# Part 2A of Form ADV: Firm Brochure

## Item 1: Cover Page

March 17, 2020

Name: Tetrant Advisory LLC
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**This brochure provides information about the qualifications and business practices of Tetrant Advisory LLC. If you have any questions about the contents of this brochure, please contact Rob Siddoway at (888) 852-8070 or Rob@Tetrant.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Tetrant Advisory LLC also is available on the SEC's website at www.adviserinfo.sec.gov.**

**Tetrant Advisory LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Oral and written communications from an Investment Adviser provide you with necessary information to determine whether to hire or retain an Investment Adviser. The advisory services described in this brochure are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involves risk, including the possible loss of principal.**

## Item 2: Material Changes

Since the date of the previous ADV Part 2 document dated December 15, 2016, the following material changes have occurred and are listed as follows:

1. Updated website address for Tetrant Advisory LLC as reflected on the cover page and throughout the document.
2. Item 4 was updated to reflect our financial planning fees.
3. Item 4 was updated to include a wrap fee program disclosure. A wrap fee program disclosure has also been created as Part 2A Appendix 1.
4. Two Advisors have been removed from the firm in their solicitation-only capacity (Item 14):
    a. Roy P. Layton: Series 65 license held with Tetrant Advisory LLC under a solicitation agreement.
    b. Edwin C. Knight: Series 65 license held with Tetrant Advisory LLC under a solicitation agreement.
5. Part 2B has been updated for conciseness.
6. Part 3 has been added.

Item 3: Table of Contents

Tetrant Advisory LLC is a registered investment adviser based in Gilbert, Arizona. The firm was reorganized in June 2013 as a Limited Liability Company (LLC) under the laws of the State of Arizona. As used in the brochure, the words, "we," "our," and "us" refer to Tetrant Advisory LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. In addition, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

**Principal Owners**

Tetrant Advisory LLC is owned by the following individual/corporate entity:

Tetrant LLC*
1467 W Elliot Ste 102
Gilbert, AZ 85233
(888) 852-8070
Info@Tetrant.com

* Tetrant LLC is solely owned by Robert M. Siddoway.

**Primary Advisory Services**

*Asset Management Services*

Our focus is to manage investment portfolios for individual clients, high net-worth families, foundations, endowments, trusts, and corporations. We also provide personal financial planning and investment advice. Our investment plans are designed to work with clients' financial goals, objectives and risk tolerances.

Before we assess any fees or provide formal advice, we will provide you with an Investment Advisory Agreement ("Agreement") for your review and approval. The Agreement will set forth the terms and conditions under which your assets will be managed. This authorization will allow our firm to determine the specific securities, and the amount of securities to be purchased or sold for your account without your approval prior to each transaction. The Agreement will remain in effect between you and us until terminated by either party in writing according to the terms contained in the Agreement. In the event a conflict exists between the Agreement and this Form ADV, the provisions in this Form ADV shall prevail. The Agreement will include schedules of the investment accounts you wish us to manage, the specific fees we propose to charge and how we propose to bill and collect those fees.

Advisory accounts will be held at one of the following qualified Custodians: SEI Investments Management Corporation (SEI) or Betterment. The client must designate Tetrant Advisory LLC as its Investment Advisor on their accounts. The client's qualified Custodian will maintain actual custody of all client funds and securities. Tetrant Advisory LLC does not custody client assets.

Different Custodians may have different account fees, execution charges, and capacities. If you choose a different Custodian other than the one selected by us, you may pay higher account-related fees and execution charges. This may occur because custodial services are based on several factors including but not limited to cost, expected level of asset safety, client confidentiality, communication and reporting. We base all decisions on the individual investment circumstances of each client. We may choose to use asset-based pricing if we find that it reduces our client's cost.

Types of Investments

We offer advice on all types of securities, including:

- Exchange-listed securities
- Securities traded over the counter
- Exchange Traded Funds (ETFs)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable Annuities (but not the evaluation of any non-investment management aspects of annuities or other insurance products)
- Mutual fund shares
- United States government securities
- Options contracts on securities and commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate, and oil and gas interests
- Managed futures
- Shorting
- Private Equity

We avoid market timing but may increase cash holdings when necessary. This is based on the client's risk tolerance and our expectations of market behavior.

Our Wealth Advisors must pass the necessary industry examinations and registrations. Unless they possess equivalent satisfactory portfolio management experience, Wealth Advisors must attain established firm or industry experience levels. For further information on our Wealth Advisors, please see their individual brochures, identified as Form ADV Part 2B.

*Investment Management Strategies*

Our firm seeks to create a balance between reward and risk over a given time period. This typically involves using a mix of the securities highlighted above. We rely on quantitative, technical and fundamental analysis. We feel that combining the strengths of these strategies helps us to gauge the direction in which your investments might be headed.

Based on the information you provide us, we consider multiple time horizons, (long, medium, and short term) when determining investment strategies. Depending on your needs, we may employ various risk management strategies. We believe our specific risk management tools distinguish us in the investment advisory marketplace.

*Wrap Fee Programs*

Our firm currently uses a wrap fee program model which is disclosed further in **Part 2A Appendix 1 of Form ADV - Wrap Fee Program Brochure**. We employ this type of program with both of our current qualified custodians, SEI and Betterment. A wrap free program allows the respective custodian to bill one total fee for all advisory services and then the collected fee is distributed between the custodian of the assets (SEI or Betterment) and the Adviser on the account (Tetrant Advisory LLC). The portion of the fee attributed to Tetrant Advisory LLC is outlined in Item 5 of this brochure and the custodian portion of the fee is outlined in the respective Part 2A Appendix 1 wrap fee program brochure (depending on which custodian is used). In addition, all fees are disclosed on the Investment Advisory Agreement and will show the total wrap fee percentage that is to be billed. The wrap fee programs we sponsor depend primarily on the investment expertise of the relative custodian and the outsourced investment managers the custodian may hire to manage their portfolios. Tetrant Advisory LLC's primary focus is to properly advise on the equity portion of our client's assets, thus, the same level of care and scrutiny will apply to your account whether your assets are held in a wrap fee program or through another advisory arrangement with Tetrant Advisory LLC.

*Financial Planning & Consultation Services*

We offer broad-based, modular, and consultative financial planning services. Based on an analysis of your individual needs, we can provide a variety of advisory services for the management of your financial resources. They may also include retirement planning, estate or business needs, education planning, life and disability insurance needs, long-term care needs, and cash flow/budget planning. If you retain our firm for these services, we will meet with you to gather information about your financial circumstances and objectives. Once we specify your long-term objectives (both financial and non-financial), we will develop short-term, targeted objectives. Once we review and analyze the information you provide to us, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives. You are under no obligation to act on our financial planning recommendation.

Financial plans are based on your financial situation at the time we prepare the plan and on the financial information you provide. You must promptly notify us if your financial situation, goals, objectives, or needs change. When the scope of the comprehensive financial planning and/or consulting services has been agreed upon, a determination will be made as to the applicable fee. Different fee structures may be used, including flat fee, hourly fee, or a combination of the two. Currently, the hourly rate for the firm is $250.00. This fee is subject to negotiation and is directly dependent upon the facts and circumstances of your financial situation and the complexity of the financial plan or service(s) requested.

Tetrant Advisory LLC does not offer tax services; however, you may want to consider consulting with a Certified Public Accountant when determining the amount of taxes that you should withhold from any liquidation, sale, or stream of income. Investment portfolio taxation is a complex area with many tax rates and offsetting factors. Some of those factors will change from year-to-year as tax laws and IRS interpretations of those laws change. In our opinion, the advice and assistance of a qualified tax professional increase as the size of your portfolio grows.

We may offer separate, modular consultation services and provide general investment advice or guidance to clients with no expectation for investment management. This consulting service may include:

1. A review of the client's current investment portfolio prepared by an entity outside of Tetrant Advisory LLC.
2. A review of the client's comprehensive financial plan or any portion thereof, prepared by an entity outside of Tetrant Advisory LLC.
3. The discussion of a generic investment portfolio or investments in general with the client, not involving any specific investment recommendations.
4. Review of a client's current retirement plan, estate plan, or college funding plan.
5. Review of financial documents at the request of other professionals, including but not limited to attorneys and accountants.

Consultation services do not necessarily include recommendations on specifically named investment or insurance products, nor does it require the client to purchase any products that may be recommended. Clients are not obligated to use Tetrant Advisory LLC to purchase specific securities or insurance. Clients will be charged our hourly rate which is currently $250.00. This fee is negotiable and will vary depending on the depth and complexity of the services provided.

Recommendations developed by the Investment Adviser Representative (IAR) are based upon the professional judgment of the IAR and neither Tetrant Advisory LLC nor its representatives can guarantee the results of these recommendations.

After the consultation is complete, the obligation from Tetrant Advisory LLC to the client will terminate and neither Tetrant Advisory LLC nor its Representatives will be under any obligation to update or to monitor the Client's investment and insurance portfolios in connection with the consultation services.

As of March 17, 2020, Tetrant Advisory LLC's total assets under management on a discretionary basis are approximately $2,408,769.48.

## Item 5: Fees and Compensation

This section provides details about the fees and compensation arrangements of each of our services.

*Asset Management Fees*

Our asset management fees are negotiable and will not exceed 3.0%. Our normal maximum management fee is listed below. Fees are based on the aggregate amount of all householded assets held under management. Fees are based on the client's financial situation, assets under management, and complexity of the services offered. The Investment Advisory Agreement describes our fees.

*Fee Schedule*

The Tetrant Advisory LLC fee for all clients is set as a flat rate for all clients across all accounts. This fee is applied to all accounts which we have under management pursuant to an investment advisory agreement between the client and Tetrant Advisory LLC. The current flat rate fee is: 0.75% (75 Basis Points).

Please note that the fee listed above are the maximum normal fees for asset management. Our services might be higher or lower than fees charged by other financial professionals offering similar services.

We bill the annual fee quarterly in arrears at the start of the next calendar quarter. Fees are based on the value of the account on the last business day of the previous quarter. The fee will be pro-rated base on the number of days the account is open during the period as well as in arrears for net deposit changes. You may elect to have the quarterly fee charged to one account, or split between other accounts, or you may elect to pay us by check. We prefer to charge your accounts directly. The Custodian will send client statements at least quarterly, showing all payouts from the account including the advisory fee, if deducted from the account.

The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These could include 12b-1 fees, surrender charges, variable annuity fees, and qualified retirement plan fees. We do not share in any portion of the brokerage fees/transaction charges that may be imposed by the broker-dealer or custodian. For more information on our brokerage practices, please see Item 12.

An Investment Advisory Agreement must be completed for advisory services. The agreement may be cancelled at any time. We will provide a copy of this Form ADV, Part 2A to you before or with the execution of the Agreement. If you did not receive this disclosure at least forty-eight (48) hours before executing the Agreement, then you will have five business days after executing the Agreement to terminate the Agreement without penalty or fees. If services are cancelled after the first five days, then the final fee will be pro-rated. The amount is based on the number of days of service provided during the current quarter. Effective with the date of termination, we shall refrain, without liability or obligation, from taking any further action in your Account(s). In addition, from the date of termination, we will cease to be entitled to receive fees. If a contract is terminated after fees have been collected for a given period, a prorated refund of such fees will promptly be paid to you for that period. This cancellation will be subject to any changes related to the settlement of transactions in progress and the final payment of advisory fees.

*Third Party Charges*

Our fees do not cover custodial or execution charges from third parties. Some of these fees include odd-lot differentials and exchange fees. Other charges may include contingent deferred sales charges (CDSC fees). A third-party may also impose additional charges for special customized services elected by their clients. These services would include electronic fund wire transfer fees, certificate delivery fees, American Depositary Receipt fees, exchange fees, and transfer taxes mandated by law. Trades in fixed income securities with broker/dealers may involve transaction charges. Other fees may include mark-ups, mark-downs, commission, and dealer profits. Any dealer profit, commission, mark-up or mark-down on principal trades will be separate from our fee.

*Retirement Plan Providers*

Our fees do not cover costs of servicing a qualified retirement plan. Third parties charge these fees under separate agreements with the plan or plan sponsor.

*Mutual Fund & Exchange Traded Funds (ETFs) Fees*

Each fund describes the fees it charges in detail in its prospectus. However, since they are included in the expense ratio, the fund shareholders usually pay them. These fees are separate from our fees. If the fund has a sales charge, a client may pay an initial or deferred sales charge. We generally recommend funds with no sales charges.

Mutual funds recommended by us may be available directly from the fund company. Please read the funds' prospectus. You may be able to purchase recommended funds elsewhere. If so, there could be additional costs. We may offer funds or share classes of funds that you may not be qualified to purchase outside of our firm. If you terminate your account with us, we may liquidate or exchange these investments for the share class corresponding to the size of your individual investment in the fund. Funds received from the redemption of fund shares outside of our management may have tax consequences or additional costs from sales charges and or redemption fees. Such redemption fees would be in addition to our fee.

Some or all the services available through us may be available for a different cost from other companies. Factors that affect cost that you may incur include the type and size of the account, number of trades, and the range of advisory services provided to you. Accordingly, you should review all fees to understand the total amount.

*Managed Variable Annuity Program*

We also provide management services with respect to previously purchased variable annuity subaccounts. On a discretionary basis, you authorize us to reallocate subaccounts pursuant to your chosen investment objectives.

We will review suitability and an appropriate investment objective for the management of the assets. Please be aware that withdrawals may cause the subaccount value to fall below the required minimum and may impair the achievement of your stated investment objectives.

Please be aware that this is not a buy and hold strategy for the subaccount assets. Therefore, it may not be in your best interest to purchase ongoing management services, and you should consider maintaining solely a brokerage relationship. The recommended minimum account size is $25,000.00.

*Conflicts of Interest*

The Advisory Fee paid by you represents compensation for the subaccount management services provided.

We may perform advisory services for other clients. We may give advice or take actions for those clients that differ from the advice given, or the timing or nature of any action taken for the client. In addition, we may, but are not obligated, to purchase or sell or recommend for purchase or sale, any security which we may purchase or sell for our own accounts or for the account of any other client.

Our firm and its Associated Persons may receive additional non-cash compensation from the variable annuity product sponsor. Such compensation may not be tied to the sale of any products. Compensation may include such items as gifts valued at less than $100 annually, an occasional dinner, a ticket to a sporting event, reimbursement in connection with educational meetings, marketing or advertising initiatives. They may also pay for education or training events that may be attended by our Associated Persons.

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

We do not charge or receive performance-based fees. Performance-based fees are fees based on a share of capital gains on or the capital appreciation of your assets. We do not conduct side-by-side management situations where a combination of asset based and performance fees are collected.

## Item 7: Types of Clients

We offer investment advisory services to individuals, trusts, estates, 401(k) plans and Individual Retirement Accounts (IRA, SEP, ROTH IRA, etc.), high net-worth individuals, including individuals who are considered a "qualified client" under Rule 205-3 of the Investment Advisers Act of 1940, or is a "qualified purchaser", pension and profit sharing plans (other than plan participants), charitable organizations, corporations and other business entities, including sole proprietorships.

Minimum Investment Amounts Required – Investment Advisory Agreement Required

For new clients, we recommend a minimum investment of $5,000. We occasionally allow exceptions to this requirement. All clients must complete and sign a formal written contract when signing up for Asset Management Services.

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

We use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Tetrant Advisory LLC uses industry-standard techniques. This includes technical analysis (sometimes referred to as "charting"), and fundamental analysis. We may also use the following types of tactics: Long-term buys, short-term buys, tactical asset allocation, shorting, and the use of options. Sources of data include Thomson Reuters, Dow Jones News, New York Stock Exchange (NYSE), NASDAQ, AMEX, and other publications.

Our Investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

*Overview of Tetrant Advisory LLC's Planning Process and Investment Strategies*

Tetrant Advisory LLC currently has two primary strategies. They are: The Core Foundation Strategy and The Legacy Endowment Strategy. These two strategies integrate directly with the financial planning philosophy and process we use with you to enhance your financial situation. Our four-step planning process is summarized as follows:

1. *Organization:* we facilitate the gathering of data and assets to help provide a current snapshot of your financial situation. We then help in the goal setting process and help create benchmarks that can be used to measure progress over time.
2. *Protection:* we ensure all relevant protection pieces are in place and that they are integrated with the goals and objectives stated in step one. Some solutions may include, but are not limited to life insurance, disability insurance, health insurance, long-term care insurance, home insurance, auto insurance, umbrella insurance, etc.
3. *Investment:* we identify and integrate all investments held by you to make sure they fit within the goals and objectives stated in step one. This process may include buying, selling, and/or rebalancing assets to fit within a suitable portfolio. It is at this stage that a determination is made whether the use of The Core Foundation Strategy would be a suitable investment option.
4. *Legacy:* after the previous three areas have been thoroughly addressed, we begin the process of long-term legacy planning. This may include involving outside professionals, such as attorneys or accountants, to facilitate in tax and estate planning. For funds a client may have in addition to those used for their original

goals and objectives outlined in step one, a determination is made whether the use of The Legacy Endowment Strategy would be a suitable investment option to help perpetuate any goals the client may have beyond their mortal life.

The Core Foundation Strategy

The Core Foundation Strategy is an asset allocation strategy designed for a client with a long-term investment objective of Growth. The allocation is based 100% in the equity markets using mutual funds and/or exchange traded funds across five different category styles, those being: Large-cap Growth, Large-cap Value, Mid/Small-cap Growth, Mid/Small-cap Value, and International. Each category style will receive approximately 20% allocation of the invested funds and is to be rebalanced annually.

Latitude is given in fund selection; however, ideal funds should contain as many of the following attributes as possible: low expense ratio (ideally less than 1.5%), above average performance history (ideally greater than 10 years), moderate to low risk statistics (ideally Beta less than 1.50 relative to best-fit index). Other attributes may exist such as value-based characteristics or fund management experience and will be discussed with you before any portfolio decisions are finalized.

While this strategy employs a simplistic approach to portfolio construction, there is another aspect that sets Tetrant Advisory LLC apart from its peers in helping our clients achieve maximum results. Although discretion is left to trade and modify the established portfolio on an as-needed basis, we seek to minimize portfolio erosion using behavior management. An annual study conducted since 1994 by Dalbar has repeatedly shown the negative effects emotions play on investor decisions to buy and sell mutual funds (Visit www.Dalbar.com for more information). Thus, one of the primary goals of The Core Foundation Strategy is to help remove the havoc caused by emotional investing in order to help maximize long-term potential gains inside a well-balanced portfolio.

The minimum investment necessary for The Core Foundation Strategy is $5,000.00.

The Legacy Endowment Strategy

The Legacy Endowment Strategy is a strategy designed for clients with a long-term investment objective of Growth and Income. This strategy utilizes the use of traditional portfolio assets (stocks, mutual funds, and bonds) as well as alternative assets (managed futures, REITs, merger arbitrage, etc.) in order to simulate many of the large non-profit endowments that exist today. Funds within a client's portfolio that would be suitable for this type of allocation might include those set aside for special needs planning, charitable causes, conservatorship needs, multi-generational estate planning, etc.

Portfolio construction for this strategy will be tailored to the client and their specific situation. All investment types available through our qualified custodians may be considered in order to construct a portfolio that meets the growth and income needs of the client relative to their specific situation. Under certain circumstances some alternative investments may require an additional fee and will be discussed before the implementation of any strategy.

The minimum investment necessary for The Legacy Endowment Strategy is $5,000.00.

*Risk of Loss*

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You also must understand that past performance is not indicative of future results. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk.

For example, investors may face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, option, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it – a lengthy process – before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if there is a high interest in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: The possibility that shareholders will lose money when they invest in a company that has debt if the company's cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors will be repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.
- Foreign Investment Risk: Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic, and political risks, and may follow different accounting standards than domestic investments. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability than those of more developed countries. Securities may be less liquid and more volatile than U.S. and longer-established non-U.S. markets.

Certain securities that we recommend may contain significant or unusual risks, such as options and private placements. It is extremely important that you understand and seriously consider the degree of market valuation loss you will be able to tolerate in the shorter term.

## Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Tetrant Advisory LLC's business or the integrity of Tetrant Advisory LLC's management.

## Item 10: Other Financial Industry Activities and Affiliations

Our firm and its management are not dual registered with a Broker/Dealer and does not intend to affiliate with any Broker/Dealer at this time.

Our firm and its management are not registered and does not intend to register as a futures commission merchant.

We do not have any associations or affiliations with investment companies, banking or thrift institutions, accounting firms, pension consultants, real estate brokers or any syndicator of real estate partnerships.

Some employees of Tetrant Advisory LLC may be registered with various state insurance departments and affiliated with multiple insurance carriers to provide clients various insurance products including, but not limited to: life insurance, home insurance, auto insurance, umbrella insurance, long-term care insurance, disability insurance, commercial lines, etc.

Tetrant Advisory LLC is solely owned by Tetrant, LLC (DBA: Tetrant Legal) which is a full-service Estate & Financial Planning law firm. Retention of services from Tetrant Advisory LLC does not require the same client to retain Tetrant Legal for law related services – nor does it offer the client any privileges associated with the attorney-client relationship. Likewise, retention of legal services from Tetrant Legal does not require the same client to retain Tetrant Advisory LLC for any investment advisory services – nor does it offer the client any fiduciary protections associated with the Registered Investment Advisor. You are always free to select any broker/dealer, insurance provider, or legal representation to meet your financial and legal needs.

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

*Code of Ethics Summary*

Our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with you. All our Associated Persons are expected to adhere strictly to these guidelines.

