quarter or applicable period.

We also provide you with a written quarterly performance report with investment commentary and investment performance information.

We urge you to carefully review your trade confirmations and custodial account statements and compare the information on the statements from the custodian with the information on the performance reports you receive. Differences in investment positions and valuations may be caused by differences in the use of accounting

methods, reporting dates, and sources of information. You may request additional information and/or assistance by contacting your FA or our Client Services Desk at 800.634.1100.

## **Item 14 – Client Referrals and Other Compensation**

### *Compensation and Incentives from Other Parties*

In certain cases, we may be compensated by unaffiliated third parties based on the amount of assets our clients have with them. This represents a conflict of interest in that we are incentivized to recommend the services of the third-party from which additional compensation may be received. However, neither we nor our FAs generally direct the transactions in the MAS Program. Furthermore, we do not favor the sales of any particular product sponsor, nor do we encourage or otherwise promote any particular product sponsor in the MAS Program.

NFS charges us fees to provide transaction execution, clearance, settlement, custody, and other related services for our advisory clients. These fees are reduced as our assets under management increases and reaches pre-determined dollar thresholds. This creates an inherent conflict of interest in that we are incentivized to recommend an advisory program in order to realize the financial benefits of our arrangement with NFS.

### *Sales Contests*

UBIS does not participate in sales contests to incentivize FAs for establishing new advisory business.

### *Non-Cash Compensation*

Our employees occasionally receive gifts of nominal value (limited to \$100 or less, per person/per calendar year) from product or service vendors including our affiliates. Certain vendors may also invite our employees to training/educational events or host reasonable business entertainment that is deemed necessary and/or customary industry practices. These product or service vendors may be recommended to a UBIS client.

### *Compensation for Client Referrals to UBIS*

Certain U.S. Bank employees known as referral only registered representatives (RORR) who possess active securities licenses with U.S. Bancorp Investments receive referral compensation with respect to their referrals of new clients to UBIS for brokerage or investment advisory business. If a referred client establishes an advisory account, the RORR will receive a percentage of the advisory fees generated from your account over 15-months. The referral fees paid to the RORR do not entail an additional cost to the client. RORRs are also authorized to refer you to an FA for investment advisory services offered through U.S. Bank and its affiliates. This creates a conflict of interest in cases where the RORR and/or FA has a financial incentive to refer you for one program over another. However, your FA is required to always recommend the service that is in your best interest. In addition, the fees you pay will always be reasonable and commensurate to the services you receive through either program offered through UBIS or U.S. Bank and its affiliates.

### *Compensation for Client Referrals to U.S. Bancorp. Investments, Inc.*

Registered representatives of U.S. Bancorp Investments, Inc. are eligible to receive compensation for referral of clients to UBIS for brokerage or investment advisory services. The referral fees paid do not entail an additional cost to the client.

### *Compensation for Client Referrals to U.S. Bank and Relationship Management of Clients Participating in U.S. Bank Services*

U.S. Bank generally compensates certain employees and employees of its affiliates when clients they refer to U.S. Bank establish an account, relationship or service. In addition, U.S. Bank generally pays certain of its employees and employees of their affiliates compensation for providing relationship management services related to products and services of U.S. Bank and its affiliates. Such compensation can vary depending on the

account, relationship, or service. UBIS does not provide investment advisory services to client assets managed by U.S. Bank or its affiliates.

Our FAs, in their capacity as registered representatives of the broker-dealer, provide financial planning for no fee or commission. You may also engage U.S. Bank for more complex financial planning services that may involve access to professionals who specialize in trust, estate, and/or portfolio management services. U.S. Bank generally charges a fee for these services. We and your FA will generally earn compensation for transactions related to the implementation arising from financial plans offered to you by either our broker-dealer or U.S. Bank.

### **Item 15 – Custody**

We do not have physical custody of your account assets but may be deemed to have custody because our agreement with NFS authorizes them to accept certain instructions from us on your behalf. However, our internal policies and procedures preclude us from ever doing so without your expressed authorization. Your MAS Program account assets are physically custodied by NFS. In addition, U.S. Bank serves as the IRA Custodian for clients with Individual Retirement Accounts although all custodial functions are performed by NFS. NFS will send trade confirmations and account statements to you either quarterly or more frequently. You will also receive quarterly performance reports related to your MAS Program account. We urge you to compare your trade confirmations, account statements, and quarterly performance reports carefully. Differences in investment positions and valuations may be caused by differences in the use of accounting methods, reporting dates, and sources of information. Clients may request additional information and/or assistance by contacting your FA or the Client Services Desk at 800.634.1100.

### **Item 16 – Investment Discretion**

We generally do not exercise investment discretion over your assets. However, whenever you invest in the MAS Program, you grant full discretionary trading authority to us, Envestnet, and any Sub-manager as the case may be. In general, we do not exercise discretionary trading in your account; however, under certain circumstances, we may exercise our discretionary trading authorization, pursuant to the MAS Program Terms and Conditions, to replace any Sub-manager and/or investment(s) held in your account that are no longer eligible for participation in the program. In UMA, your FA may on a discretionary basis, make certain changes to the Sub-manager(s) and/or investments in your account provided that the changes are consistent with your investor risk profile. We do not provide tax advice (or legal or accounting advice), and you are solely responsible for any taxable events that occur as a result of changes we make to your account. However, your FA is required to act in your best interest with respect to investment advisory matters on which they advise. You are encouraged to consult with your tax professional regarding any tax implications related to the management of your account. In general, your FA will consult with you before implementing any recommended changes.

### **Item 17 – Voting Client Securities**

We do not accept authority to vote client proxies. In MAS Program accounts, Envestnet or a Sub-party manager will vote proxies on your behalf in accordance with its policies and procedures. Envestnet and/or some Sub-managers may hire another firm to vote proxies on their behalf. You may revoke this voting authorization at any time by sending us written notice.

### **Item 18 – Financial Information**

We have no financial commitments that impairs our ability to meet contractual and fiduciary commitments to clients and have not been the subject of a bankruptcy proceeding.