Our Code of Ethics also requires that our Associated Persons submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

*Affiliate and Employee Personal Securities Transactions Disclosure*

Our firm or person associated with our firm may buy or sell securities or hold a position identical to clients. It is our policy that no Associated Person will put his/her interests before a client's interest. Associated Persons may not trade ahead of any client and cannot trade for a better price than the price a client would obtain. It is the Associated Person's responsibility to know which securities we are trading. We prohibit all Associated Persons from trading on non-public information and from sharing such information. Associated persons may not invest in an initial public offering (IPO) for their own accounts or those of related household members. We do not allow "short-swing" trading or market timing. Short-Swing trading, better known as the Short-Swing Profit rule, requires company insiders to return any profits made from the purchase and sale of company stock if both transactions occur within a six-month period. A company insider, as determined by the rule, is any officer, director or holder of more than 10% of the company's shares.

*Reporting Requirements*

Every Associated Person who has access to client accounts must submit a report of all personal securities holdings at the time of affiliation with us and annually thereafter. Such reports must contain current information (not older than 45 days). Holding reports must contain the following information:

- The title and type of security.
- The security symbol or CUSIP number.
- The number of shares and the principal amount of each reportable security.
- The name of any broker, dealer, or bank with which the Associated Person maintains an account.
- The date the report was submitted.

A qualified representative will review a copy of all confirms and statements for Associated Persons' accounts.

## Item 12: Brokerage Practices

*Asset Management Services*

We will recommend a custodian for clients who use our Asset Management Services. At least annually, we will review alternative custodians in the marketplace for comparison to the currently used custodian. We evaluate such criteria as expertise, cost competitiveness, and financial condition.

We also receive benefits that we would only get by using services of such broker/dealers to implement the investment advice provided, which may create a conflict of interest. These benefits include, but are not limited to, the receipt of duplicate client's confirmations and bundled duplicate statements. Additionally, benefits may include access to a trading desk or the ability to have investment advisory fees deducted directly from client accounts. Other benefits may include access to an electronic communications network for client order entry and account information. We may also receive compliance publications and access to mutual funds with higher minimum initial investment requirements. No single criteria will validate nor invalidate a custodian or service provider. Instead, we will review all criteria in evaluating the currently used custodian.

You are free to select any broker/dealer, mutual fund company, or variable annuity sponsor to serve as your qualified custodian. This selection is under the condition that we provide approval. If you direct the use of a particular broker/dealer or other qualified custodian, we may not be able to obtain the best prices and execution for the transaction. Further, we may place directed trades after effecting non-directed trades.

We do not have soft-dollar agreements with any broker/dealers and have not received any such benefits.

*Investment Allocation and Trade Aggregation Policy*

Our allocation and aggregation processes require fair and equitable treatment of all client orders. When mutual funds are traded, there is no value to aggregation as each trade receives the same price. To the extent other securities are purchased or sold that lend themselves to aggregation or block trading (for example, stocks or exchange traded funds), we may aggregate client transactions or allocate orders whenever possible. The aggregation of orders provides the effects of lower transaction per share costs. To the extent that we aggregate client orders for the purchase or sale of securities, including securities in which our principals and/or Associated Persons may invest, we shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Incorporated. We shall not receive any additional compensation or remuneration as a result of the aggregation.

We prioritize the release of trading orders with respect to its advised separate accounts as follows:

- Discretionary accounts with no restrictions that require manual trade adjustments such as deviations from the model for cash requirements or that hold non-model securities, etc.
- Accounts with restrictions that require manual intervention to process trades.
- Non-discretionary accounts that require pre-approval of trades.

Due to the sequence of placing trades for accounts, it is possible that accounts traded first will receive more favorable pricing than those traded last.

*Client Participation in Transactions*

In general, we make investment decisions for each account independently from those of other accounts. We make these decisions with specific reference to the circumstances and objectives of each account. Accounts may receive allocations of securities or investments different from other accounts. Through the allocation process, we base these allocations on several factors including, but not limited to, the trade rotation policy, previous transactions, account restrictions, account size, tax status, risk tolerance, cash and liquidity. We will seek to be consistent in our investment approach for all accounts with the same or similar investment objectives, strategies and restrictions. However, the act of purchasing, selling or holding a security for one account does not mean that we will do the same for other accounts. We will place transactions for some accounts in securities already owned by other accounts. We also may purchase (or sell) a security on behalf of some accounts that it has sold (or purchased) on behalf of other accounts.

## Item 13: Review of Accounts

We provide account reviews in connection with Asset Management Services. Our advisors will meet with you either by phone or in person at least annually to review your account(s) and to determine if there have been changes in your financial situation or investment objectives. A summary and consolidated report will be prepared in connection with the review. Reviews that are more frequent may be conducted on an as needed or predetermined basis. Triggering facts for additional reviews may include a client's request, significant changes in market conditions, or at our discretion.

*Statements and Reports*

Asset Management clients will receive account statements at least quarterly from the qualified custodian. You may additionally receive on-demand positions and performance reports in writing from us for no additional fee. We encourage you to compare reports provided by us against the account statements you receive from your qualified custodian, which serves as your official record of your account(s).

## Item 14: Client Referrals and Other Compensation

We do not receive compensation for client referrals. We will, however, compensate properly registered advisors who maintain a solicitation agreement with Tetrant Advisory LLC for the referrals they send to the Registered Investment Advisory. These referral fees will always be taken from the regularly contracted fees stated in Item 5 of this document and will vary depending on the involvement of the registered advisor in the case at hand. Currently Tetrant Advisory LLC maintains no solicitation relationships.

*Other Compensation*

The potential for additional compensation may give our Associated Persons an incentive to recommend investment products based on the additional compensation received. Our objective as a firm is to place nothing before our clients' best interests. Clients always have the option to purchase investment products that we recommend through other unaffiliated brokers or agents.

## Item 15: Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. We do not have physical custody of any of your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

## Item 16: Investment Discretion

The Investment Advisory Agreement grants us the authority to decide what securities are bought or sold in your account(s) and the authority to implement those decisions without being required to obtain your approval.

You have the right to place reasonable restrictions on your accounts. You may also place reasonable restrictions on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the Investment Advisory Agreement.

## Item 17: Voting Client Securities

*Asset Management Services*

We will not vote proxies, nor provide advice on proxy materials on behalf of your advisory accounts. You are responsible for exercising your right to vote proxies for all securities maintained in your accounts. However, we are required to vote proxies if accounts are ERISA related.

*Class Action Suits*

A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common question of law and/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisers to clients.

With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

## Item 18: Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not require or solicit prepayment of more than $1,200 in fees per client six months or more in advance. Therefore, we are not required to include a financial statement with this brochure. We have not been the subject of a bankruptcy petition or other negative financial proceeding.

## Part 2B of Form ADV: Brochure Supplement

Item 1: Cover Page

Date: 03/17/2020

Robert M. Siddoway
Tetrant Advisory LLC
1467 W Elliot Ste 102
Gilbert, AZ 85233
888-852-8070
www.Tetrant.com

**This brochure supplement provides information about Robert M. Siddoway that supplements the Tetrant Advisory LLC brochure. You should have received a copy of that brochure. Please contact Robert M. Siddoway if you did not receive Tetrant Advisory LLC's brochure or if you have any questions about the contents of this supplement. Additional information about Robert M. Siddoway is available on the SEC's website at [www.adviserinfo.sec.gov](www.adviserinfo.sec.gov).**

Item 2: Educational Background and Business Experience

**Robert M. Siddoway**

*Education Background:*
- BS - Brigham Young University.
- MBA - California Lutheran University.
- JD - Arizona State University

*Employment History:*
- 10/2016 – Present: Tetrant Legal
- 07/2013 – Present: Tetrant Advisory LLC/Tetrant LLC

*Business Background:*
- CFP® Professional since '12 (#148643)
- State Bar of Arizona member since '16 (#033196)
- Licensed as an Investment Advisor Representative.
- State of Arizona: life, health, property, casualty, and variable insurance licenses.
- Currently focused on estate and financial planning.

Item 3: Disciplinary Information

No member of the Tetrant Advisory LLC staff or supervised persons have ever been involved in an arbitration claim of any kind.

Item 4: Other Business Activities

Robert M. Siddoway is also involved in Tetrant LLC (DBA: Tetrant Legal) which manages all other aspects outside of the Asset Management portion of his client's legal and financial plans. These aspects may include but are not limited to estate planning, life insurance, disability insurance, health insurance, home insurance, and auto insurance.

Item 5: Additional Compensation

There are no arrangements where a non-client provides an economic benefit directly to Tetrant Advisory LLC or its affiliated persons. Robert is the sole owner of Tetrant Advisory LLC. As such, he receives an economic benefit on the success of Tetrant Advisory LLC. No additional compensation relationships exist related to any issuer of securities that have not already been disclosed in the brochure.

Item 6: Supervision

As disclosed, Robert acts as the owner and officer of Tetrant Advisory LLC. Currently there are no supervised persons.

**Part 3 of Form CRS: Relationship Summary Brochure**

| Item 1: Introduction |
|---|

Date: 03/17/2020

Hi! My name is Robert M. Siddoway, and I own and operate Tetrant Advisory LLC, a state-registered investment advisory firm located in Arizona. This brochure will help outline our firm relationships as well as answer critical questions relating to how we do business. The key takeaways from this document should be 1. How we can serve you; 2. What our fee structure is; & 3. Where you can find more information about us. We look forward to hearing from you and please, if you have any questions do not hesitate to reach out and contact us directly.

Robert M. Siddoway ● (888) 852-8070 ● Rob@Tetrant.com

**Free and simple tools are available to research firms and financial professionals www.Investor.gov. This site also provides educational materials about broker-dealers, investment advisers, and investing in general.**

| Item 2: Relationships and Services |
|---|

**WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?**

Tetrant Advisory LLC offers investment advisory services to retail investors – we focus on investing our client's equity portion (think stocks) of their portfolios and may include investments such as stocks, ETFs, Mutual Funds, etc. We do this through what are called "Wrap Fee Programs" (more about the fees in the next section). Basically, we oversee our custodians (Betterment & SEI) to make sure they are taking proper care of your money – we also tell them how to allocate your funds. In turn, the custodian oversees the investment managers who make sure the money is properly invested in stocks, ETFs, Mutual Funds, etc. according to your investment objectives. We are constantly monitoring the health, strength, and performance of our custodians to make sure our client's assets are being well cared for – no extra fees for this.

As for authority, our clients give us discretion on how and where their money is to be invested. Ultimately the client has the final say on buying and selling investments (and we always run everything by you first) – but the discretionary authority allows our firm to stay nimble and make changes as we see fit for our clients. You are in control – you can always restrict that authority if you so choose.

Do you want to learn more about our services and our philosophy? Head over to https://tetrant.com/disclosure-documents and download our ADV Part 2A & 2B – then read through Items 4 & 7 – then checkout Items 4 & 5 of our two different custodians (Betterment and SEI) in Part 2A Appendix 1.

Are you feeling a little shy and don't know what to ask us? Here are some ideas:

- **GIVEN MY FINANCIAL SITUATION, SHOULD I CHOOSE AN INVESTMENT ADVISORY SERVICE? WHY OR WHY NOT?**
- **HOW WILL YOU CHOOSE INVESTMENTS TO RECOMMEND TO ME?**
- **WHAT IS YOUR RELEVANT EXPERIENCE, INCLUDING YOUR LICENSES, EDUCATION AND OTHER QUALIFICATIONS? WHAT DO THESE QUALIFICATIONS MEAN?**

| Item 3: Fees, Costs, Conflicts, and Standard of Conduct |
|---|

**WHAT FEES WILL I PAY?**

At Tetrant Advisory LLC we have simplified the fee process as much as possible – we use a "Wrap Fee Program" wherein your account is charged one fee for the assets managed on your behalf. That fee currently ranges from 1% to 1.61% per year based on the total balance we manage for you – the fee percentage depends on the strategy and custodian used. Find our fees and all of our disclosures at www.Tetrant.com, better yet, call us *(888) 852-8070*.

Warning, nerdy boring stuff ahead… The fee is automatically calculated, billed, and deducted from your account at the beginning of every quarter (Jan, Apr, Jul, Oct). The collected fee is then split between the Advisory Firm (Tetrant Advisory LLC) and the Custodian Firm (Betterment or SEI). You will never need to worry about any complicated accounting or bookkeeping – we do that! There may be additional fees for other services such as account closure, wire transfers, or not maintaining a minimum balance – all these fees depend on the custodian – let us know what fee questions you have and we will get you an answer. Because of the nature of our fee structure, naturally, we want to manage more of your money (and everyone else's!) – the more money we manage, the more fee revenue our firm generates as a result. This may be a conflict of interest which we are happy to discuss at any time. As far as fees go, you will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For additional information on our fees please visit our website https://tetrant.com/disclosure-documents and download our ADV Part 2A & 2B – then read through Item 5 which lays out everything you would ever want to know about our fees.

Oh yeah… occasionally we do some extensive financial planning or consulting for clients (upon request) where we charge an hourly rate (currently set at $250.00 per hour). Feel free to ask us if this might be a good fit for you.

*Note: Wrap program fees can sometimes be higher than typical asset-based advisory fees because they include most transaction and advisory fees that would ordinarily be charged separate by a traditional custodian. We do our best to stay competitive in our fee structure and feel that the value and ease of using a wrap fee program far outweighs the headache and frustration of being nickeled and dimed by other fee structures.*

**HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

The portion of the advisory fee that goes to Tetrant Advisory LLC (currently set at 0.75%) is what helps us pay our financial professionals as well as our operating costs at Tetrant Advisory LLC. In addition to the advisory fees, our financial professionals may make commissions through product sales, such as insurance or annuities.

Nerded out yet? Still want more information? Give us a call or email us and ask this question:

- **HELP ME UNDERSTAND HOW THESE FEES AND COSTS MIGHT AFFECT MY INVESTMENTS. IF I GIVE YOU $10,000 TO INVEST, HOW MUCH WILL GO TO FEES AND COSTS, AND OW MUCH WILL BE INVESTED FOR ME?**

## Item 4: Disciplinary History

**DOES YOUR FIRM OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

Nope! Check us out on www.Investor.gov and use the search tool to see our licensing and records.

Feel free to ask us (or any advisor you meet) the following question(s):

- **AS A FINANCIAL PROFESSIONAL, DO YOU HAVE ANY DISCIPLINARY HISTORY? FOR WHAT TYPE OF CONDUCT?**

## Item 5: Additional Information

Additional information about our firm, services, fees, and any disclosures including a copy of this Relationship Summary Brochure may be found at our website: www.Tetrant.com or by calling us direct at *(888) 852-8070*.

Some additional conversation starters you may want to ask us might be:

- **WHO IS MY PRIMARY CONTACT PERSON?**
- **IS HE OR SHE A REPRESENTATIVE OF AN INVESTMENT ADVISER FIRM OR A BROKER-DEALER FIRM?**
- **WHO CAN I TALK TO IF I HAVE CONCERNS ABOUT HOW THIS PERSON IS TREATING ME?**

## Privacy Policy – Our Commitment to You

We treat your non-public personal financial information with confidentiality and respect. Our Privacy Policy defines the trust, privacy, and confidentiality we have with our clients. Our Privacy Policy is reasonably designed to:

1. Ensure the security and confidentiality of your records and information.
2. Protect against anticipated threats or hazards to the security or integrity of your records and information; and,
3. Protect against unauthorized access to or use of your records or information that could result in substantial harm or inconvenience to you.

*Information We Collect About You*

You typically provide personal information when you open an account with us. This information includes your name and address, your assets, phone number, email address, income, investment experience, Social Security or Tax ID number, and other investment accounts.

## Responsibility to Protect Non-Public Personal Information

Our Associated Persons know that they have the responsibility to protect confidential client information. We restrict access to your non-public personal information to those persons on a need to know basis.

Non-public personal information includes all information you provide to obtain a financial product or service. It also includes information resulting from any transaction or information otherwise obtained in providing a financial product or services. In addition, we maintain physical, procedural and electronic safeguards to protect the information from access by unauthorized parties.

## Privacy on the Internet

We are committed to preserving your privacy on the Internet. If you contact us via e-mail, we will use email information only for the specific purpose of responding to requests or comments. We prohibit the sale of e-mail addresses. Only when required by law will we share e-mail addresses and information.

## Sharing Information

We do not sell lists of client information. We do not disclose client information to marketing companies unless we hire them to provide specific services as listed below. We do not disclose any of the information except as provided by law.

We may share non-public personal information with our affiliates while processing transactions, managing accounts on your behalf, or to inform you of products or services that we believe may be of interest to you. Additionally, we may share non-public personal information with the following types of third parties: (a) our financial service providers, such as custodians, transfer agents and third-party money managers; (b) non-financial companies under servicing or joint marketing agreements, such as printing firms, mailing firms, or providing service firms data transfer information for the purpose of aggregation, or performance reports.

These third parties are bound by law or by contract to use your information only for the services for which we hired them and are not permitted to use or share this information for any other purpose.

Your non-public personal information may also be disclosed to persons we believe to be your authorized agent or representative. We are also required to disclose your information to various regulatory agencies in order to satisfy our regulatory obligations and as otherwise required or permitted by law. In addition, we will disclose client information to third-party litigants when we are required to do so by lawful judicial process or by court order. We may also disclose your confidential information in response to a request from a government authority that has jurisdiction over our affairs.

## Former Customers

We do not disclose any non-public personal information about our former clients to anyone, except as required by law.

## Keeping You Informed

We will send you a copy of our Privacy Policy annually for as long as you maintain a relationship with us. We will provide you with a revised policy if we make any material changes. We will not change the policy to permit the sharing of non-public personal information other than that provided in this notice unless we first notify you and allow you the opportunity to “opt out” or prevent information sharing.

## Item 1: Cover Page

March 17, 2020

Name: Tetrant Advisory LLC
Address: 1467 W Elliot #102
Gilbert, AZ 85233
Phone: (888) 852-8070
Fax: (480) 639-6460
Email: Rob@Tetrant.com
Web: www.Tetrant.com

**This brochure provides information about the qualifications and business practices of Tetrant Advisory LLC and the custodians it uses for wrap fee programs. If you have any questions about the contents of this brochure, please contact Rob Siddoway at (888) 852-8070 or Rob@Tetrant.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Tetrant Advisory LLC also is available on the SEC's website at www.adviserinfo.sec.gov.**

Tetrant Advisory LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Oral and written communications from an Investment Adviser provide you with necessary information to determine whether to hire or retain an Investment Adviser. The advisory services described in this brochure are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involves risk, including the possible loss of principal.

## Item 2: Material Changes

Since the date of the previous ADV Part 2 document dated December 15, 2016, the following material changes have occurred and are listed as follows:

1. This is a new wrap fee program brochure – all sections to this brochure are new.
2. This brochure is comprised of information from two wrap fee program custodians sponsored by Tetrant Advisory LLC namely: Betterment and SEI. Most sections will reference the use of the respective supplemental brochure – this is to be used in conjunction with Part 2A of the Tetrant Advisory LLC brochure to gain a complete picture of how the firms interface with each other.

## Item 3: Table of Contents

## Item 4: Services, Fees and Compensation

The Wrap Fee Program for Tetrant Advisory LLC is comprised of a fee split between the sponsored custodian of the assets (Betterment or SEI) and Tetrant Advisory LLC which acts as the investment adviser. Thus, the fees outlined in the custodian brochures and the fees outlined in Item 5 of the main part of this brochure are wrapped into one and billed on a quarterly basis as described in Item 5 of Part 2A of the main brochure. For further information on the Services, Fees and compensation please consult the following resources:

- Tetrant Advisory LLC (Adviser) – See Part 2A of Form ADV
- Betterment (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.
- SEI (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.

## Item 5: Account Requirements and Types of Clients

Tetrant Advisory LLC does not impose any minimum requirements to open or maintain an account, however, the respective custodians may have their own requirements. For further information on the Account Requirements and Types of Clients relative to the custodians sponsored by Tetrant Advisory LLC please consult the following resources:

- Betterment (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.
- SEI (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.

## Item 6: Portfolio Manager Selection and Evaluation

We do not directly select or manage any portfolio managers. Tetrant Advisory LLC acts as an intermediary wherein we select and sponsor companies who have a rich history or selecting and evaluating the portfolio managers who are directly responsible for the makeup of any utilized portfolios. For further information on Portfolio Manager Selection and Evaluation please consult the following resources:

- Tetrant Advisory LLC (Adviser) – See Part 2A of Form ADV
- Betterment (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.
- SEI (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.

## Item 7: Client Information Provided to Portfolio Managers

The only information that Tetrant Advisor LLC may provide to the portfolio managers is the information that is included in the initial account opening process. Tetrant Advisory LLC does not have direct contact with the individual portfolio managers but rather the custodians (Betterment and SEI) that hire the portfolio managers directly. For further information on the practices our sponsored wrap fee program custodians may employ as it relates to Client Information Provided to Portfolio Managers please consult the following resources:

- Betterment (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.
- SEI (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.

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

Tetrant Advisory LLC does is not directly involved with interfacing the client and any portfolio managers that may be used. We do not prohibit the contact of clients and their respective portfolio managers; however, we adhere to the restrictions they may or may not place in their own supplemental disclosures as attached to this appendix.

## Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Tetrant Advisory LLC's business or the integrity of Tetrant Advisory LLC's management. For any disciplinary information related to the wrap free program custodians sponsored by Tetrant Advisory LLC please consult the following resources:

- Betterment (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.
- SEI (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.

## Item 10: Other Financial Industry Activities and Affiliations

Our firm and its management are not dual registered with a Broker/Dealer and does not intend to affiliate with any Broker/Dealer at this time.

Our firm and its management are not registered and does not intend to register as a futures commission merchant.

We do not have any associations or affiliations with investment companies, banking or thrift institutions, accounting firms, pension consultants, real estate brokers or any syndicator of real estate partnerships.

Some employees of Tetrant Advisory LLC may be registered with various state insurance departments and affiliated with multiple insurance carriers to provide clients various insurance products including, but not limited to: life insurance, home insurance, auto insurance, umbrella insurance, long-term care insurance, disability insurance, commercial lines, etc.

Tetrant Advisory LLC is solely owned by Tetrant, LLC (DBA: Tetrant Legal) which is a full-service Estate & Financial Planning law firm. Retention of services from Tetrant Advisory LLC does not require the same client to retain Tetrant Legal for law related services – nor does it offer the client any privileges associated with the attorney-client relationship. Likewise, retention of legal services from Tetrant Legal does not require the same client to retain Tetrant Advisory LLC for any investment advisory services – nor does it offer the client any fiduciary protections associated with the Registered Investment Advisor. You are always free to select any broker/dealer, insurance provider, or legal representation to meet your financial and legal needs.

For information on Other Financial Industry Activities and Affiliations of the sponsored wrap fee program custodians please consult the following resources:

- Betterment (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.
- SEI (Custodian) – See their respective Wrap Fee Brochure attached to this Appendix.

Betterment

**Form ADV Part 2A – Appendix 1**

**BETTERMENT WRAP FEE BROCHURE**

Betterment
27 West 23rd Street
6th Floor
New York, NY 10010
646-600-8263
www.betterment.com

January 2, 2020

This wrap fee program brochure provides information about the qualifications and business practices of Betterment LLC ("Betterment"), a registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that Betterment has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this brochure, please contact us at support@betterment.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Betterment is available on the SEC's website at www.adviserinfo.sec.gov.

## Item 2: Summary of Material Changes

The most recent annual update of this Wrap Fee Program brochure was March 29, 2019.

On May 23, 2019, this brochure was updated to reflect that MTG LLC d/b/a Betterment Securities ("Betterment Securities"), Betterment's broker-dealer affiliate, earns revenue for facilitating the processing and delivery of proxies.

On July 23, 2019, this brochure was updated to reflect Betterment's introduction of Betterment Everyday Savings, through which Betterment directs Retail and Institutional Client funds to interest-bearing, FDIC-insured deposit accounts at program banks.

On August 16, 2019, this brochure was updated with information regarding Betterment's approach to allocating funds to program banks in Everyday Savings.

On September 30, 2019, this brochure was updated to reflect the availability of mutual funds advised by Dimensional Fund Advisors LP on the Betterment for Advisors platform.

On October 21, 2019, this brochure was updated to reflect a change to Betterment's principal office address.

On January 2, 2020, this brochure was updated to reflect a change in the pricing applicable to Institutional Clients of Advisors associated with new advisory firms to the Betterment for Advisors platform.

## Item 3: Wrap Fee Brochure Table of Contents

**Item 4: Services, Fees, and Compensation**

GENERAL INFORMATION

Betterment offers the Betterment Wrap Fee Program to prospective and current clients. Betterment, a limited liability company organized under Delaware law, is an SEC-registered investment adviser that maintains its principal office at 27 West 23rd Street, 6th Floor, New York, NY 10010. Betterment is a sponsor of the Betterment Wrap Fee Program. If you have questions regarding the material contained herein, please contact Betterment at **support@betterment.com**.

PROGRAM DESCRIPTION AND INVESTMENT STRATEGY

Betterment is a smart, simple way of managing savings and investments. Betterment generally offers investment advisory services over the internet and, for clients receiving Supplementary Services (as defined below), via phone, electronic chat, or email communications with Betterment's financial consultants. This Wrap Fee Brochure is meant to help you understand the nature of the advisory services offered by Betterment, whether the advisory services offered by Betterment are right for you, and the potential conflicts of interest associated with your participation in the Betterment Wrap Fee Program. You should review it carefully.

Betterment offers investment advice to clients and manages assets through the Betterment Wrap Fee Program. A wrap fee program has a fee structure that provides clients with advisory and brokerage services for a bundled fee with no additional account activity charges for execution of trades. As such, Betterment charges clients (defined below) a single bundled fee that covers the investment advisory services it provides, as well as the brokerage and custodial services associated with holding and trading securities provided by its affiliated broker-dealer, Betterment Securities. Please see Item 6 for additional information on brokerage considerations.

Betterment's Wrap Fee Program offers services to three types of clients: (1) a retail service whereby individuals, trusts, and other legal entities receive advisory services from Betterment (such clients are referred to as "Retail Clients"); (2) an institutional platform whereby individuals, trusts, and other legal entities receive advisory services from Betterment, as well as services from an unaffiliated registered investment adviser or other provider of investment advice ("Advisor"), subject to Betterment's approval, with which the individual, trust or legal entity has an independent relationship (such clients are referred to as "Institutional Clients" and such business collectively as "Betterment for Advisors"); and (3) a platform whereby employer-sponsored retirement plans and plan participants ("Participants") receive advisory services from Betterment, acting in an ERISA 3(38) fiduciary capacity, as well as recordkeeping and/or administrative services from our affiliate, Betterment for Business LLC (collectively, the "Betterment for Business Service") (such clients are referred to as "Retirement Clients"). Retail Clients, Institutional Clients, and Retirement Clients are collectively referred to in this brochure as "clients." All clients receive Betterment's discretionary advisory services over the internet. Betterment additionally offers Retail Clients with a balance of at least $100,000 in Betterment accounts ("Account Balance Threshold") the opportunity to receive non-discretionary advisory services over the phone, email, or electronic chat through participation in Betterment's

"Betterment Premium" plan. Clients who do not participate in the Betterment Premium plan are referred to as participants in the "Betterment Digital" plan. Betterment may, in its sole discretion, reduce or waive the Account Balance Threshold. The Account Balance Threshold does not include funds held in Betterment Everyday Cash Reserve, formerly known as Betterment Everyday Savings (described below).

Clients should consider that the Betterment Digital plan is not designed to provide clients with a comprehensive financial plan and instead is built to advise clients on how to achieve discrete financial goals selected by the client. Betterment's investment recommendations are highly dependent on receiving accurate information from clients. If clients provide Betterment with inaccurate information or fail to update promptly the information provided to Betterment when it changes, the quality and applicability of Betterment's recommendations could be materially impacted.

In addition, there may be other information about a client's personal financial situation that is not elicited through Betterment's website that could inform Betterment's advice if it were provided to Betterment. This is true even for clients who receive Supplementary Services and communicate with Betterment's financial consultants via phone, electronic chat, or email communications. Clients should consider this limitation on Betterment's service, which is a function of Betterment primarily providing an automated service.

Before depositing funds with Betterment, or in any investment or cash account, potential clients should consider paying off high-interest debt. Potential clients should also consider the options that are available to them through workplace savings plans provided by their employers. Additional guidance regarding these considerations is available at https://www.betterment.com/resources/personal-finance/goals-and-advice/invest-or-pay-off-debt/.

BETTERMENT PREMIUM

Betterment Premium plan clients are eligible to schedule telephone consultations with a financial consultant, employed by Betterment, who will provide personalized financial planning and/or advice, including advice relating to debt, such as student loans and credit card debt, mortgages, savings, and retirement (including pensions and social security) and tax-related advice that does not constitute legal advice or advice requiring licensure as a Certified Public Accountant (such advice, collectively is referred to as "Supplementary Services," whether delivered via a telephone consultation or another medium). Supplementary Services are designed to help clients articulate and quantify goals, organize financial data, identify needs and opportunities, evaluate alternative courses of actions, and determine whether and how Betterment can fit into clients' broader financial plans. Betterment will base any such advice on information provided by clients regarding, among other things, their age, marital and family status, annual income, employment status, liquid net worth, debt and other investments, investment goals and investment experience during the financial consultation call.

Information provided by clients to Betterment's financial consultants will not be considered in the provision of Betterment's discretionary advisory services unless Betterment's online interface solicits such information and the client also enters such information into Betterment's online interface. Betterment financial consultants will not monitor, or provide continuing advice on, accounts held at institutions other than Betterment.

Supplementary Services will not include, among other things, a comprehensive financial plan and certain investment topics, such as investments in real estate, may fall outside the scope of the Supplementary Services. Any tax information provided by Betterment is not a substitute for the advice of a qualified tax advisor. You should consult with your tax advisor to discuss tax-related concerns.

There can be no assurances that any client's financial goals and objectives will be met through receipt of Supplementary Services. Betterment uses a team-based approach to providing Supplementary Services—if clients receive Supplementary Services on multiple occasions, they are likely to interact with multiple financial consultants. In addition, Betterment may, in its sole discretion, offer any client, without charge, certain Supplementary Services through email, electronic chat, or telephone communications, subject to the conditions and limitations described above. Clients are under no obligation to accept or follow any recommendations made by a financial consultant as part of the Supplementary Services and neither Betterment nor the financial consultant will have any discretion over client assets or accounts with respect to implementing any such recommendations. Clients who receive Supplementary Services will continue to receive Betterment's discretionary advisory services over the internet, with the exception of clients who only receive non-discretionary Supplementary Services and thus do not have a Betterment account.

Participation in the Betterment Premium plan will entitle a Retail Client to an unlimited (subject to scheduling availability) number of telephone consultations per year with a licensed Betterment financial consultant.

ADDITIONAL ADVISORY SERVICES

In addition, Betterment offers Betterment Digital plan clients the opportunity to receive for a fixed fee packages of financial advice ("Advice Packages"), each covering a particular financial topic and including a combination of time with a financial professional and access to written materials customized to the client. A detailed description of each Advice Package is available at https://www.betterment.com/advice-packages/.

Betterment also offers all Retail Clients, regardless of account size, a matching service whereby Betterment provides such clients with the contact information of a dedicated third-party registered investment advisor through Betterment's Advisor Network program. If a client elects to participate in the Advisor Network program, the client will receive the names and contact information of one or more third-party advisors in the Advisor Network. After an initial phone call with such advisor(s), the client may enter into a separate agreement on such terms, including fee terms, as mutually agreed between such client and such advisor. Betterment receives no compensation from the client or the third-party advisor for providing this matching service.

FEES

*Retail Clients*

New Retail Clients pay an annualized wrap fee of 0.25% of their account balance for participation in the Betterment Digital plan, which may be reduced by discounts and other promotions, including those described below. Retail Clients who participate in the Betterment Premium plan pay a wrap fee of 0.40% in annualized fees. Betterment waives its wrap fee on Retail Client account balances held in Betterment Everyday Cash Reserve. Betterment's wrap fees for Retail Clients are subject to the Discount, as defined below.

All of Betterment's asset-based fees for Retail Clients are subject to a 0.10% discount (the "Discount") on the portions of their balances above $2 million, with the exception of clients who receive specific fee discounts. Any funds in a client's Betterment Everyday Cash Reserve and any 401(k) account through Betterment for Business are not subject to the Discount and are not included when determining its availability.

Retail Clients who elect to receive Advice Packages will pay for them on a fixed fee basis pursuant to the schedule available at: https://www.betterment.com/advice-packages/. Betterment provides certain Supplementary Services to prospective participants in the wrap fee program without charge.

Retail Clients participating in the Advisor Network program typically pay a separate fee directly to their unaffiliated Advisor. Betterment does not receive any portion of the fees paid to an Advisor.

*Institutional Clients*

Institutional Clients of Advisors associated with new advisory firms to the Betterment for Advisors platform typically pay an annualized wrap fee that is tiered based on the aggregate balance of all of their Advisor's firm's client accounts at Betterment (not including funds held in Betterment Everyday Cash Reserve). That wrap fee currently ranges from 0.12% to 0.20% of account balances. Negotiated reductions from these fees are available in Betterment's discretion. Advisors with clients on this pricing structure typically also pay a fixed monthly fee to Betterment.

Institutional Clients of Advisors associated with advisory firms that engaged Betterment before December 5, 2019 typically pay a wrap fee equal to 0.25% of their account balance for participation in the Wrap Fee Program, subject to the Discount.

Institutional Clients typically pay a separate fee directly to their unaffiliated Advisor. Betterment does not receive any portion of the fees paid to an Advisor.

*Retirement Clients*

New Retirement Clients typically pay an annualized wrap fee of 0.25% for participation in the Wrap Fee Program. Negotiated reductions from this fee are available in Betterment's discretion. A plan sponsor may choose to allocate this fee to itself or to Participants. Betterment for Business' recordkeeping services are subject to a separate fee schedule. Betterment does not typically accept Retirement Clients unless they also engage Betterment for Business for recordkeeping services. General fee information is available for review on https://business.betterment.com, although the specific fees charged to individual Retirement Clients may vary.

Retirement Clients who engaged Betterment before January 1, 2017 generally pay different fees, which are sometimes lower than those paid by new Retirement Clients, for the services provided by Betterment and Betterment for Business.

*Client Fee Considerations*

Clients should consider that, depending on the amount of activity in a client's account and the value of custodial, trade execution, advisory, and other services that are provided under the arrangement, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately or by others. Clients should also consider that Betterment receives different amounts of revenue (and incurs different costs) from clients participating in each Betterment service plan (i.e., Betterment Digital and Betterment Premium) and, as a result, if you seek our advice on the appropriate plan, Betterment has a financial incentive to recommend the higher priced plan (i.e., Betterment Premium). Clients also should consider whether paying for the Betterment Premium plan or paying for Advice Packages is most appropriate for their needs. Betterment may, at its sole discretion, waive portions of its fees or offer fees to some accounts that differ from the standard fee schedules referenced above. You should also be aware that Betterment may offer clients free-of-charge Supplementary Services that are similar to the services received by Betterment Premium clients. Clients should therefore inquire about what Supplementary Services Betterment is making available free of charge before deciding to become a Betterment Premium client or to pay for an Advice Package.

Further, clients should be aware that because Betterment charges its annualized wrap fee on account balances in securities but waives its wrap fee on funds held in Betterment Everyday Cash Reserve, Betterment has a financial incentive to recommend that clients invest in securities rather than hold cash. Betterment does not currently receive any fees in connection with Betterment Everyday Cash Reserve. Betterment Securities does not itself expect to realize any annualized net revenue from Everyday Cash Reserve but receives fees from Program Banks (as defined in the "Everyday Cash Reserve" section below) for the purpose of paying third-party service providers for Everyday Cash Reserve. Betterment or its affiliates may in the future earn additional fees from Everyday Cash Reserve.

Betterment's asset-based fees are calculated as a prorated amount of a client's average daily balance over a quarter and charged near the end of each quarter. Other than as described above, fees are not charged on the basis of a share of capital gains upon or capital appreciation of the exchanged-traded funds or mutual funds ("Funds") or any portion of the assets of a client. In certain circumstances disclosed in the advisory agreement between each client and Betterment (an "Advisory Agreement"), Betterment reserves the right to charge a client for special requests or other irregular services.

Betterment will automatically debit the prorated amounts of the fees from the assets in a client's account on a quarterly basis in arrears.

*Additional Fees*

All fees paid to Betterment for investment advisory services are separate and distinct from the fees and expenses charged by the Funds to their shareholders. These fees and expenses are described in each Fund's prospectus, which are available in the "Portfolio" tab of the online interface, and are embedded in the securities purchased on clients' behalf. These fees are generally composed of a management fee and other Fund expenses. Betterment does not earn or receive a portion of such fees.

As noted above, Institutional Clients, and Retail Clients participating in the Advisor Network program, may pay their Advisor a separate fee; Betterment does not receive any portion of this fee. As part of the Betterment for Business Service, Betterment for Business LLC may charge Retirement Clients separate fees for certain administrative tasks and services related to plan administration (e.g., Participant loans), some of which may depend on the size of the plan. Retirement Clients may also pay a third-party administrator to perform certain services. Betterment does not receive any portion of these fees.

As described below, Advisors who serve Institutional Clients on the Betterment for Advisors platform and have been approved to do so by Dimensional Fund Advisors LP ("DFA") (such Advisors, "DFA-authorized Advisors") have the option to construct portfolios containing DFA mutual funds. Betterment's parent, Betterment Holdings, Inc., receives a fixed payment, the amount of which is set annually, from DFA to offset costs associated with having DFA mutual funds available on the Betterment for Advisors platform. Only DFA-authorized Advisors--not Betterment itself--construct portfolios of DFA mutual funds for clients.

Betterment periodically enters into arrangements with third-party providers of goods and services under which Betterment receives payments in exchange for referring clients to such third-party providers. Betterment will disclose the existence of any such payments, as well as any conflicts of interest, at the time that Betterment refers a client to the third-party provider.

## Item 5: Account Requirements and Types of Clients

Betterment's clients include individuals, trusts, employer-sponsored plans (and their Participants) and other legal entities (subject to Betterment's approval) who are U.S. residents and maintain a checking account with a U.S. bank. There is no minimum account size to maintain an account with the Betterment Digital plan. A balance of at least $100,000 is required to be eligible to participate in the Betterment Premium plan. This Account Balance Threshold does not include funds held in Betterment Everyday Cash Reserve. The minimum initial deposit is $10. All clients execute an Advisory Agreement with Betterment and a Brokerage Agreement with Betterment Securities. Institutional Clients have an independent contractual relationship with an Advisor. Retirement Clients must also execute an Administrative Services Agreement with Betterment for Business LLC.

**Item 6: Portfolio Manager Selection and Evaluation**

OVERVIEW

Betterment directly manages the portfolios of Retail Clients pursuant to each client's Advisory Agreement. Betterment directly manages the portfolios of Institutional Clients pursuant to the Betterment for Advisors Advisory Agreement and in conjunction with an Advisor's instructions, as applicable. Investments in employer-sponsored retirement plans are directly managed by Betterment as an ERISA 3(38) fiduciary, pursuant to an Investment Advisory Agreement specific to the Betterment for Business Service (see below for specific employer-sponsored retirement plan services).

Clients should carefully consider Betterment's services before determining whether to engage Betterment. To use Betterment's services, clients and/or their Advisors inform Betterment of a client's financial goals and personal information through Betterment's online applications. Based on this information, Betterment's algorithm will recommend a portfolio comprised of Funds and/or cash (collectively, "Assets") for each of the client's financial goals and account types. As discussed below, Clients and/or Advisors also can choose to construct their own portfolios using the Flexible Portfolio Strategy, or select a third-party portfolio strategy. DFA-authorized Advisors can choose to construct for their clients portfolios using DFA mutual funds. Betterment also provides clients the opportunity to receive advice regarding the identification of financial goals. Each portfolio is associated with a target allocation (the "Allocation") of investment types and/or asset classes.

Betterment's Executive Investment Committee determines which portfolio strategies and Assets to offer to clients. Betterment may change the specific Assets that comprise a particular Allocation without notice to clients, and clients cannot exclude specific Assets from inclusion. As described below, Advisors serving clients on the Betterment for Advisors and Advisor Network are responsible for the determination to use third-party model portfolios and custom portfolios with particular clients.

INVESTMENT PORTFOLIO STRATEGIES

Betterment currently offers five investment portfolio strategies to Retail, Retirement, and Institutional Clients, subject to certain limitations on availability as described below. Betterment's core portfolio, referred to as the Betterment Portfolio strategy, offers a set of globally diversified stock and bond allocations with a U.S. value and small capitalization tilt, comprised of low-cost, liquid, index-tracking ETFs from diverse providers. Betterment's Socially Responsible Investing Portfolio strategy reduces exposure to certain securities of companies that do not meet certain environmental, social, and governance criteria, relative to the core portfolio. Betterment's BlackRock Target Income Portfolio strategy is comprised entirely of bond ETFs managed by BlackRock and allows investors to choose between four yield/risk profiles. Betterment's Smart Beta portfolio strategy is designed by Goldman Sachs Asset Management and offers investors the opportunity to seek outperformance by taking more systematic risk at a given allocation of stocks and bonds than is possible with the Betterment Portfolio strategy. Betterment's Flexible Portfolio strategy allows clients and/or their Advisors to choose their own individual asset class weights using the same asset classes that comprise the Betterment Portfolio strategy.

Betterment does not make individualized recommendations to clients that they use any portfolio strategy other than the Betterment Portfolio strategy for investing goals, but clients are able to elect any portfolio strategy for which they are eligible. Clients and/or their Advisors considering particular portfolio strategies, and allocations associated with them, will receive information, disclosures, and projections to facilitate their decisions.

Betterment periodically reviews the investment portfolio strategies managed by third-party providers to ensure that the portfolios remain consistent with the portfolio objectives identified by the third-party providers.

Investing in securities involves risk of loss that clients should be prepared to bear. You can learn more about Betterment's investment advice and methodologies on Betterment's website, which includes, but is not limited to, the following articles:

- "Our Financial Planning Model: An Overview," available at https://www.betterment.com/resources/research/financial-planning-model-overview/
- "Our Goals and Advice Explained," available at https://www.betterment.com/resources/research/goals-advice-explained/
- "Our Stock Allocation Advice," available at https://www.betterment.com/resources/research/stock-allocation-advice/
- The Betterment Portfolio Strategy, available at https://www.betterment.com/resources/research/betterment-portfolio-strategy/
- "Our Investment Selection Methodology," available at https://www.betterment.com/resources/research/etf-portfolio-selection-methodology/

Betterment implements its advisory services by investing in ETFs, among other Assets. For information regarding the structure, fees, and risks associated with investing in ETFs, see the SEC's Investor Bulletin on ETFs: https://www.sec.gov/servlet/sec/investor/alerts/etfs.pdf.

BETTERMENT EVERYDAY CASH RESERVE

Retail and Institutional Clients may elect to participate in Betterment Everyday Cash Reserve, a program in which Betterment directs client funds among interest-bearing, FDIC-insured deposit accounts at banks that agree to accept funds through the program ("Program Banks"). The rates of interest paid by each Program Bank will differ. Betterment does not guarantee that any client will receive a specified average or composite interest rate on funds invested through the program.

Betterment will endeavor to achieve, on each day, the same average rate of interest across all clients' balances in the program, subject to certain client-specific factors. Such factors will include the client-imposed limitations set forth below. In allocating funds to the deposit accounts, Betterment considers a number of factors, including: (1) FDIC coverage on deposits held through Everyday Cash Reserve only (up to $250,000 per Program Bank for each FDIC insurable ownership category—e.g., individual or joint—offered by Betterment) (as limited by clients' decisions to opt out of particular Program Banks); (2) a client's instruction to opt out of particular Program Banks; (3) maximum or minimum capacity constraints imposed by particular Program Banks as a condition of their participation in Everyday Cash Reserve; and (4) aggregate client funds in Everyday Cash Reserve. A client may receive a lower average rate of interest than they would otherwise receive as a result of the application of one or more of these factors. Betterment may, in its discretion, impose conditions on clients' ability to opt out of Program Banks, including by requiring clients to furnish proof that they maintain balances in other accounts at such Program Banks.

Client funds are held at Program Banks through an omnibus account in the name of Betterment Securities, on behalf of Betterment clients. Betterment Securities maintains records of each client's deposits in Betterment Everyday Cash Reserve. More information about Betterment Everyday Cash Reserve, including the timing of transactions, is available at https://www.betterment.com/legal/cash-reserve. Betterment retains ongoing discretion to direct client funds held through Betterment Everyday Cash Reserve into ETFs or other securities in addition to, or instead of, among Program Banks. Participating clients would be notified of any such change. After a transitional period, Betterment will stop supporting its Smart Saver goal, which is set at a fixed Allocation of 100% bond ETFs, and will support only Betterment Everyday Cash Reserve for client cash.

ALLOCATION ADVICE

Except for the Flexible Portfolio strategy and portfolios constructed with DFA mutual funds by DFA-authorized Advisors, each Allocation corresponds to a specific set of asset classes and distribution of Assets among those asset classes (which may differ depending on whether the account is taxable or non-taxable). Except for Betterment Everyday Cash Reserve, clients and/or their Advisors are free to accept a Betterment-recommended Allocation or choose their own Allocation based on their own preferences or risk tolerance. Betterment will manage a client's account according to the Allocation the client sets and the type of goal the client selects. For some financial goals and portfolios, Betterment's recommendations to clients will shift over time, with the recommended Allocation gradually shifting as the term of the goal approaches (i.e., a "glide path"). Betterment offers a feature that automatically adjusts clients' Allocations to conform to the glide path. For customers who elect not to enable this feature, Betterment will not automatically adjust the applicable Allocations based on the passage of time. Betterment will, however, automatically and periodically adjust the Allocations of Participants who have not exercised control over their employer-sponsored accounts to match Betterment's recommendations for those accounts.

When clients deposit to or withdraw money from investing goals in their Betterment account, they are requesting that Betterment purchase or sell available Funds within their account in amounts that reflect their desired Allocation for an investing goal. Similarly, when clients and/or their Advisors adjust a client's Allocation, Betterment will buy and sell Funds to approach the desired Allocation.

STATE-SPECIFIC MUNICIPAL BONDS

Clients with taxable accounts who live in California or New York who have a balance of, or intent to fund, at least $100,000 to their account, are provided the option to further customize their portfolios by adding exposure to California or New York municipal bonds, respectively, in lieu of national municipal bonds. The benefits and risks of adding state-specific municipal bond exposures are described on Betterment's website. Funds held in Betterment Everyday Cash Reserve are not counted toward this $100,000 threshold. Betterment does not currently offer clients who live in states other than California and New York the ability to tailor their account to include state-specific municipal bond exposure.

PORTFOLIO REBALANCING AND DIVIDEND REINVESTMENT

In the absence of a contrary direction, Betterment rebalances client portfolios so that in the face of fluctuating market prices each client's portfolio remains controlled to within a narrow range of the Allocation. Betterment typically rebalances a client's account when a portfolio is identified as having drifted by 3% or more and cash flows are not sufficient to enable Betterment to reduce such drift, provided that rebalancing will not result in short-term capital gains for a client, although clients can request to have Betterment only rebalance their accounts in response to cash flows. The rebalancing threshold differs for certain custom portfolios. To participate in Betterment's offerings, clients agree to have their dividends automatically reinvested in accordance with their Allocation.

TAX LOSS HARVESTING AND TAX COORDINATED PORTFOLIO

Betterment also offers optional tax loss harvesting and automated asset location ("Tax Coordinated Portfolio") services. The value provided by these optional services will vary depending on each investor's personal circumstances, and clients should carefully read Betterment's disclosures for each of these services, and the documents linked therein, before enabling them. The Tax Loss Harvesting Disclosure Statement is available at https://www.betterment.com/tlh-disclosure/ and the Tax Coordinated Portfolio Disclosure Statement is available at https://www.betterment.com/tcp-disclosures/.

For the avoidance of doubt, Betterment's tax loss harvesting and Tax Coordinated Portfolio services are not designed to, and do not, provide comprehensive tax advice to clients. Clients are solely responsible for the determination of whether, and when, to enable these features in their accounts, as well as any tax consequences arising from any transaction associated with these features.

IN-KIND TRANSFERS AND CHARITABLE CONTRIBUTIONS OF SECURITIES

Betterment is currently able to accept the transfer of certain securities into client accounts. Betterment currently supports in kind transfers of securities to other brokerages or banks only for transfers of all securities in a Betterment client account and not for partial transfers. Additional considerations related to the transfer of outside securities into a Betterment account will be disclosed in Betterment's online interface before any such transfer takes place.

Betterment offers clients with taxable accounts the opportunity to make charitable contributions by donating shares with long-term capital gains. Clients can donate to a select group of charities that have opened Betterment accounts. The charities pay a wrap fee only on the balance in their accounts above $1 million and can withdraw funds at any time to maintain a balance that does not incur any fee. The charitable giving disclosure statement is available at https://www.betterment.com/legal/charitable-giving.

USE OF ALGORITHMS

Betterment uses algorithms to advise clients and manage their accounts. These algorithms are developed, overseen, and monitored by Betterment's investment advisory personnel. When clients sign up for a Betterment account, an algorithm, developed by Betterment's investment advisory personnel, determines Betterment's recommended Allocation based on inputs from the client. Algorithms also generate advice regarding other investment decisions, including but not limited to Allocation selection, savings and withdrawal rates, automatic rebalancing, account type selection, and the amount of cash Betterment recommends that Retail and Institutional Clients maintain in the bank account they have linked to their Betterment account. If clients enable Betterment's Two-Way Sweep feature, an algorithm will determine the timing and amount of deposits to and/or withdrawals from their Betterment Everyday Cash Reserve based on the amount of cash Betterment recommends they maintain in their linked bank account. When determining whether to enable Betterment's Two-Way Sweep feature with a linked checking account made available through Betterment's affiliate, Betterment Financial LLC (i.e., Betterment Everyday Checking), clients should consider that Betterment has an incentive not to sweep funds to Betterment Everyday Cash Reserve. This is because Betterment Financial LLC earns revenue on funds in checking accounts that it makes available while Betterment is currently not earning fees on balances in Cash Reserve.

When clients make deposits or withdrawals from investing goals in their accounts or donate shares, an algorithm determines the specific securities to trade based on a client's Allocation, current tax lots, and other directions that they have provided to Betterment. If clients opt in to Betterment's tax loss harvesting and/or Tax Coordinated Portfolio services, algorithms also determine the specific trades that are made in a client's account to effect such services. Further details on each of these services, including the operation of the underlying algorithms, are available on Betterment's website. These algorithms may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, and/or changes to data inputs. Betterment may modify periodically these algorithms, or a computer system's code or underlying assumptions, and these changes may have unintended consequences.

The algorithms described above will generate recommendations only from information that is input into the algorithm. Although Betterment collects a variety of information from clients, individualized information about every aspect of a client's personal financial situation is not elicited through Betterment's website, and therefore, not considered by Betterment's algorithms. Clients should be aware of this limitation when considering Betterment's service. Additional information regarding relevant considerations for clients considering an automated digital investment advisory program is contained in the Investor Bulletin from the Securities and

Exchange Commission available at https://www.sec.gov/oiea/investor-alerts-bulletins/ib_robo-advisers.html.

INVESTMENT TOOLS

In addition, Betterment's online applications provide tools to help clients and/or their Advisors project clients' expected returns, plan for retirement, select account types, understand their risks, access information related to transactions, and review their account's prior performance. As with Betterment's services more generally, these tools are not designed to provide clients with a comprehensive financial plan and are subject to the limitations described in this brochure.

Betterment provides clients the opportunity to sync external accounts to their Betterment account via Betterment's online interface. Betterment will not base its recommendations on synced external accounts except as specifically disclosed in the interface. Synced external accounts with debt are reflected in the presentation of a client's net worth in Betterment's interface but are not associated with any financial goal that client identifies. Betterment does not collect information that would allow it to provide advice on synced external accounts with debt.

Clients should also understand that entries made in Betterment's Investing Journal feature, which allows clients to record notations concerning the context for specific transactions, are not directly incorporated into Betterment's advice to individual clients. The Investing Journal feature is instead designed to provide clients with a place to create notations for their own reference and to allow Betterment to collect information that can be used to improve its overall offering.

Clients should be aware that, when Betterment makes changes to its online applications, not all clients may see such changes at the same time. This may be because Betterment is testing particular changes or because Betterment has determined that it would be prudent to roll out a particular feature on a more gradual basis. Clients should also be aware that there will typically be different services and tools available to them depending on the means by which they are interacting with Betterment over the internet. For example, the services available on a mobile phone (or a particular mobile phone operating system) will be different than the services and tools available via a web-based interface.

TRADE EXECUTION, ACCOUNT MAINTENANCE, AND ASSET CUSTODY

In order to open a Wrap Fee Program account with Betterment, clients must establish a brokerage relationship with Betterment Securities, an affiliated broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. By entering into an Advisory Agreement with Betterment, clients authorize and direct Betterment to place all trades in clients' accounts through Betterment Securities. As such, Betterment Securities will maintain all client accounts and execute all securities transactions in client accounts without separate commission costs or other fees. Betterment Securities exercises no discretion in determining if and when trades are placed; it places trades only at the direction of Betterment. Betterment's procedures are designed to make every attempt to obtain the best execution possible, although there can be no assurance that it can be obtained. Clients should understand that the appointment of Betterment Securities as the sole broker for their accounts under this Wrap Fee Program may result in disadvantages to the client as a possible result of less favorable executions than may be available through the use of a different broker-dealer.

Clients should understand the Betterment Wrap Fee Program is a discretionary investment advisory program (except for advice provided through Supplementary Services, which is non-discretionary), and not a self-directed brokerage service. Unlike self-directed brokerage accounts, Betterment clients do not enter individual buy and sell orders for specific securities to be executed at particular times. Rather, Betterment places orders to buy and/or sell securities with Betterment Securities consistent with the discretionary authority granted to it by clients, which includes, among other things, the authority to select which securities to buy and sell and when to place orders for the execution of securities. If you want to control the specific time during the day that securities are bought and sold in your account (e.g., you want the ability to "time the market"), you should not use Betterment's service.

Betterment trades in client accounts for any number of reasons, including in response to client actions such as asset Allocation changes, deposits, or withdrawals. Betterment also trades in order to rebalance client accounts, to change investment options, or otherwise to further the investment objectives that clients specify via Betterment's website.

Subject to Betterment's trading policies, described in this section, Betterment generally trades on the same business day. However, transactions will be subject to processing delays in certain circumstances. For example, orders initiated on non-business days and after markets close generally will not transact until the next business day. Additionally, orders for mutual funds placed after the daily deadline disclosed on Betterment's website or Interface will not transact until the next business day. Betterment maintains a general approach of not placing securities orders during approximately the first thirty minutes after the opening of any market session to avoid periods of market instability, which are common during this time. Betterment generally stops placing orders arising from Allocation changes in existing portfolios approximately thirty minutes before the close of any market session. Betterment continues placing orders associated with deposit and withdrawal requests until market close. Betterment maintains a general approach of not placing orders around the time of scheduled Federal Reserve interest rate announcements. This time period, during which markets often exhibit instability, is typically fifteen to thirty minutes before and after such announcements. Betterment may also postpone trades in order to modulate its overall trading volume on a particular business day. Further, account deposits are automatically subject to a processing period that may be up to five business days or longer; deposit-related transactions will not occur until the next business day after this processing period is complete.

In addition, Betterment reserves the right, at any time and without notice, to delay or manage trading in response to market instability. Betterment may do so where it determines it is appropriate to respond to extraordinary circumstances of market instability, as evidenced by extreme instances of elevated localized volatility (i.e., minute-to-minute spikes in implied volatility), insufficient or unstable market depth, price dislocation, incomplete execution, fast markets, and rapidly widening bid-ask spreads. In the event Betterment delays placing orders in response to extraordinary market volatility for greater than sixty consecutive minutes during Betterment's typical trading hours of 10:00 a.m. to 4:00 p.m., Betterment will undertake to provide notice of such delay to Clients (Retail and Institutional) and Participants by posting a message via Betterment's online interface and, separately, to Advisors on the Betterment for Advisors platform via email. For the avoidance of doubt, Betterment does not delay or manage trading based on any view about whether markets are likely to rise or fall.

Clients' access to their funds are generally not affected by Betterment's trade management practices, including decisions to delay intra-day trading during extraordinary circumstances of market instability. This is because withdrawals from (as well as deposits into) Betterment accounts are subject to the timing of the ACH network, which functions as a batch process on a 24-hour cycle, and is independent of the time of day a trade occurs.

Betterment places aggregated orders involving multiple Betterment accounts trading in the same securities. In conducting these transactions no client is favored over any other client and each client that participates in an aggregated transaction will participate at the average share price for transactions in the aggregated order.

There are never any separate fees for any trade execution or custody service.

SERVICES SPECIFIC TO EMPLOYER-SPONSORED RETIREMENT PLAN CLIENTS

Under the Retirement Investment Advisory Agreement, Betterment provides individual plan Participants with personalized advice. Plan Participants are not required to, but have the option of, becoming Retail Clients.

THIRD-PARTY AND CUSTOM PORTFOLIOS

As described above, Betterment offers to clients certain portfolios designed and/or managed by third-parties, as well as opportunities for clients and/or Advisors to create customized portfolios. Clients and Advisors are responsible for determining that such portfolios are suitable for their or their clients' investment goals.

Advisors who serve Institutional Clients on the Betterment for Advisors platform have portfolio customization options that are not available to Retail and Retirement Clients. DFA-authorized Advisors on the Betterment for Advisors platform may construct for their clients portfolios comprised of DFA mutual funds. Advisors using the Flexible Portfolio strategy have the option to allocate to certain asset classes in addition to those that comprise the Betterment core portfolio strategy. Additionally, the Vanguard Portfolio strategy is available only to Institutional Clients and offers broad market equity and investment grade fixed income exposure based on global market capitalization weights.

As described above, Betterment may offer certain portfolios designed and/or managed by third-party providers to its Retail and Retirement Clients. Betterment also offers a range of third-party model portfolios, as well as certain advisor-designed "custom portfolios" in order to provide Advisors on the Betterment for Advisors platform and in the Advisor Network with greater flexibility in serving their clients. Advisors are responsible for determining that particular third-party portfolios and custom portfolios are suitable for their clients.

Third-party portfolios are likely to include Funds sponsored by such third party or an affiliate thereof, for which the third-party provider receives fees. Each such third-party provider is therefore subject to a conflict of interest in that it may be incentivized to include such affiliated Funds in constructing such portfolios. Furthermore, to the extent any third-party portfolio is updated by the applicable third-party provider, such updates may be delivered to Betterment and updated after such updates are delivered to other users of such third-party portfolio (including affiliates of the relevant provider). Clients should also understand that certain of Betterment's services will be more limited or operate differently for clients who are in a third-party portfolio or custom portfolio and should consult their Advisory Agreement for additional details.

OTHER INFORMATION ABOUT BETTERMENT'S PORTFOLIO MANAGEMENT

Except in connection with Supplementary Services, Betterment manages all client assets on a discretionary basis.

**Item 7: Client Information Provided to Portfolio Managers**

Because Betterment manages all client portfolios directly, there are no portfolio managers with whom Betterment could share client information. However, for Institutional Clients on the Betterment for Advisors Service, Betterment provides certain client information to clients' Advisors that clients explicitly request Betterment provide via the Betterment for Advisors Advisory Agreement.

**Item 8: Client Contact with Portfolio Managers**

Clients should consider that Betterment primarily uses electronic rather than telephonic means to provide customer support. To receive customer support, clients may contact Betterment via email or through the online interface, and prospective clients should be comfortable communicating through those channels. Clients should consider that such customer support is educational in nature only, and that although the algorithms that manage client accounts are overseen, monitored, and updated by investment advisory personnel, clients participating in the Betterment Digital plan will generally not interact directly with such investment advisory personnel, except as described elsewhere in this document.

In addition to the availability of Betterment's customer service personnel to each client, Betterment provides a multitude of materials prepared by investment professionals relating to client portfolios and the investment decisions made for client accounts on its publicly-available website, including a frequently asked questions site and the "Resource Center," available at https://help.betterment.com/hc/en-us and https://www.betterment.com/resources/, respectively. This information is designed to address commonly asked questions clients have about their accounts and the management of their accounts, and customer service personnel may provide clients links to such material. Clients receiving Supplementary Services may schedule telephone consultations with a financial consultant via an online scheduling link. Clients should be aware that they may not be able to speak to a person during market events, such as periods of exceptional volatility or downturns.

## Item 9: Additional Information

BETTERMENT'S DISCIPLINARY HISTORY

Betterment has not been subject to any disciplinary events by regulators nor is it party to any legal events that are material to client evaluation of our advisory business.

BETTERMENT'S FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Betterment is a wholly-owned subsidiary of Betterment Holdings, Inc., which is also the parent company of Betterment Securities, Betterment for Business LLC, and Betterment Financial LLC.

BETTERMENT'S CODE OF ETHICS

Betterment maintains a code of ethics that requires all officers and employees to conduct themselves with the highest standards of honest conduct and business ethics in all aspects of their activities concerning Betterment and Betterment clients. A copy of Betterment's Code of Ethics is available to clients and prospective clients upon request.

PARTICIPATION IN CLIENT TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

Betterment or individuals associated with Betterment are permitted to buy or sell securities identical to or different than those recommended to clients for their personal accounts. Individuals associated with Betterment are also Betterment clients. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to a client. In such instances, Betterment or its related persons may have a financial incentive to buy or sell such securities for client accounts, although this incentive is limited because Betterment generally recommends highly liquid index funds to its clients and because client activity in such funds is unlikely to materially impact their price.

It is the express policy of Betterment that no person employed by Betterment may use material, non-public information obtained during the course of his or her work in deciding whether to purchase or sell any security prior to any pending transaction(s) being executed for an advisory account. This policy is intended to prevent employees from benefiting from transactions placed on behalf of advisory accounts.

REVIEW OF ACCOUNTS

Betterment's investment tools are designed to provide clients with continuous access to account information through Betterment's online interface. Clients can utilize various tools on the interface to review their account and better understand their holdings and performance information. Clients also receive periodic emails from Betterment with information about their accounts as well as links to account statements.

As described above in Item 6, and subject to the limitations for custom portfolios and third-party portfolios referenced there, Betterment's algorithms continuously review clients' accounts to ensure their portfolios are within a set range of their Allocation. If a client's portfolio deviates from this range, Betterment will rebalance such portfolio back to its target Allocation in certain circumstances. Furthermore, for certain goals, Betterment monitors accounts to determine whether a client is on or off track to meet a particular goal or whether, in Betterment's judgment, client's chosen Allocation is too aggressive or conservative for a goal, and indicates the result of that monitoring through the online interface. Betterment personnel further conduct limited reviews of accounts when triggered by certain account activity, although clients should be aware that their individual accounts are generally not actively monitored directly by investment advisory personnel.

Clients are directed on at least a quarterly basis to update their information via the online interface.

For clients using the Betterment for Advisors Service or receiving sub-advisory services from an Advisor through the Advisor Network matching service, clients' agreements with their Advisors govern any additional responsibilities for conducting reviews of clients' accounts that the Advisors may have.

## CLIENT REFERRALS

Betterment offers compensation to current clients, affiliate marketers, solicitors, and other strategic partners who recommend Betterment and refer new clients. The compensation received by the solicitor will depend on the amount of a client's initial deposit and whether it is used to purchase securities or held as cash in Betterment Everyday Cash Reserve, but currently will not exceed $1,250. Current clients may refer new clients only through Betterment's Refer-a-Friend program, through which compensation is limited to waivers of Betterment's advisory fee. New clients are advised of such compensation prior to opening an account. Betterment supervises the referral activities of current customers, affiliate marketers (including "bloggers"), solicitors, and other strategic partners. Clients are not charged any fee nor do they incur any additional costs for being referred to Betterment by a current client, affiliate marketer, solicitor, or other strategic partner. In addition, Betterment personnel are eligible for variable compensation based on the firm's growth. This compensation is based on firm-wide targets, individual targets, or both. Certain Betterment personnel are also compensated based on assets that they personally attract to the firm. The marketing and solicitation activities of these individuals are supervised by Betterment.

## TERMINATION OF ADVISORY RELATIONSHIP

Retail and Institutional Client agreements may be canceled at any time, by either party, for any reason upon notice in accordance with the applicable Advisory Agreement. Retirement Client agreements may be cancelled by the client at any time and by Betterment after a specific notice period, in both cases in accordance with the applicable Advisory Agreement. Upon termination of any account any earned, unpaid fees will be due and payable.

## VOTING CLIENT SECURITIES

Betterment clients delegate to Betterment the authority to receive and vote all proxies and related materials for any security held in Betterment accounts. Betterment maintains policies and procedures reasonably designed to mitigate conflicts of interest and reasonably ensure that proxy matters are conducted in the best interest of clients. Betterment will only vote on proxies and respond to corporate actions associated with securities that Betterment recommends be purchased for client accounts. Betterment will abstain from voting on such proxies if it determines that abstaining is in the best interest of its clients. Clients may request information regarding how Betterment voted a client's proxies, and clients may request a copy of Betterment's proxy policies and procedures, which may be updated from time to time, by emailing support@betterment.com.

Betterment Securities earns revenue from companies that issue proxies, for facilitating the processing and delivery of the proxies to Betterment's clients. The revenue earned by Betterment Securities is not contingent on whether or how proxies are voted by Betterment or its clients, and the identity of funds and other securities that Betterment includes in client accounts is not influenced by these payments.

## PRIVACY POLICY

Betterment is committed to protecting our clients' private information. Betterment has instituted policies and procedures to reasonably ensure that customer information is kept private and secure. Betterment does not disclose any non-public personal information about its customers or former customers to any non-affiliated third parties except as required by or permitted by law or agreed to by the client or as otherwise disclosed in Betterment's Privacy Policy. In the course of servicing a client account, Betterment may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and attorneys; with an Advisor in the case of Institutional Clients; and with the employer or plan sponsor in the case of Participants. Betterment restricts internal access to non-public personal information to those employees who need access to such information in order to provide products or services to a particular client. Betterment also maintains physical, electronic, and procedural safeguards to protect client information.

A copy of the Betterment's Privacy Policy is available on the Betterment website at http://www.betterment.com/privacypolicy.

## FINANCIAL INFORMATION

To the best of Betterment's knowledge, we are not aware of any financial condition that is reasonably likely to impair Betterment's ability to meet its contractual commitments to its clients.

## SUBJECT TO CHANGE

From time to time Betterment may adjust its wrap fee program and policies. In the event of such adjustments this brochure will be modified as needed and an updated copy will be made available on the Betterment website.

**Form ADV Part 2B**

**CLIENT BROCHURE SUPPLEMENT**

Betterment
27 West 23rd Street
6th Floor
New York, NY 10010
646-600-8263
www.betterment.com

October 21, 2019

This Brochure Supplement provides information about certain Betterment employees listed below that supplements the Wrap Fee Brochure you received above. If you have any questions about the contents of this brochure, please contact us at support@betterment.com. Additional information about Betterment is available on the SEC's website at www.adviserinfo.sec.gov.

**Betterment's discretionary investment advice is formulated by a team comprised of more than nine Supervised Persons, and Betterment has provided group supplementary information below for the nine Supervised Persons with the most significant responsibility for the day-to-day advice provided to Clients.**

Many of the Supervised Persons listed below hold the Certified Financial Planner™ (CFP) certification. Obtaining that certification requires that candidates meet the following criteria as set forth by the Certified Financial Planner Board of Standards:

- Hold a bachelor's degree or higher;
- Complete course training in financial planning;
- Pass a 6-hour multiple choice examination requiring the application of financial planning knowledge;
- Receive approval by the CFP Board, which requires passing an extensive background check and that the certificant adhere to a code of ethics.

DANIEL P. EGAN

*Vice President of Behavioral Finance & Investing*
Born 1981
*Education*
B.A. Boston University, 2003
M.Sc. London School of Economics and Political Science, 2006
*Business Background*
Barclays Wealth and Investment Management, Americas, Behavioral Finance Specialist, 2007 – 2012
Chiliogon LTD, Economist, 2006
University of Pennsylvania, Economic Data Analyst, 2004 – 2005
*Disciplinary Information*
None
*Other Business Activity*
None
*Additional Compensation*
None
*Supervision*
Mr. Egan is supervised by Dustin Lucien

NICHOLAS HOLEMAN, CFP®

*Senior Financial Planner*
Born 1991
*Education*
B.S. San Diego State University, 2013
MSBA, San Diego State University, 2015
*Business Background*
Pure Financial Advisors; Planning Support Specialist, 2014 – 2016
Mass Mutual Financial Group; Financial Advising Assistant, 2013 – 2014
*Disciplinary Information*
None
*Other Business Activity*
None
*Additional Compensation*
None
*Supervision*
Mr. Holeman is supervised by Julia Lowd

CHRISTINE ANN CELAYA, CFP®

*Customer Insights Supervisor*
Born 1989
*Education*
B.S., Texas Tech University, 2011
*Business Background*
Bank of America Merrill Lynch; Financial Solutions Advisor; 2014 – 2015
*Disciplinary Information*
None
*Other Business Activity*
None
*Additional Compensation*
None
*Supervision*
Ms. Celaya is supervised by Mr. Holeman

ANDREW WESTLIN, CFP®

*Financial Planner*
Born 1993
*Education*
Bachelor's in Finance, Virginia Polytechnic Institute and State University, 2015
*Business Background*
Vanguard; Flagship Associate, 2015 – 2016
*Disciplinary Information*
None
*Other Business Activity*
None
*Additional Compensation*
None
*Supervision*
Mr. Westlin is supervised by Mr. Holeman

FREDERICK EGLER, CFP®

*Financial Professional*
Born 1992
*Education*
B.B.A, The George Washington University, 2015
*Business Background*
PNC Financial Services; Associate, 2015 – 2016
*Disciplinary Information*
None
*Other Business Activity*
None
*Additional Compensation*
None
*Supervision*
Mr. Egler is supervised by Mr. Holeman

JOHN S. WITTIG

*Customer Insights Associate*
Born 1992
*Education*
B.S. B.A, University at Buffalo, 2015
*Business Background*
Financial Consultant Academy; Charles Schwab & Co., 2016 – 2017
*Disciplinary Information*
None
*Other Business Activity*
None
*Additional Compensation*
None
*Supervision*
Mr. Wittig is supervised by Mr. Holeman

ANNE CORBIN BLACKWELL, CFP®

*Financial Planner*
Born 1990
*Education*
B.A., Denison University, 2013.
*Business Background*

Financial Advisor, United Income; 2017 – 2018
Business Development; Farr Miller and Washington; 2016 – 2017
Client Services Associate; Morgan Stanley; 2013 – 2016
*Disciplinary Information*
None
*Other Business Activity*
None
*Additional Compensation*
None
*Supervision*
Ms. Blackwell is supervised by Mr. Holeman

ROBERT JOHN GLOTFELTY

*Customer Insights Associate*
Born 1991
*Education*
Bachelor's in Economics, Mathematics, University of Wisconsin – Milwaukee, 2012
Master's in Financial Analytics, Investment Management, University of Wisconsin - Milwaukee, 2015
*Business Background*
Advisory and Brokerage Senior Product Specialist, Northwestern Mutual, 2015-2017
*Disciplinary Information*
None
*Other Business Activity*
None
*Additional Compensation*
None
*Supervision*
Mr. Glotfelty is supervised by Mr. Holeman

# Wrap Fee Program Brochure: Managed Account Solutions – Independent Advisor Solutions by SEI


SEI Investments Management Corporation

One Freedom Valley Drive

Oaks, PA 19456

1-800-DIAL-SEI

www.seic.com


March 29, 2019

This wrap fee program brochure provides information about the qualifications and business practices of SEI Investments Management Corporation ("SIMC"). If you have any questions about the contents of this brochure, please contact us at 1-800-DIAL-SEI. 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.

SIMC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Additional information about SIMC is available on the SEC's website at www.adviserinfo.sec.gov.

**Item 2 – Material Changes**

We have not made any material changes to this Brochure since its last annual amendment filed on March 30, 2018.

Currently, our Wrap Fee Program Brochure may be requested by contacting the SIMC Compliance Team at 610-676-3482 or SIMCCompliance@seic.com.

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

## Item 3 – Table of Contents

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

Independent Advisor Solutions by SEI ("IAS") provides independent financial intermediaries, such as registered investment advisors, financial planning firms, broker-dealers and other financial institutions ("Independent Advisors") with turnkey wealth management services through outsourced investment strategies; administration and technology platforms; trust, banking, and institutional services; and practice management programs. It is through these services that IAS helps advisors save time, grow revenues, and differentiate themselves in the market. With a history of financial strength, stability and transparency, IAS has been serving the independent financial advisor market for more than 25 years and has approximately 7,400 advisors that work with SEI. In addition to the integrated platform of services, IAS also provides Clients (as defined in Item 5) with access to SIMC's investment products through the following programs: SEI Managed Account Solutions ("MAS") and Distribution Focused Strategies ("DFS").

**Program Summary**

MAS and DFS are wrap fee programs which charge a bundled fee that includes advisory, brokerage and custody services. DFS is also subject to a separate administrative fee that is not part of the bundled fee as explained in the fees section below. SIMC sponsors and is advisor to MAS and DFS, which is made available to Independent Advisors who may allocate their end Clients' assets for investments into the program, such as high net worth individuals, trusts, endowments and foundations and institutions. Under MAS and DFS, SIMC enters into a tri-party investment advisory agreement ("Managed Account Agreement") with the Independent Advisor and its Client which provides for the management of Client assets allocated to MAS and DFS in accordance with the terms of the Managed Account Agreement. Pursuant to the Managed Account Agreement, the Client appoints the Independent Advisor as its investment advisor to assist the Client in selecting an appropriate asset allocation strategy and selecting available sub-advisors that have been assigned to the strategy by SIMC. The Client appoints SIMC, through its manager-of-managers structure, to manage the assets in each portfolio in accordance with the strategy selected by the Client together with the Independent Advisor. Under this program, SIMC makes available to the Independent Advisor (i) investment strategy models of investment managers appointed by SIMC ("Portfolio Managers") covering a broad spectrum of investment styles ("PM Strategy Investment Styles"); and (ii) investment models developed and managed by SIMC ("SIMC Models"). SIMC models include (i) "ETF Models," (ii) "Managed Account Strategies" and (ii) "DFS Strategies Portfolios," each as defined in the applicable Account Application necessary to invest in the noted model (e.g., the Distribution-Focused Strategy Account Application defines the available "DFS Strategies Portfolios").

The Independent Advisor allocates its Client's assets to designated portfolios of separate securities managed by SIMC and/or selected sub-advisors or mutual fund models managed by SIMC (each, a "Managed Account Portfolio"). SEI Funds, which are advised by SIMC, and in limited circumstances, third-party mutual funds may also be used to complete a Managed Account Portfolio generally due to investment minimums. Under this program, the Independent Advisor serves as the primary Client contact, is responsible for analyzing the Client's current financial situation, return expectations, risk tolerance, time horizon, asset class preference and recommending an appropriate Managed Account Portfolio. The Independent Advisor may use tools made available by SIMC, including SEI's Proposal Tool, to develop the appropriate asset allocation strategy for the Client. As part of the services, IAS provides Independent Advisors with assistance in developing end Client proposals using SEI Funds, MAS or DFS. However, the Independent Advisor is responsible for reviewing accounts with end Clients and determining a Client's initial and ongoing suitability to invest in MAS or DFS, including the suitability of the particular investment strategy and asset allocation selected for the Client. The Independent Advisor is also responsible for meeting with Clients at least annually to determine any material changes to the Client's financial circumstances or investment objectives that may affect the manner in which such Client's assets are invested. SIMC is responsible for managing only those assets that the Client allocates to the Managed Account Portfolio in accordance with the investment strategies selected Additionally, SIMC calculates the client's risk tolerance upon account opening, and will contact the Independent Advisor for confirmation that the investment strategy for the Client does not need to be changed in light of the client's current investment objectives and risk tolerance. SIMC will rely on Client information submitted by the Client's Independent Advisor annually, or more frequently if the Client changes the account's investment strategy, to ensure determine whether that the strategy selected for the account is still suitable for the Client's investment objectives.

SIMC manages certain portfolios in MAS directly, rather than through the use of sub-advisors, as noted in the applicable Client paperwork. Generally, these investment management services are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable Clients to be matched with a portfolio that is consistent with the Client's investment goals and objectives. In certain limited cases, SIMC may, with the Independent Advisor's review and approval, customize a fixed income portfolio for a Client based on the information provided to SIMC from the Client's Independent Advisor. In all cases, a Client may, at any time, impose reasonable restrictions on the management of Client's account.

**Managed Account Solutions**

Under MAS, SIMC Clients may select SIMC to manage individual portfolios of stocks and bonds within specific investment strategy categories, such as a Large Cap strategy or a Small Cap strategy. SIMC generally hires third-party sub-advisors to manage these specific investment strategies either directly or through the sub-advisor providing SIMC with its investment model portfolio with SIMC then implementing the sub-advisor's investment model. Please see Item 6 for additional information on SIMC's manager selection process.

Additionally, MAS offers a feature called tax management in which SIMC will serve as, or appoint a sub-advisor to serve, as an overlay manager ("Overlay Manager")for the equity portion of the Client's portfolio. The various equity sub-advisors for the Client's portfolio provide buy/sell lists (i.e., models) to the Overlay Manager, which then is responsible for executing the transactions within the parameters of performance and security weighting variances from the underlying model portfolios, with the goal of increased coordination across the equity account, increased tax efficiency and minimization of wash sales. Neither the Overlay Manager nor SIMC offers tax advice; Clients should consult with their tax advisors as to the suitability of the tax management feature for their accounts.

The Client's portfolio is subject to the risk that its performance may deviate from the performance of a sub-advisor's model or the performance of other proprietary or client accounts over which the sub-adviser retains trading authority ("Other Accounts"). The Overlay Manager's variation from the sub-advisor's model portfolio may contribute to performance deviations, including under performance. In addition, a sub-advisor may implement its model portfolio for its Other Accounts prior to submitting its model to the Overlay Manager. In these circumstances, trades placed by the Overlay Manager pursuant to a model portfolio may be subject to price movements that result in the Client's portfolio receiving prices that are different from the prices obtained by the sub-advisor for its Other Accounts, including less favorable prices. The risk of such price deviations may increase for large orders or where securities are thinly traded.

With respect to certain PM Strategy Investment Styles, SIMC may manage securities directly, rather than delegating to a sub-advisor and, in some cases, SEI Funds may be recommended for a portfolio (generally due to investment minimums) for which SIMC also serves as an investment manager. SIMC manages MAS accounts (i.e., "wrap fee accounts") in the same manner that it manages non-wrap fee separate accounts with the same investment strategy or mandate. SIMC will receive a portion of the wrap fee for its services. Participation in MAS may cost the Client more or less than if the Client paid separately for investment advice, brokerage, and other services. In addition, the fees may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

SIMC Clients may also select SIMC to manage Client assets through a mix of SEI Funds (referred to as "SEI Mutual Fund Models"), as determined in SIMC's discretion. Under this program, SIMC: (1) makes available models, developed and periodically updated by SIMC designed to achieve the model's stated investment objective or goal, based upon SIMC's capital market assumptions and any other criteria that SIMC, in its sole discretion, determines is relevant; (2) in its sole discretion, revises model percentage asset allocations among the underlying mutual funds (or other assets), or adds, removes, or otherwise changes the individual mutual funds or other assets underlying an existing model and, thereby, actively manages client assets assigned to the model by the Independent Advisor; and (3) in its role as the investment advisor to each of the SEI Funds included in a model, selects sub-advisors to those funds in accordance with SIMC's responsibilities to each such fund under the Investment Company Act of 1940, as amended, and SIMC's advisory agreement with each such mutual fund.

Since a large portion of the assets in the SEI Funds may be comprised of Clients following models in which assets are allocated as described in Form ADV Part 2A (the "Asset Allocation Program"), model reallocation activity could result in significant purchase or redemption activity in the SEI Funds. While reallocations are intended to benefit Clients that invest in the SEI Funds through the SEI Mutual Funds Models, they could in certain cases have a detrimental effect on the SEI Funds that are being materially reallocated, including by increasing portfolio turnover (and related transaction costs), disrupting portfolio management strategies, and causing a SEI Fund to incur taxable gains. SIMC seeks to manage the impact to the SEI Funds resulting from reallocations.

SIMC Clients may also select, with the Independent Advisor's advice and recommendation, to invest in one or more of the Custom High Net Worth Portfolios ("Custom HNW Portfolios"). The Custom HNW Portfolios have been developed and will be managed by the sub-advisor based on portfolio-level asset class ranges (e.g., large cap, small cap, etc.) established by SIMC for each Custom HNW Portfolio intended to meet the portfolio's specified investment objectives. SIMC may revise the asset allocation ranges at any time if SIMC determines that such changes are consistent with the applicable Custom HNW Portfolio's investment objective. The sub-advisor is responsible for selecting the individual securities that adhere to each Custom HNW Portfolios' specified asset class ranges. Once selected by the Independent Advisor and Client, the sub-advisor will manage Client's assets in accordance with the selected Custom HNW Portfolio's investment objectives, as selected by the Client and their Independent Advisor, and has entered into a sub-advisory agreement with SIMC to do so.

SIMC discloses its investment management fees to the Client at or prior to the time of the initial investment.

SIMC develops various MAS Investment Styles, each of which seeks to achieve particular investment goals. MAS Investment Styles are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable Clients to be matched with a MAS Investment Style that is consistent with the Client's investment goals and objectives. However, Client's may, at any time, impose reasonable restrictions on the management of the Client's assets. A Client may also authorize his or her Independent Advisor to instruct SIMC to provide end-of-year tax loss harvesting in the managed account by substituting appropriate securities, generally broad based ETFs, to achieve the tax benefits. SIMC will tax loss harvest up to the amount authorized by Client to the extent the tax savings may be reasonably achieved while still maintaining the selected strategy. End-of-year tax loss harvesting can cause a variance in the performance of the selected strategy.

**Distribution Focused Strategies**

Distribution Focused Strategies are implemented using SEI Funds or SEI ETF strategies. Independent Advisors, along with their Clients, select whether to have SIMC implement DFS through SEI Funds or ETFs. In DFS, SIMC manages the strategies directly rather than delegating management to a sub-advisor. SIMC manages DFS accounts (i.e., "wrap fee accounts") in the same manner that it manages non-wrap fee separate accounts with the same investment strategy or mandate. SIMC may receive a portion of the wrap fee for its services. Participation in DFSF may cost the Client more or less than if the Client paid separately for investment advice, brokerage, and other services. In addition, the fees may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

SIMC develops various DFS Investment Styles, each of which seeks to achieve particular investment goals. DFS Investment Styles are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable Clients to be matched with a DFS Investment Style that is consistent with the Client's investment goals and objectives. However, Client's may, at any time, impose reasonable restrictions on the management of the Client's assets.

When DFS is implemented using SEI ETF strategies ("DFS ETF"), a Client may also authorize his or her Independent Advisor to instruct SIMC to provide end-of-year tax loss harvesting in the managed account by substituting appropriate securities, generally broad based ETFs, to achieve the tax benefits. SIMC will tax loss harvest up to the amount authorized by Client to the extent the tax savings may be reasonably achieved while still maintaining the selected strategy. End-of-year tax loss harvesting can cause a variance in the performance of the selected strategy.

**Use of Affiliates**

For each of the programs and products described in this Brochure, SIMC may hire its affiliate(s) to perform various services, including transition management services when transitioning Client assets to SIMC from its previous service providers, sub-advisory services, administrative services, custodial services, brokerage and/or other services and such affiliates may receive compensation for providing such services. Please refer to Item 9 for additional information.

**Program Fees**

In MAS and DFS, Clients pay a fee to SIMC for its advisory services, the trade execution provided by SIMC's affiliate SEI Investments Distribution Co. ("SIDCO") (see Item 6 for additional information), and the advisory services of portfolio managers. SIMC's fees are a percentage of the daily market value of the Client's Managed Account Portfolio assets. SIMC's fees are calculated and payable quarterly in arrears and net of any income, withholding or other taxes. SIMC will deduct fees directly from the Client's custody account. SIMC may discount the fees, including for employees, which may be higher or lower than those charged by other investment advisors for similar services. Clients may have the option to purchase certain SEI investment products, including the SEI Funds, that SIMC recommends through other brokers or agents not affiliated with SIMC.

If MAS or DFS are implemented using SEI Mutual Fund Models, Clients will pay the product fees for the funds in each model as specified in the funds' prospectus.

MAS and DFS fees do not cover certain costs, charges or compensation associated with transactions effected in a Client account, including but not limited to, broker-dealer spreads, certain broker-dealer mark-ups or mark-downs on principal transactions; auction fees; fees charged by exchanges on a per transaction basis; certain odd-lot differentials; transfer taxes; electronic fund and wire transfer fees; fees on NASDAQ transactions; certain costs associated with trading in foreign securities; any other charges mandated by law. In addition, MAS and DFS fees do not cover execution charges (such as commissions, commission equivalents, mark-ups, mark-downs or spreads) on transactions SIMC or a Portfolio Manager places with broker-dealers other than SIDCO or its affiliates or agents (third-party broker-dealers), or mark-ups or markdowns by third-party broker-dealers. SIMC and Portfolio Managers execute trades for fixed income securities through third-party broker-dealers and the spread, mark-up or markdown on such a transaction is borne by the Client. SIMC publishes to Independent Advisors a quarterly report listing trading activity conducted with third-party broker-dealers along with certain cost information associated therewith. SIMC or Portfolio Managers may also occasionally execute other types of equity transactions through third-party broker-dealers. To the extent that transactions are executed through a third-party broker-dealer, any associated execution costs are incurred by the Client separate from the MAS or DFS fees.

In addition, the value of a Client's assets invested in shares of unaffiliated investment companies (e.g., exchange traded funds, closed-end or mutual fund companies, and unit investment trusts) is included in calculating the SIMC fee to the extent permitted by law. These shares are also subject to investment advisory, administration, transfer agency, distribution, shareholder service and other fund-level expenses (some of which may be paid to SIMC or its affiliates or to Portfolio Managers) that are paid by the fund and the Client, indirectly, as a fund shareholder. The SIMC fees will not be reduced by any of these unaffiliated fund-level fees, unless required by law. Please refer to Item 9 for additional information on SIDCO.

Clients participating in MAS or DFS must custody their assets at SPTC and therefore will be subject to custody fees charged by SPTC. The bundled wrap fee charged for participation in MAS and DFS includes these custody fees, with the exception of a termination fee that SPTC charges upon the termination of a Client's account. SIMC and/or its affiliates may voluntarily waive certain custody fees for its Clients.

Additionally, for DFS, SIMC charges a maximum Program Fee of 0.20% for providing administrative and recordkeeping services and other services to accounts invested in DFS. The fee is calculated and paid to SIMC quarterly in arrears. SIMC will deduct the Program Fee directly from the Client's custody account.

SIMC's maximum fee schedule for DFS ETF accounts is as follows:

| | **Investment Style** | **Breakpoints** | **Fee*** |
|---|---|---|---|
| | DFS ETF Strategies | First $250,000 | 0.45% |
| | | Next $250,000 | 0.40% |
| | | Next $500,000 | 0.35% |
| | | Next $1 million | 0.30% |
| | | Next $3 million | 0.25% |
| | | Next $5 million | 0.22% |
| | | Over $10 million | 0.20% |

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

SIMC's maximum fee schedule for Custom HNW Portfolios accounts is as follows:

| | **Investment Style** | **Breakpoints** | **Fee*** |
|---|---|---|---|
| | Custom HNW Portfolios | First $500,000 | 1.15% |
| | | Next $500,000 | 1.10% |
| | | Next $1 million | 1.05% |
| | | Next $3 million | 1.00% |
| | | Next $5 million | 0.95% |
| | | Over $10 million | 0.90% |

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

SIMC's maximum fee schedule for MAS accounts opened **after January 1, 2012** is as follows.

| | **Investment Style** | **Breakpoints** | **Fee*** |
|---|---|---|---|
| **CATEGORY 1** | All Cap Core, Alternative-Multi-Strategy SMA, Equity Income, Global Equity, International Developed Markets, Large Cap, Managed Volatility, Mid Cap, Socially Responsible Investing, Windham ETF Strategies | First $500,000 | 0.90% |
| | | Next $500,000 | 0.85% |
| | | Next $1 million | 0.80% |
| | | Next $3 million | 0.75% |
| | | Next $5 million | 0.70% |
| | | Over $10 million | 0.65% |

| | **Investment Style** | **Breakpoints** | **Fee*** |
|---|---|---|---|
| **CATEGORY 2** | Small Cap, Small-Mid Cap, REIT | First $500,000 | 1.10% |
| | | Next $500,000 | 1.05% |
| | | Next $1 million | 1.00% |
| | | Next $3 million | 0.95% |
| | | Next $5 million | 0.90% |
| | | Over $10 million | 0.85% |

| | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| CATEGORY 3 | International Emerging Markets | First $500,000 | 1.25% |
| | | Next $500,000 | 1.20% |
| | | Next $1 million | 1.15% |
| | | Next $3 million | 1.10% |
| | | Next $5 million | 1.05% |
| | | Over $10 million | 1.00% |

| | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| CATEGORY 4 | Alternative-Income, Alternative-Tax Advantage Income, Alternative-MLP, Core Aggregate, Core Aggregate Plus, Government/Corporate Bond, Government Securities, Municipal Fixed Income, Preferred Securities | First $500,000 | 0.65% |
| | | Next $500,000 | 0.60% |
| | | Next $1 million | 0.56% |
| | | Next $3 million | 0.54% |
| | | Next $5 million | 0.50% |
| | | Over $10 million | 0.45% |

| | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| CATEGORY 5 | SEI ETF Strategies | First $250,000 | 0.45% |
| | | Next $250,000 | 0.40% |
| | | Next $500,000 | 0.35% |
| | | Next $1 million | 0.30% |
| | | Next $3 million | 0.25% |
| | | Next $5 million | 0.22% |
| | | Over $10 million | 0.20% |

| | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| CATEGORY 6 | SEI Fixed Income Strategies | First $500,000 | 0.30% |
| | | Next $500,000 | 0.27% |
| | | Next $1 million | 0.25% |
| | | Next $3 million | 0.20% |
| | | Next $5 million | 0.19% |
| | | Over $10 million | 0.18% |

| | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| CATEGORY 7 | SEI Factor Based Strategies | First $500,000 | 0.55% |
| | | Next $500,000 | 0.35% |
| | | Next $1 million | 0.30% |
| | | Next $3 million | 0.25% |
| | | Next $5 million | 0.22% |
| | | Over $10 million | 0.20% |

| Tax Management | SEI Fee* |
|---|---|
| Tax Management | 0.10% in addition to the Fee described above |

*Fee breakpoint levels are determined based on a Client's total account assets invested in an Investment Style categorized within the same Investment Style description groupings/fee rate schedules listed above. By way of example only, if an account is invested in two Investment Styles in the same Category, the first being a model classified as a Small Cap style and a second model classified as a Small-Mid Cap style, the account assets invested in those two Investment Styles will be combined for purposes of determining the applicable breakpoint levels for purposes of calculating the fees payable to SIMC. Breakpoints are not applied across the style description groupings/fee rate schedules. By way of example only, if an account is invested in an Investment Style classified as a Small Cap style as well as in a second Investment Style classified as an Alternative Income style, those account assets will not combined for purposes of determining the applicable breakpoint level for calculating Fees, but assets allocated to each such Investment Style will be considered individually in determining fees payable to SIMC. The maximum Fee a Client will pay is 1.25%. SIMC may, in its sole discretion, waive one or more of these fees, in whole or part based on SEI's relationship with the firm. SIMC may end any such fee waiver at any time, after which time affected accounts will be assessed the applicable fees. Client will also pay the Independent Advisors fee as indicated on the account application.

Generally, SIMC's fees for MAS accounts opened **prior to January 1, 2012** are as follows. Clients can refer to the fee schedule in their account application or subsequent amendment for specific information on SIMC fees.

| CATEGORY 1 | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| | Large Cap Core/ Transition Strategy | first $1 million<br>next $2 million<br>next $2 million<br>over $5 million | 0.85%<br>0.80%<br>0.75%<br>Negotiable |

| CATEGORY 2 | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| | All Cap/Large Cap Core, All Cap Value, Large Cap Core, US Large Cap Growth, US Large Cap Value, and Managed Volatility/ Tax-Sensitive Managed Volatility Strategies | first $1 million<br>next $2 million<br>next $2 million<br>over $5 million | 0.90%<br>0.90%<br>0.85%<br>Negotiable |

| CATEGORY 3 | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| | Mid Cap Strategies | first $1 million<br>next $2 million<br>next $2 million<br>over $5 million | 1.10%<br>1.00%<br>0.90%<br>Negotiable |

| CATEGORY 4 | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| | Small Cap Strategies | first $1 million<br>next $2 million<br>next $2 million<br>over $5 million | 1.20%<br>1.10%<br>1.00%<br>Negotiable |

| CATEGORY 5 | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| | Mid Cap Core International Developed Strategy | first $1 million<br>next $2 million<br>next $2 million<br>over $5 million | 1.20%<br>1.10%<br>1.00%<br>Negotiable |

| CATEGORY 6 | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| | International Emerging Strategy | first $1 million<br>next $2 million<br>next $2 million<br>over $5 million | 1.65%<br>1.55%<br>1.45%<br>Negotiable |

| CATEGORY 7 | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| | Preferred Securities, Active Municipal Bond, Government Credit, Closed End Fund and Core Aggregate Strategies | first $1 million<br>next $2 million<br>next $2 million<br>over $5 million | 0.70%<br>0.65%<br>0.60%<br>Negotiable |

| CATEGORY 8 | Investment Style | Breakpoints | Fee* |
|---|---|---|---|
| | Laddered Strategies, Municipal Bond, Government/Corporate Bond, Corporate Bond, Treasury Inflated Protected Security, Certificate of Deposit (CD) Portfolio Strategy and Floating Rate Note Strategy | first $500,000<br>next $500,000<br>next $1 million<br>next $3 million<br>over $5 million | 0.30%<br>0.27%<br>0.25%<br>0.20%<br>Negotiable |

| Tax Management | Fee* |
|---|---|
| Tax Management | Up to 0.15% for the first $500,000 and 0.05% for amounts in excess of $500,000 in assets under management |

*Fee breakpoint levels are determined based on a Client's account assets invested in an Investment Style listed above. By way of example only, if an account is invested in two Investment Styles in the same category, the first being a model classified as a Small Cap style and a second model classified as a Small-Mid Cap style, the account assets invested in those two Investment Styles will not be combined for purposes of determining the applicable breakpoint levels for purposes of calculating the fees payable to SIMC. The maximum Fee a Client will pay is 1.25%. SIMC may, in its sole discretion, waive one or more of these fees, in whole or part based on SEI's relationship with the Firm. SIMC may end any such fee waiver at any time, after which time affected accounts will be assessed the applicable fees. Client will also pay the Independent Advisors fee as indicated on the account application.

Certain Clients may receive a fee discount, at the sole discretion of SIMC. These fees may be higher or lower than those charged by other investment advisors for similar services. SIMC may pay a portion of this fee to the portfolio manager acting as the account's Overlay Manager or retain the fee itself if it is serving as the Overlay Manager, if applicable.

To the extent a Client's assets in MAS are invested in SEI Funds, SIMC and its affiliates will earn fund-level fees on those assets, as set forth in the applicable Fund's prospectus but SIMC will offset the fees set forth above on MAS assets invested in any SEI Fund.

**Fees for SEI Funds**

Each SEI Fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub-advisor(s) to the SEI Fund. SIMC's fund advisory fee varies, but it typically ranges from 0.03% - 1.50% of the portfolio's average daily net assets for its advisory services. Additionally, affiliates of SIMC provide administrative, distribution and transfer agency services to all of the portfolios within the SEI Funds, as described in the SEI Funds' registration statements. These fees and expenses are paid by the SEI Funds but ultimately are borne by each shareholder of the SEI Funds.

**Fees for SEI Mutual Fund Models**

The SEI Mutual Fund Models which includes SEI Private Client Models, Tax-Sensitive Models and Institutional Models, are actively managed by SIMC and over time Client's account allocation to individual SEI mutual funds will vary as SIMC adjusts the investments among the SEI Mutual Funds when managing the Models. These changes may impact the total underlying expenses Client's account incurs, since each SEI mutual fund's underlying fees are different (as set forth in the SEI Funds' prospectuses).

The expenses incurred by your account invested in a model may vary within the noted range and you agree this expense range in connection with SIMC's management of your account.

| | **Current Expense Ratio** | **Expense Ratio Range*** |
|---|---|---|
| **Private Client Models** | | |
| PC Short Term | 0.41% | 0.21% - 0.61% |
| PC Defensive | 0.61% | 0.40% - 0.80% |
| PC Conservative | 0.77% | 0.56% - 0.96% |
| PC Moderate | 0.94% | 0.74% - 1.14% |
| PC Core Market | 1.05% | 0.84% - 1.24% |
| PC Market Growth | 1.08% | 0.87% - 1.27% |
| PC Aggressive | 1.08% | 0.89% - 1.29% |
| PC Equity | 1.06% | 0.86% - 1.26% |
| PC Income | 0.97% | 0.77% - 1.17% |
| | | |
| TM PC Short Term | 0.47% | 0.28% - 0.68% |
| TM PC Defensive | 0.63% | 0.44% - 0.84% |
| TM PC Conservative | 0.73% | 0.54% - 0.94% |
| TM PC Moderate | 0.83% | 0.64% - 1.04% |
| TM PC Core Market | 0.85% | 0.65% - 1.05% |
| TM PC Market Growth | 0.90% | 0.70% - 1.10% |
| TM PC Aggressive | 1.00% | 0.80% - 1.20% |
| TM PC Equity | 1.08% | 0.87% - 1.27% |
| TM PC Income | 0.95% | 0.75% - 1.15% |
| | | |
| **Tax-Sensitive Models** | | |
| TS 40 | 0.89% | 0.69% - 1.09% |
| TS 60 | 0.95% | 0.75% - 1.15% |
| TS 80 | 1.00% | 0.80% - 1.20% |
| TS 100 | 1.05% | 0.85% - 1.25% |
| | | |
| **Institutional Models** | | |
| Current Income | 0.61% | 0.39% - 0.79% |
| Fixed Income | 0.81% | 0.61% - 1.01% |
| Moderate Growth & Income | 0.90% | 0.70% - 1.10% |
| Growth & Income | 0.95% | 0.75% - 1.15% |
| Capital Growth | 1.00% | 0.80% - 1.20% |
| Equity | 1.04% | 0.84% - 1.24% |

*Each of the SEI Mutual Fund Models consists of allocations to several SEI mutual funds (generally anywhere from 6 to 15 individual SEI mutual funds). As a result, allocation changes to a model do not typically result in material changes to the overall expenses incurred (either up or down). For example, if a new SEI mutual fund was added to a Model and this fund is 10 basis points more expensive than a fund it replaced and we assume the fund's allocation to the model is 15% of the total model allocation, the increased cost to a $100,000 account over a 12-month period is fifteen dollars. [(100,000 *.15) *.001 (assuming the $100,000 value was constant through the period for purposes of this demonstration. Of course, in many cases allocation changes would result in a similar de minimis decrease in the expenses incurred.

**Additional Compensation**

SIMC's investment solutions, including the SEI Funds, are offered to Independent Advisors for their use in providing advisory services to their Clients. In connection with an Independent Advisor's use of SEI's investment solutions, SIMC and its affiliates provide the Independent Advisor with a range of services and other benefits, which in some cases include financial compensation, to help it conduct its business and serve its Clients. These benefits and services, discussed below, may be made available to Independent Advisors at no fee or at a discounted fee, and the terms may vary among Independent Advisors depending on the business they and their Clients conduct with SEI and other factors. These benefits and services do not necessarily benefit the Independent Advisor's underlying Clients.

SIMC and its affiliates hold conferences, seminars and other educational and information activities for Independent Advisors about the SEI Funds and other investment products offered by SIMC or its affiliates and to generally inform prospective advisors about IAS. Such events are sponsored or provided by SIMC, its affiliates or other third parties. In some cases, SIMC and its affiliates reimburse Independent Advisors for reasonable travel and attendance expenses (including airfare and hotel expenses) incurred to attend these events. Attendance at some of these events, including SEI's annual conference for its most substantive Independent Advisor relationships, is limited to Independent Advisors conducting a minimum amount of business with SIMC and its affiliates, including invitations based on the Independent Advisor's Client assets under management in SEI Funds and managed programs and net cash flow into those products. In addition, SIMC provides Independent Advisors with practice management services, which may include conferences, seminars and other educational and informational activities. Such events are sponsored or provided by SIMC and/or its affiliates or other third parties. SIMC and its affiliates also offer Independent Advisors investment research and other investment support services, such as Client investment proposal and other financial planning support, to help them make well-informed investment decisions about their Clients' accounts.

SIMC and its affiliates assist Independent Advisors in their marketing activities, including providing marketing toolkits and other forms of marketing materials that Independent Advisors may use or adapt for their purposes. SIMC also co-sponsors events with Independent Advisors and/or pays for joint marketing initiatives with Independent Advisors for Clients and prospects, including, without limitation, seminars, conferences, appreciation events, direct market mailings and other marketing activities designed to further the promotion of SIMC's investment products with Independent Advisors and their Clients and prospects. SIMC and its affiliates' arrangements for joint marketing initiatives will vary among Independent Advisors and payments are, at least in part, based on the size of the advisors business relationship with SIMC, including Client assets invested in SEI Funds, MAS and DFS. SIMC's payments or reimbursements to Independent Advisors in connection with joint marketing initiatives may be significant.

SIMC and its affiliates also provide Independent Advisors with technical and operational solutions including (i) a technology and operational platform (referred to as the SEI Wealth Platform) supported by SPTC and provided at no cost to permit Independent Advisors to manage their Clients' account at SPTC and to generally support the Independent Advisors business management of Client accounts held at SPTC, and (ii) in some cases, providing or paying for third party software and automated workflows, to help facilitate their integration with SEI's systems and to streamline their operations. Certain of these technical solutions, such as third party software and automated workflows provided by or paid for by SIMC or its affiliates, may be used by an Independent Advisor in connection with its general business activities in addition to supporting integration to SEI systems or streamlining the Independent Advisor's interaction with SEI's systems. Representatives of SIMC and its affiliates are available to provide administrative support to Independent Advisors. SIMC and its affiliates also assist Independent Advisors in joining IAS and in completing documentation to enroll Independent Advisors' Clients to receive services, such as SPTC Client account opening paperwork. This service may include providing clerical staff to assist the Independent Advisor and, in some cases, paying account transfer fees or other charges that Independent Advisors or their Clients would have to pay or incur when changing custodians or service providers.

In certain cases, SIMC and its affiliates agree to pricing for particular Independent Advisors' Client accounts at SPTC based on account size and/or the nature and scope of business the Independent Advisor does with SEI, including the current and future expected amount of the Independent Advisor's Client assets in custody at SPTC and the types of SIMC investment products used by the Independent Advisor. Pricing discounts may include SPTC agreeing to waive transactional charges and other fees it would normally charge the Independent Advisor's Clients. SIMC and its affiliates, including SPTC, may change this pricing and the services and other benefits provided if the nature or scope of the Independent Advisor's business changes or does not reach certain levels, in which case pricing for the Independent Advisor's Client accounts may increase but will not exceed SIMC's and its affiliate's standard pricing for such products and services.

Many Independent Advisors are affiliated with broker-dealers. SIMC and its affiliates pay compensation to broker-dealers or other financial institutions for services such as, without limitation, providing the SEI Funds with "shelf space" or a higher profile for the firm's associated Independent Advisors and their customers, placing the SEI Funds on the firm's preferred or recommended fund list, granting access to the firm's associated Independent Advisors, providing assistance in training and educating the firms' personnel, allowing sponsorship of seminars or information meetings and furnishing marketing support and other specified services. SIMC may also compensate the broker-dealer to support the broker-dealer's ability to provide administrative support services required when the broker-dealer's affiliated Independent Advisors conduct business with their Clients through the use of IAS services. These payments are typically based on average net assets of SEI Funds attributable to that broker-dealer, net sales of SEI Funds attributable to that broker-dealer, a negotiated lump sum payment or other similar metric. For example, SIMC may pay either: (i) up to ten (10) basis points on "Net Cash Flow;" and/or (ii) ten (10) basis points multiplied by the broker-dealers Advisors' Clients total assets invested in SEI sponsored investments for the administrative services provided and to help offset the compliance service costs that the broker-dealer will be the subject of. Alternatively, SIMC may pay up to ten (10) basis points multiplied by the broker-dealers Advisors' Clients total assets invested in SEI sponsored investments for the marketing and distribution services as well as administrative services provided and to help offset the compliance service costs that the broker-dealer will be the subject of. The terms of these arrangements with various broker-dealers will vary.

Payments are sometimes made by SIMC or its affiliates to financial institutions to compensate or reimburse them for administrative or other Client services provided, such as sub-transfer agency services for shareholders or retirement plan participants, omnibus accounting or sub-accounting, participation in networking arrangements, account set-up, recordkeeping and other shareholder services. These fees may be used by the financial institutions to offset or reduce fees that would otherwise be paid directly to them by certain account holders, such as retirement plans. The foregoing payments may be in addition to any shareholder servicing fees paid to a financial institution in accordance with the SEI Funds' Shareholder Services Plan or Administrative Services Plan.

The benefits, services or payments made to Independent Advisors or financial institutions discussed throughout this "Additional Compensation" section and elsewhere in this Brochure may be significant to the Independent Advisor or financial institutions receiving them, and may create an incentive for the Independent Advisor or financial institutions or its representatives to recommend or offer shares of the SEI Funds or other investment products to its customers rather than other funds or investment products. These payments are made by SIMC and its affiliates out of their past profits or other available resources.

Although the SEI Funds may use broker-dealers that sell SEI Fund shares to effect transactions for the SEI Funds' portfolio, the Funds, SIMC and its sub-advisors will not consider the sale of SEI Fund shares as a factor when choosing broker-dealers to affect those transactions and will not direct brokerage transactions to broker-dealers as compensation for the sales of SEI Fund shares.

SIMC enters into solicitation arrangements with third parties who will receive a solicitation fee from SIMC for introducing prospective Clients to SIMC or SEI investment products. Additionally, SIMC compensates SEI employees who will receive a fee (determined based on the fee paid to SIMC by the Client) for introducing prospective Clients to SIMC or SEI investment products. Where required by federal or state law, each solicitation arrangement will be governed by a written agreement between SIMC and the third-party that complies with Rule 206(4)-3 of the Advisers Act. As required, Clients will be provided with copies of Part 2 of SIMC's Form ADV, separate disclosure of the nature of the solicitation or referral arrangement (including compensation features) applicable to the Client being referred, and any other document required to be provided under applicable state law.

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

**Account Requirements**
SIMC may impose minimum account balances which will vary (typically between $50,000-$250,000) depending upon the managers chosen and whether the Client selects the tax management feature.

**Types of Clients**
SIMC offers advisory services to individual investors and independent financial intermediaries such as registered investment advisors, financial planning firms, broker-dealers, banks and other financial institutions (each, a "Client" and together, the "Clients"). SIMC is also investment advisor to various types of investors, including but not limited to, corporate and union sponsored pension plans, public plans, defined contribution plans (including 401(k) plans), endowments, charitable foundations, hospital organizations, banks, trust departments, registered investment advisors, trusts, corporations, high net worth individuals and retail investors (each, a "Client" and together, the "Clients"). SIMC also serves as the investment advisor to a number of pooled investment vehicles, including mutual funds, hedge funds, private equity funds, collective investment trusts and offshore investment funds (together, the "Pooled Investment Vehicles"). Additionally, SIMC serves as the sponsor of, and advisor to, managed accounts.

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

**Advisory Business**
SIMC is an investment advisor registered under the Investment Advisers Act of 1940 ("Advisers Act") with the SEC. It is an indirect wholly-owned subsidiary of SEI Investments Company ("SEI"), a publicly traded diversified financial services firm (NASDAQ: SEIC) headquartered in Oaks, Pennsylvania, a suburb of Philadelphia. SIMC and its predecessor entities were originally incorporated in 1969.

SIMC's total assets under management as of December 31, 2018 were $178,075,779,414192,289,498,295, $167,796,131,398 180,418,707,000 of which it manages on a discretionary basis and $10,279,648,016 11,870,791,295 on a non-discretionary basis.
Please see Item 4 for a description of MAS and DFS.

**Performance**
SIMC's sub-advisors provide performance calculations for their investment mandate to SIMC on a periodic basis. Neither SIMC nor a third party reviews these performance calculations for accuracy. Also, the performance information may not be calculated on a uniform or consistent basis among managers.

**Affiliated Brokerage**
MAS and DFS (which are "wrap fee programs," meaning the Client pays one fee for investment advisory and brokerage services) is structured such that the equity managers in the program generally execute all equity trades in the Program using SIDCO, consistent with the equity manager's duty to seek best execution. SIDCO will receive and retain compensation for this trading activity. SIMC and Portfolio Managers execute trades for fixed income securities through third-party broker-dealers and the spread, mark-up or markdown on such a transaction is borne by the Client. Also, a significant percentage of trades in closed-end fund and master limited partnership strategies managed by Parametric are executed through third-party broker-dealers, on the basis that Parametric believes doing so results in the best combination of price and execution cost. SIMC or Portfolio Managers may also occasionally execute other types of equity transactions through third-party broker-dealers. To the extent that transactions are executed through a third-party broker-dealer, any associated execution costs are incurred by the Client separate from the MAS or DFS fees. The SIMC fees do not cover execution charges (such as commissions, commission equivalents, mark-ups, mark-downs or spreads)

where SIMC or a Portfolio Manager executes transactions with broker-dealers other than SIDCO or its affiliates. Any such execution charges will be separately charged to the Client. SIMC's internal governance structure oversees SIMC's use of SIDCO in the program to ensure that its use of SIDCO for the Program is suitable.

**Performance Based Fees and Side-By-Side Management**
SIMC does not charge any performance-based fees in the Program.

**SIMC's Overall Investment Philosophy**
SIMC's philosophy is based on five key components: asset allocation, portfolio design, sub-advisor selection, portfolio construction and risk management. SIMC's philosophy and process offers Clients personalization, diversification, coordination and management and represents a strategy geared toward achieving long-term investment goals in various financial climates.

*Asset Allocation.* SIMC's approach to asset allocation takes Clients' goals into account, along with more traditional yardsticks like market indices and standard deviation. SIMC constructs multiple model portfolios to address a wide variety of Client goals and dedicate considerable resources to active asset allocation decisions that help our investment offerings keep pace with an evolving market environment.

*Portfolio Design*. In terms of portfolio design, SIMC generally attempts to identify alpha source(s), or opportunities for returns in excess of the benchmark, across equity, fixed-income and alternative-investment portfolios. SIMC looks for potential sources of excess return that have demonstrated staying power over the long term across multiple markets in a given geographic region. Alpha sources are classified into broad categories; categorizing them in this manner allows us to create portfolios that are not simply diversified between asset classes (e.g., equity and fixed-income strategies), but also diversified across the underlying drivers of alpha.

*Sub-advisor Selection*. When it comes to security selection within Client portfolios, SIMC operates primarily with multi-manager implementation, which means that SIMC typically hires sub-advisors (third-party and affiliated) to select individual securities. As a multi-manager, SIMC aims to identify, classify and validate manager skill when choosing sub-advisors. Differentiating manager skill from market-generated returns is one of SIMC's primary objectives, as it seeks to identify managers that we believe can deliver superior results over time. SIMC develops forward-looking expectations regarding how a manager will execute a given investment mandate, environments in which the strategy should outperform and environments in which the strategy might underperform.

SIMC selects sub-advisors based on SIMC's manager research process. SIMC uses proprietary databases and software, supplemented by data from various third parties, to perform a qualitative and quantitative analysis of portfolio managers. The qualitative analysis focuses on a manager's investment philosophy, process, personnel, portfolio construction and performance. Quantitative analysis identifies the sources of a manager's return relative to a benchmark. SIMC uses proprietary performance attribution models as well as models developed by Axioma, BlackRock and others in its manager research process. SIMC typically appoints several sub-advisors within a stated asset class. (For instance, SIMC will generally have more than one sub-advisor assigned to the large cap growth asset class.) This same manager research process is also the basis for the manager research services provided by SIMC.

*Portfolio Construction*. The portfolio construction process seeks to maximize the risk-adjusted rate of return by finding a proper level of diversification between alpha sources and the sub-advisors implementing them. Based on SIMC's asset-class-specific analysis, as well as typical Client risk tolerances, SIMC sets strategic alpha source allocation targets at the investment product level. With certain exceptions, SIMC uses a multi-manager approach to construct its portfolios.

*Risk Management*. SIMC relies on a risk management group to focus on common risks across and within asset classes. Daily monitoring of assigned portfolio tolerances and deviations result in an active risk mitigation program.

**Manager Research Services.**

SIMC offers various manager research services both within SIMC's MAS program and outside of such program as a stand-alone service. We discuss these services below.

1. **Research Fundamental to SIMC's Investment Management Services (Within SIMC's MAS program).** As a pioneer in the manager-of managers investment approach, a fundamental component of SIMC's core investment services is researching the available universe of third-party sub-advisor strategies and hiring only those managers meeting SIMC's criteria for specific asset classes as sub-advisors within SIMC's various managed account types, including as sub-advisors to our U.S. Mutual Funds and foreign pooled funds, as well as making these manager strategies available in SIMC's sponsored MAS program (both U.S. and global). For the MAS program, SIMC conducts research on the universe of available sub-advisor strategies in order to select and retain sub-advisors SIMC believes are appropriate (or terminate if inappropriate) for our program when SIMC is acting in a fiduciary capacity. And, on occasion SIMC may provide our manager research analysis to certain of our clients investing in this program when requested as part of the investment management services provided.

2. **Stand-Alone Research (Outside of SIMC's MAS program).** As an outgrowth of SIMC's competency in vetting sub-advisor strategies (as noted above), SIMC provides a service in which institutional clients (e.g., banks, large financial service providers, etc.) may hire SIMC to conduct research on third-party investment manager strategies as requested by the institutional client. When providing "Stand-Alone Research Services," SIMC is not hired to act as a discretionary manager to the client, but rather to conduct investment research on any third party investment manager strategy as directed by the client and in accordance with the research agreement outlining the services provided. Generally, when providing Stand-Alone Research Services:

    a. The levels of research SIMC conducts on a manager and the manager's investment strategy will vary based on the contracted level of services, but generally involves either a quantitative and/or qualitative review of the manager and its associated strategy, with written documentation commensurate with the level of service providing insights and, in all cases, summarizing SIMC's point of view on the manager strategy. Service levels generally differ as to the extent (or depth) of the research SIMC will conduct initially and on-going on the manager strategies selected for research by a client as set forth in the applicable research agreement.

    b. On occasion, as part of the Stand-Alone Research Services, a client may request SIMC to provide research on a manager investment strategy that is currently used by SIMC within one or more of SIMC's managed investment programs where SIMC has hired the manager as a sub-advisor (e.g., the manager is a sub-advisor to an SEI Fund or available in MAS)(each, a "SIMC Contracted Strategy"). While the research output provided to the client about a SIMC Contracted Strategy may be the same as the output provided on a third-party manager strategy under the Stand-Alone Research Services, SIMC has conducted its deepest level of analysis on the SIMC Contracted Strategies because of its inclusion in SIMC's MAS program (or as sub-advisor to an SEI Fund) and a result of SIMC's familiarity with such SIMC Contracted Strategies. This research includes in depth initial and ongoing reviews of the manager's investment strategy and methodologies, investment personnel, business structure and compliance program. Accordingly, SIMC generally charges Stand-Alone Research Service clients a different fee (generally under a basis point fee schedule) when providing research on SIMC Contracted Strategies. As a result of the pricing model, such fees may be more (or less in some cases) than what SIMC charges clients for research on third-party manager strategies, regardless of the level of research output requested. This differentiated fee schedule is intended to reflect the additional initial and on-going research and due diligence conducted on SIMC Contracted Strategies, including services not generally provided in connection with the Stand-Alone Research Services. If our view of a SIMC Contracted Strategy changes (i.e., downgraded), this change may be reflected in our investment programs (e.g., manager termination/changes) prior to the time we notify research clients of the change in SIMC's view of the strategy.

c. The level of research we conduct on third-party managers depends on client contracted service levels. As a result, if clients with different service levels request research on the same manager investment strategy, clients may receive different levels of analysis output, such as a more detailed manager reports versus shorter analysis summaries. However, in all cases research output includes SIMC's point of view of the strategy and changes by SIMC in this regard are communicated to all research clients at the same time.

d. As part of the Stand-Alone Research Services a client may request SIMC to recommend investment strategies for specified asset classes when the client is adding an additional asset class to its investment program or the client is replacing a current manager's investment strategy (each, a "Recommended Strategy"). In many cases a Recommend Strategy may be available through several delivery methods, such as through separately managed accounts or through pooled vehicles, such as mutual funds sponsored or managed by the applicable investment manager. While SIMC does not normally consider an investment strategy's various delivery methods as part of the Research Services, if a client has informed SIMC that it prefers a pooled fund implementation, SIMC will limit its research universe to investment strategies available through a fund implementation. And, SIMC will also provide limited research on the available pooled vehicles. In some cases SIMC may not recommend an investment strategy that it would have otherwise recommended as a result of this product-level review, and will instead recommend a different investment manger's strategy available through a fund implementation.

e. When recommending investment strategies as part of the Stand-Alone Research Services, to the extent an investment strategy meeting the client's requested asset class/investment style criteria is available, SIMC will first recommend a SIMC Contracted Strategy since SIMC has conducted its deepest level of analysis on the SIMC Contracted Strategies. If a Contracted Strategy does not meet the client's requested criteria, SIMC will then recommend a third party investment strategy based on SIMC's research of available investment strategies. In certain situations that vary based on how the customer chooses to implement a recommended Contracted Strategy, SIMC will earn compensation that it would not earn by recommending an investment strategy not available within SIMC's current investment programs. For instance, if the customer uses MAS or an SEI Fund to gain access the recommended Contracted Strategy, SIMC, and it some cases, SIMC's affiliates, would earn fees in addition to the Stand-Alone Research Service fees. Any additional compensation SIMC (or its affiliates) would earn as a result of any such recommendation is disclosed to the Client at the time of the recommendation and any use such recommend investment strategy remains solely with the client.

3. **Affiliates Model Platform Services.** SIMC's affiliates provide a technology and operational service platform to deliver to these institutional customers' manager strategy model data for manager strategies selected by such customers. While these investment models are selected by client independently, and not by SIMC, in many cases SIMC may have provided research on the investment strategies selected by the client under a research contract. In certain cases, SIMC and its affiliate may jointly contract with an institutional client to provide both Stand Alone Research and model delivery services. To the extent that a model platform client selects a SIMC Contracted Strategy for model, SIMC's affiliate providing model delivery services may agree to reduce or waive its model delivery platform service fee otherwise payable, as SIMC is already receiving model delivery information in

connection with its own managed investment programs and, as noted above, generally charges clients more for research on SIMC manager strategies. This fee waiver may create an incentive for SIMC's client to select a SIMC Contracted Strategy over a non-SIMC Contracted Strategy as a result of the lower model platform delivery fee. SIMC informs clients, which are typically sophisticated financial intermediaries, of this fee structure when contracting with the client for model delivery services.

4. **SIMC's Affiliates Service Sub-Advisors.** SIMC's affiliates providing technology, operational and administrative services to a wide variety of financial service intermediaries, including sub-advisors that may be subject to research ratings by SIMC. While this business relationship could cause a potential conflict of interest by SIMC when rating a manager strategy, to mitigate any conflicts, SIMC follows the same manager research process for all researched strategies regardless of whether the manager receive services from SIMC's affiliates .

**Implementation Through Investment Products**

The foregoing discusses SIMC's investment philosophy in designing diversified investment portfolios for SIMC's Clients. In most cases, implementation of a Client's investment portfolio is accomplished through investing in a range of investment products, which may include mutual funds, ETFs, hedge funds, closed-end funds, private equity funds, collective investment trusts, or managed accounts. Third-party managers selected by SIMC may manage these investment products, or SIMC may manage these products directly.

In order to provide Clients with sufficient diversification and flexibility, SIMC manages products across a very wide range of investment strategies. These would include, to varying degrees, large and small capitalization U.S. equities, foreign developed markets equities, foreign emerging markets equity, real estate securities, U.S. investment grade fixed income securities, U.S. high yield (below investment grade) fixed income securities, foreign developed market fixed income securities, emerging markets debt, U.S. and foreign government securities, currencies, structured or asset-backed fixed income securities (including mortgage-backed), municipal bonds and other types of asset classes. SIMC also manages Collateralized Debt Obligations ("CDOs") investments and Collateralized Loan Obligations ("CLO") investments within certain investment products. CDOs and CLOs are securities backed by an underlying portfolio of debt and loan obligations, respectively. SIMC may also seek to achieve a product's investment objectives by investing in derivative instruments, such as futures, forwards, options, swaps or other types of derivative instruments. Additionally, SIMC may also seek to achieve an investment product's objective by investing some or all of its assets in affiliated and unaffiliated mutual funds, including money market funds. Within a mutual fund product, SIMC may also seek to gain exposure to the commodity markets, in whole or in part, through investments in a wholly owned subsidiary of the mutual fund organized under the laws of the Cayman Islands. Certain of SIMC's product strategies may also attempt to utilize tax-management techniques to manage the impact of taxes.

Further, SIMC may invest SEI's alternative investment funds in third-party hedge funds or private equity funds that engage in a wide variety of investment techniques and strategies that carry varying degrees of risks. This may include long-short equity strategies, equity market neutral, merger arbitrage, credit hedging, distressed debt, sovereign debt, real estate, private equity investments, derivatives, currencies or other types of investments.

While SIMC's investment strategies are normally implemented through pooled investment products, certain Clients' assets may be invested directly in the target investments through a managed account or other means. The strategies that SIMC implements in such accounts is currently more limited than the breadth of strategies contained in SIMC's funds, and generally covers U.S. large and small capitalization equity securities, international and emerging market ADRs, Master Limited Partnerships, and U.S. fixed income securities, including government securities and municipal bonds. SIMC may also implement strategies involving derivative securities directly within a Client's accounts.

**Investment Product Strategies**
Since SIMC implements such a broad range of strategies within its investment products, it would not be practical to set forth in detail each strategy that SIMC has developed for use across its products. The disclosure in this Brochure is not intended to supplant any product-specific disclosure documents. Clients should refer to the prospectus or other offering materials that it receives in conjunction with investing in a SIMC investment product for a detailed discussion of the strategy and risks associated with such product. Moreover, this Form ADV disclosure addresses strategies designed and implemented by SIMC and does not address strategies that may be implemented by third parties (e.g., unaffiliated investment advisors, banks, institutions or other intermediaries) through the use of SEI products.

A strategy's exposure to the foregoing asset classes, including the degree of exposure, is subject to change at any time due to evolving investment philosophies and market conditions. The risks associated with such strategies are also therefore subject to change at any time.

**Material Risks**
All strategies implemented by SIMC involve a risk of loss that Clients should understand, accept and be prepared to bear.

Given the very wide range of investments in which a Client's assets may be invested, either directly by investing in individual securities and/or through one or more pooled investment vehicles or funds, there is similarly a very wide range of risks to which a Client's assets may be exposed. This Brochure does not include every potential risk associated with an investment strategy, or all of the risks applicable to a particular advisory account. Rather, it is a general description of the nature and risks of the strategies and securities and other financial instruments in which advisory accounts may invest. The particular risks to which a specific Client might be exposed will depend on the specific investment strategies incorporated into that Client's portfolio. As such, for a detailed description of the material risks of investing in a particular product, the Client should, on or prior to investing, also refer to such product's prospectus or other offering materials.

Set forth below are certain material risks to which a Client might be exposed in connection with SIMC's implementation of a strategy for Client accounts:

Absolute Return – A portfolio that seeks to achieve an absolute return with reduced correlation to stock and bond markets may not achieve positive returns over short or long term periods. Investment strategies that have historically been non-correlated or have demonstrated low correlations to one another or to stock and bond markets may become correlated at certain times and, as a result, may cease to function as anticipated over either short or long term periods.

Asset Allocation Risk – The risk that an investment advisor's decisions regarding a portfolio's allocation to asset classes or underlying funds will not anticipate market trends successfully.

Asset-Backed Securities Risk – Payment of principal and interest on asset-backed securities is dependent largely on the cash flows generated by the assets backing the securities. Securitization trusts generally do not have any assets or sources of funds other than the receivables and related property they own, and asset-backed securities are generally not insured or guaranteed by the related sponsor or any other entity. Asset-backed securities may be more illiquid than more conventional types of fixed-income securities that the portfolio may acquire.

Below Investment Grade Securities (Junk Bonds) Risk – Fixed income securities rated below investment grade (junk bonds) involve greater risks of default or downgrade and are generally more volatile than investment grade securities because the prospect for repayment of principal and interest of many of these securities is speculative. Because these securities typically offer a higher rate of return to compensate investors for these risks, they are sometimes referred to as "high yield bonds," but there is no guarantee that an investment in these securities will result in a high rate of return. These risks may be increased in foreign and emerging markets.

Collateralized Debt Obligations (CDOs) and Collateralized Loan Obligations (CLOs) Risk – CDOs and CLOs are securities backed by an underlying portfolio of debt and loan obligations, respectively. CDOs and CLOs issue classes or "tranches" that vary in risk and yield and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and removal of subordinate tranches, market anticipation of defaults and investor aversion to CDO and CLO securities as a class. The risks of investing in CDOs and CLOs depend largely on the tranche invested in and the type of the underlying debts and loans in the tranche of the CDO or CLO, respectively, in which the portfolio invests. CDOs and CLOs also carry risks including, but not limited to, interest rate risk and credit risk, which are described below. For example, a liquidity crisis in the global credit markets could cause substantial fluctuations in prices for leveraged loans and high-yield debt securities and limited liquidity for such instruments. When a portfolio invests in CDOs or CLOs, in addition to directly bearing the expenses associated with its own operations, it may bear a pro rata portion of the CDO's or CLO's expenses. The impact of expenses is especially relevant when a portfolio invests in the lowest tranche (the "equity tranche") of a CDO or CLO. At the equity tranche level, expenses of a CDO or CLO may reduce distributions available to the portfolio before impacting distributions available to investors above the equity tranche and thereby disproportionately impact the portfolio's investment in such CDO or CLO.

Convertible and Preferred Securities Risk – Convertible and preferred securities generally have less potential for gain or loss than common stocks. In addition, convertible and preferred securities generally provide yields higher than the underlying common stocks, but generally lower than comparable nonconvertible securities. Because of this higher yield, convertible and preferred securities generally sell at a price above their "conversion value," which is the current market value of the stock to be received upon conversion. The difference between this conversion value and the price of convertible and preferred securities will vary over time depending on changes in the value of the underlying common stocks and interest rates. Convertible and preferred securities are also subject to credit risk and are often lower-quality securities.

Corporate Fixed Income Securities Risk – Corporate fixed income securities respond to economic developments, especially changes in interest rates, as well as to perceptions of the creditworthiness and business prospects of individual issuers.

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.

Currency Risk – As a result of investments in securities or other investments denominated in, and/or receiving revenues in, foreign currencies the risk that foreign currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency hedged. In either event, the dollar value of an investment in the portfolio would be adversely affected. To the extent that a portfolio takes active or passive positions in currencies it will be subject to the risk that currency exchange rates may fluctuate in response to, among other things, changes in interest rates, intervention (or failure to intervene) by U.S. or foreign governments, central banks or supranational entities, or by the imposition of currency controls or other political developments in the United States or abroad.

Depositary Receipts – Depositary receipts, such as American Depositary Receipts (ADRs), are certificates evidencing ownership of shares of a foreign issuer that are issued by depositary banks and generally trade on an established market. Depositary receipts are subject to many of the risks associated with investing directly in foreign securities, including among other things, political, social and economic developments abroad, currency movements, and different legal, regulatory and tax environments.

Derivatives Risk – A portfolio's use of futures contracts, forward contracts, options and swaps is subject to market risk, leverage risk, correlation risk and liquidity risk. Leverage risk, liquidity risk and market risk are described below. Many over-the-counter (OTC) derivatives instruments will not have liquidity beyond the counterparty to the instrument. Correlation risk is the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. A portfolio's use of forwards and swap agreements is also subject to credit risk and valuation risk. Valuation risk is the risk that the derivative may be difficult to value and/or may be valued incorrectly. Credit risk is described above. Each of these risks could cause a portfolio to lose more than the principal amount invested in a derivative instrument. Some derivatives have the potential for unlimited loss, regardless of the size of the portfolio's initial investment. The other parties to certain derivative contracts present the same types of credit risk as issuers of fixed income securities. The portfolio's use of derivatives may also increase the amount of taxes payable by investors. Both U.S. and non-U.S. regulators are in the process of adopting and implementing regulations governing derivatives markets, the ultimate impact of which remains unclear.

Duration Risk – Longer-term securities in which a portfolio may invest tend to be more volatile than shorter term securities. A portfolio with a longer average portfolio duration is more sensitive to changes in interest rates than a portfolio with a shorter average portfolio duration.

Equity Market Risk – The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. Equity market risk may affect a single issuer, an industry, a sector or the equity or bond market as a whole.

Exchange-Traded Funds (ETFs) Risk (including leveraged ETFs) – The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities. Leveraged ETFs contain all of the risks that non-leveraged ETFs present. Additionally, to the extent the portfolio invests in ETFs that achieve leveraged exposure to their underlying indexes through the use of derivative instruments, the portfolio will indirectly be subject to leverage risk, described below. Leveraged Inverse ETFs seek to provide investment results that match a negative multiple of the performance of an underlying index. To the extent that the portfolio invests in Leveraged Inverse ETFs, the portfolio will indirectly be subject to the risk that the performance of such ETF will fall as the performance of that ETF's benchmark rises. Leveraged and Leveraged Inverse ETFs often "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. These investment vehicles may be extremely volatile and can potentially expose a portfolio to significant losses.

Extension Risk – The risk that rising interest rates may extend the duration of a fixed income security, typically reducing the security's value.

Fixed Income Market Risk – The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, fixed income securities will decrease in value if interest rates rise and vice versa. In a low interest rate environment, risks associated with rising rates are heightened. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, a portfolio's value may fluctuate and its liquidity may be impacted.

Foreign Investment/Emerging Markets Risk – The risk that non-U.S. securities may be subject to additional risks due to, among other things, political, social and economic developments abroad, currency movements and different legal, regulatory and tax environments. These additional risks may be heightened with respect to emerging market countries because political turmoil and rapid changes in economic conditions are more likely to occur in these countries.

Income Risk – The possibility that a portfolio's yield will decline due to falling interest rates.

Inflation Protected Securities Risk – The value of inflation protected securities, including TIPS, will typically fluctuate in response to changes in "real" interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. Real interest rates represent nominal (or stated) interest rates reduced by the expected impact of inflation. In addition, interest payments on inflation-indexed securities will generally vary up or down along with the rate of inflation.

Interest Rate Risk – The risk that a rise in interest rates will cause a fall in the value of fixed income securities, including U.S. Government securities in which the portfolio invests. Although U.S. Government securities are considered to be among the safest investments, they are not guaranteed against price movements due to changing interest rates. A low interest rate environment may present greater interest rate risk, because there may be a greater likelihood of rates increasing and rates may increase more rapidly.

Investment Company Risk – When a portfolio invests in an investment company, including mutual funds, closed-end funds and ETFs, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the investment company's expenses. Further, while the risks of owning shares of an investment company generally reflect the risks of owning the underlying investments of the investment company, the portfolio may be subject to additional or different risks than if the portfolio had invested directly in the underlying investments. For example, the lack of liquidity in an ETF could result in value being more volatile than the underlying portfolio securities. Closed-end investment companies issue a fixed number of shares that trade on a stock exchange or over-the-counter at a premium or a discount to their net asset value. As a result, a closed-end fund's share price fluctuates based on what another investor is willing to pay rather than on the market value of the securities in the fund.

Investment Style Risk – The risk that the portfolio's strategy may underperform other segments of the markets or the markets as a whole.

Large Capitalization Risk – The risk that larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Larger companies also may not be able to attain the high growth rates of successful smaller companies.

Leverage Risk – A portfolio's use of derivatives may result in the portfolio's total investment exposure substantially exceeding the value of its securities and the portfolio's investment returns depending substantially on the performance of securities that the portfolio may not directly own. The use of leverage can amplify the effects of market volatility on the portfolio's value and may also cause the portfolio to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations. The portfolio's use of leverage may result in a heightened risk of investment loss.

Liquidity Risk – The risk that certain securities may be difficult or impossible to sell at the time and the price that the portfolio would like. The portfolio may have to lower the price of the security, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on portfolio management or performance.

Market Risk – The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. Market risk may affect a single issuer, an industry, a sector or the equity or bond market as a whole.

Master Limited Partnership (MLP) Risk – Investments in units of master limited partnerships involve risks that differ from an investment in common stock. Holders of the units of master limited partnerships have more limited control and limited rights to vote on matters affecting the partnership. There are also certain tax risks associated with an investment in units of master limited partnerships. In addition, conflicts of interest may exist between common unit holders, subordinated unit holders and the general partner of a master limited partnership, including a conflict arising as a result of incentive distribution payments. The benefit the portfolio derives from investment in MLP units is largely dependent on the MLPs being treated as partnerships and not as corporations for federal income tax purposes. If an MLP were classified as a corporation for federal income tax purposes, there would be reduction in the after-tax return to the portfolio of distributions from the MLP, likely causing a reduction in the value of the portfolio. MLP entities are typically focused in the energy, natural resources and real estate sectors of the economy. A downturn in the energy, natural resources or real estate sectors of the economy could have an adverse impact on the portfolio. At times, the performance of securities of companies in the energy, natural resources and real estate sectors of the economy may lag the performance of other sectors or the broader market as a whole.

Money Market Funds – With respect to an investment in money market funds, an investment in the money market fund is not a bank deposit nor is it insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund may seek to maintain a constant price per share of $1.00, you may lose money by investing in the money market fund. The Fund may experience periods of heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. This could have a significant adverse effect on the Fund's ability to maintain a stable $1.00 share price, and, in extreme circumstances, could cause the Fund to suspend redemptions and liquidate completely.

Mortgage-Backed Securities Risk – Mortgage-backed securities are affected significantly by the rate of prepayments and modifications of the mortgage loans backing those securities, as well as by other factors such as borrower defaults, delinquencies, realized or liquidation losses and other shortfalls. Mortgage-backed securities are particularly sensitive to prepayment risk, which is described below, given that the term to maturity for mortgage loans is generally substantially longer than the expected lives of those securities; however, the timing and amount of prepayments cannot be accurately predicted. The timing of changes in the rate of prepayments of the mortgage loans may significantly affect the portfolio's actual yield to maturity on any mortgage-backed securities, even if the average rate of principal payments is consistent with the portfolio's expectation. Along with prepayment risk, mortgage-backed securities are significantly affected by interest rate risk, which is described above. In a low interest rate environment, mortgage loan prepayments would generally be expected to increase due to factors such as refinancing and loan modifications at lower interest rates. In contrast, if prevailing interest rates rise, prepayments of mortgage loans would generally be expected to decline and therefore extend the weighted average lives of mortgage-backed securities held or acquired by the portfolio.

Municipal Securities Risk – Municipal securities, like other fixed income securities, rise and fall in value in response to economic and market factors, primarily changes in interest rates, and actual or perceived credit quality. Rising interest rates will generally cause municipal securities to decline in value. Longer-term securities generally respond more sharply to interest rate changes than do shorter-term securities. A municipal security will also lose value if, due to rating downgrades or other factors, there are concerns about the issuer's current or future ability to make principal or interest payments. State and local governments rely on taxes and, to some extent, revenues from private projects financed by municipal securities, to pay interest and principal on municipal debt. Poor statewide or local economic results or changing political sentiments may reduce tax revenues and increase the expenses of municipal issuers, making it more difficult for them to repay principal and to make interest payments on securities owned by a portfolio meet their obligations. Actual or perceived erosion of the creditworthiness of municipal issuers may reduce the value of a portfolio's holdings. As a result, the portfolio will be more susceptible to factors which that adversely affect issuers of municipal obligations than a portfolio which does not have as great a concentration in municipal obligations. Municipal obligations may be underwritten or guaranteed by a relatively small number of financial services firms, so changes in the municipal securities market that affect those firms may decrease the availability of municipal instruments in the market, thereby making it difficult to identify and obtain appropriate investments for the portfolio. Also, there may be economic or political changes that impact the ability of issuers of municipal securities to repay principal and to make interest payments on securities owned by the portfolio. Any changes in the financial condition of municipal issuers also may adversely affect the value of the portfolio's securities.

Non-Diversified Risk – To the extent that a portfolio is non-diversified, which means that it may invest in the securities of relatively few issuers. As a result, the portfolio may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers, and may experience increased volatility due to its investments in those securities.

Opportunity Risk – The risk of missing out on an investment opportunity because the assets necessary to take advantage of it are tied up in other investments.

Overlay Risk – To the extent that a Client's portfolio is implemented through an Overlay Manager, it is subject to the risk that its performance may deviate from the performance of a sub-advisor's model or the performance of other proprietary or Client accounts over which the sub-advisor retains trading authority ("Other Accounts"). The Overlay Manager's variation from the sub-advisor's model portfolio may contribute to performance deviations, including under performance. In addition, a sub-advisor may implement its model portfolio for its Other Accounts prior to submitting its model to the Overlay Manager. In these circumstances, trades placed by the Overlay Manager pursuant to a model portfolio may be subject to price movements that result in the Client's portfolio receiving prices that are different from the prices obtained by the sub-advisor for its Other Accounts, including less favorable prices. The risk of such price deviations may increase for large orders or where securities are thinly traded.

Portfolio Turnover Risk To the extent that a portfolio buys and sells securities frequently, such activity may result in increased brokerage or other higher transaction costs and additional capital gains tax liabilities. which may affect the portfolio's performance. These costs affect the portfolio's performance. To the extent that a portfolio invests in an underlying fund the portfolio will have no control over the turnover of the underlying fund.

Prepayment Risk – The risk that, in a declining interest rate environment, fixed income securities with stated interest rates may have the principal paid earlier than expected, requiring a portfolio to invest the proceeds at generally lower interest rates.

Private Placements Risk – Investment in privately placed securities, including interests in private equity and hedge funds, may be less liquid than in publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the portfolio, the carrying value of such securities or less than what may be considered the fair value of such securities. Furthermore, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that might be applicable if their securities were publicly traded.

Quantitative Investing – A quantitative investment style generally involves the use of computers to implement a systematic or rules-based approach to selecting investments based on specific measurable factors. Due to the significant role technology plays in such strategies, they carry the risk of unintended or unrecognized issues or flaws in the design, coding, implementation or maintenance of the computer programs or technology used in the development and implementation of the quantitative strategy. These issues or flaws, which can be difficult to identify, may result in the implementation of a portfolio that is different from that which was intended, and could negatively impact investment returns. Such risks should be viewed as an inherent element of investing in an investment strategy that relies heavily upon quantitative models and computerization.

Real Estate Industry Risk – Securities of companies principally engaged in the real estate industry may be subject to the risks associated with direct ownership of real estate. Risks commonly associated with the direct ownership of real estate include fluctuations in the value of underlying properties, defaults by borrowers or tenants, changes in interest rates and risks related to general or local economic conditions. If a portfolio's investments are concentrated in issuers conducting business in the real estate industry, the portfolio may be subject to legislative or regulatory changes, adverse market conditions and/or increased competition affecting that industry.

Reallocation Risk – SIMC constructs and maintains global asset allocation strategies for certain Clients, and the SEI funds are designed in part to implement those Strategies. Within the Strategies, SIMC periodically adjusts the target allocations among the mutual funds to ensure that the appropriate mix of assets is in place. SIMC also may create new Strategies that reflect significant changes in allocation among the mutual funds. Because a large portion of the assets in the mutual funds may be composed of investors in Strategies controlled or influenced by SIMC, this reallocation activity could result in significant purchase or redemption activity in the mutual funds. While reallocations are intended to benefit investors that invest in the mutual funds through the Strategies, they could in certain cases have a detrimental effect on mutual funds that are being materially reallocated, including by increasing portfolio turnover (and related transactions costs), disrupting portfolio management strategy, and causing a mutual fund to incur taxable gains. SIMC seeks to manage the impact to the mutual funds resulting from reallocations in the Strategies.

Real Estate Investment Trusts (REITs) – REITs are trusts that invest primarily in commercial real estate or real estate-related loans. Investments in REITs are subject to the risks associated with the direct ownership of real estate which is discussed above. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties.

Sampling Risk – With respect to investments in index funds or a portfolio designed to track the performance of an index, a fund or portfolio may not fully replicate a benchmark index and may hold securities not included in the index. As a result, a fund or portfolio may not track the return of its benchmark index as well as it would have if the fund or portfolio purchased all of the securities in its benchmark index.

Small and Medium Capitalization Risk – Small and medium capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, small and medium capitalization companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small capitalization and medium capitalization stocks may be more volatile than those of larger companies. Small capitalization and medium capitalization stocks may be traded over the counter or listed on an exchange.

Social Investment Criteria Risk – If a portfolio is subject to certain social investment criteria it may avoid purchasing certain securities for social reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for social reasons when it is otherwise economically advantageous to hold those securities. In general, the application of portfolio’s social investment criteria may affect the portfolio’s exposure to certain industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these industries or sectors are in or out of favor.

Taxation Risk – SIMC does not represent in any manner that the tax consequences described as part of its tax-management techniques and strategies will be achieved or that any of SIMC's tax-management techniques, or any of its products and/or services, will result in any particular tax consequence. The tax consequences of the tax-management techniques, including those intended to harvest tax losses, and other strategies that SIMC may pursue are complex and uncertain and may be challenged by the IRS. A portfolio that is managed to minimize tax consequences to Clients will likely still earn taxable income and gains from time to time. In order to pay tax-exempt interest, tax-exempt securities must meet certain legal requirements. Failure to meet such requirements may cause the interest received and distributed by the portfolio to shareholders to be taxable. Changes or proposed changes in federal tax laws may cause the prices of tax-exempt securities to fall. The federal income tax treatment on payments with respect to certain derivative contracts is unclear. Consequently, a portfolio may receive payments that are treated as ordinary income for federal income tax purposes. Neither SIMC nor its affiliates provide tax advice.

Tracking Error Risk – The risk that the performance of a portfolio designed to track an index may vary substantially from the performance of the benchmark index it tracks as a result of cash flows, portfolio expenses, imperfect correlation between the portfolio's and benchmark's investments and other factors.

Underlying Funds Risk – With respect to portfolios that invest in underlying funds, additional investment risk exists because the value of such investments is based primarily on the performance of the underlying funds. Specifically with respect to alternative investment funds, the entity’s sponsors will make investment and management decisions. Therefore, an underlying fund’s returns are dependent on the investment decisions made by its management and the portfolio will not participate in the management or control the investment decisions of the alternative investment fund. Further, the returns on a portfolio may be negatively impacted by liquidity restrictions imposed by the governing documents of an alternative investment fund such as “lock-up” periods, gates, redemption fees and management’s ability to suspend redemptions (in certain cases). Such lock-up periods, gates or suspensions may restrict the portfolio’s ability to exit from an alternative investment fund in accordance with the intended business plan and prevent the portfolio from liquidating its position upon favorable terms. All of these factors may limit the portfolio's return under certain circumstances.

U.S. Government Securities Risk – Although U.S. Government securities are considered to be among the safest investments, they are not guaranteed against price movements due to changing interest rates. Obligations issued by some U.S. Government agencies are backed by the U.S. Treasury, while others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the agency's own resources.

**Voting Client Securities**

SIMC has hired a third-party proxy voting service (the "Service"), which votes all proxies with respect to applicable SIMC Clients in accordance with approved guidelines (the "Guidelines"). SIMC also has a proxy voting committee (the "Committee"), comprised of SIMC employees, which approves the proxy voting guidelines or approves how SIMC should vote in certain cases.

SIMC believes that by using the third-party service to vote all proxies in accordance with pre-approved Guidelines, it significantly reduces the chance that SIMC's proxy votes will be influenced by a conflict of interest. The Service makes available to SIMC, prior to voting on a proxy, its recommendation on how to vote with respect to such proxy in light of SIMC's adopted Guidelines. SIMC retains the authority to overrule the Service's recommendation, and instruct the Service to vote in a manner at variance with the Service's recommendation. The exercise of such right could implicate a conflict of interest. As a result, SIMC may not overrule the Service's recommendation with respect to a proxy unless the following steps are taken:

a. The Committee will meet to consider the proposal to overrule the Service's recommendation.

b. The Committee must determine whether SIMC has a conflict of interest with respect to the issuer that is the subject of the proxy. If the Committee determines that SIMC has a conflict of interest, the Committee then determines whether the conflict is "material" to any specific proposal included within the proxy. If not, then SIMC can vote the proxy as determined by the Committee.

c. For any proposal where the Committee determines that SIMC has a material conflict of interest, SIMC may vote a proxy regarding that proposal in any of the following manners:

    1. <u>Obtain Client Consent or Direction</u> – If the Committee approves the proposal to overrule the recommendation of the Service, SIMC will fully disclose to each Client holding the security at issue the nature of the conflict, and obtain the Client's consent to how SIMC will vote on the proposal (or otherwise obtain instructions from the Client as to how the proxy on the proposal should be voted).

    2. <u>Use Recommendation of the Service</u> – Vote in accordance with the Service's recommendation.

d. For any proposal where the Committee determines that SIMC does not have a material conflict of interest, the Committee may overrule the Service's recommendation if the Committee reasonably determines that doing so is in the best interests of SIMC's Clients. If the Committee decides to overrule the Service's recommendation, the Committee will maintain a written record setting forth the basis of the Committee's decision.

Notwithstanding these policies and procedures, actual proxy voting decisions of SIMC may have the effect of favoring the interests of other Clients or businesses of SIMC and/or its affiliates, provided that SIMC believes such voting decisions to be in accordance with its fiduciary obligations. In some cases, the Committee may determine that it is in the best interests of SIMC's Clients to abstain from voting certain proxies. SIMC will abstain from voting in the event any of the following conditions are met with regard to a proxy proposal:

a. Neither the Guidelines nor specific Client instructions cover an issue;

b. The Service does not make a recommendation on the issue;

c. In circumstances where, in SIMC's judgment, the costs of voting the proxy exceed the expected benefits to Clients; or

d. The Committee cannot convene on the proxy proposal at issue to make a determination as to what would be in the Client's best interest. This could happen, for example, if the Committee found that there was a material conflict or if despite all best efforts the Committee is unable to meet the requirements necessary to make a determination.

In addition, it is SIMC's policy not to vote proxies for securities that are on loan in connection in securities lending activities. SIMC believes that the additional income derived by Clients from such activities generally outweighs the potential economic benefit of recalling securities for the purpose of voting. Therefore, SIMC generally will not recall securities on loan for the sole purpose of voting proxies. Further, in accordance with local law or business practices, many foreign companies prevent the sales of shares that have been voted for a certain period beginning prior to the shareholder meeting and ending on the day following the meeting ("share blocking"). Depending on the country in which a company is domiciled, the blocking period may begin a stated number of days prior to the meeting (e.g., one, three or five days) or on a date established by the company. While practices vary, in many countries the block period can be continued for a longer period if the shareholder meeting is adjourned and postponed to a later date. Similarly, practices vary widely as to the ability of a shareholder to have the "block" restriction lifted early (e.g., in some countries shares generally can be "unblocked" up to two days prior to the meeting whereas in other countries the removal of the block appears to be discretionary with the issuer's transfer agent). SIMC believes that the disadvantage of being unable to sell the stock regardless of changing conditions generally outweighs the advantages of voting at the shareholder meeting for routine items. Accordingly, SIMC generally will not vote those proxies subject to "share blocking."

Clients retain the responsibility for receiving and voting mutual fund proxies for any and all mutual funds maintained in Client portfolios.

<u>Client Directed Votes</u>. SIMC Clients who have delegated voting responsibility to SIMC with respect to their account may from time to time contact their Client representative if they would like to direct SIMC to vote in a particular solicitation. SIMC will use its commercially reasonable efforts to vote according to the Client's request in these circumstances, and cannot provide assurances that such voting requests will be implemented. Clients may only direct votes with respect to securities held directly by the Client. The Client may not direct votes for securities held by an SEI Fund or Pooled Investment Vehicle.
Clients may obtain a copy of SIMC's complete proxy voting policies and procedures upon request. Clients may also obtain information from SIMC about how SIMC voted any proxies on behalf of their account(s) by either referring to Form N-PX (for SEI Funds) or by contacting your SEI Client representative.

Certain SIMC Clients have either retained the ability to vote proxies with respect to their account, or have delegated that proxy voting authority to a third-party selected by the Client. In those circumstances, SIMC is not responsible for voting proxies in the account or for overseeing the voting of such proxies by the Client or its designated agent.

With respect to those Clients for which SIMC does not conduct proxy voting, Clients should work with their custodians to ensure they receive their proxies and other solicitations for securities held in their account. Clients may contact their SEI Client service representative if they have a question on particular proxy voting matters or solicitations.

## Item 7 – Client Information Provided to Portfolio Managers

SIMC and the Independent Advisor collect various information about the Client prior to opening an account including, without limitation: Client name, type of account, social security number, investment objective, investment strategy and investment restrictions. SIMC also sends to sub-advisors certain information regarding the Client including, but not limited to: Client account number, account name, whether the account is taxable or non-taxable, investment guidelines and restrictions and, for fixed income strategies, state of residence and social security numbers. SIMC will send updates to the sub-advisors regarding this information on an as-needed basis.

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

Client may contact SIMC or sub-advisors responsible for their account directly, but are encouraged to contact their Independent Advisor first.

**Item 9 – Additional Information**

**Disciplinary Information**
Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SIMC or the integrity of SIMC's management. SIMC has no information applicable to this Item.

**Other Financial Industry Activities and Affiliations**
SIMC, which is an indirect, wholly owned subsidiary of SEI Investments Company, may hire affiliates and third parties to perform services for SIMC and its Clients. Some of these relationships could create conflicts of interest. These relationships are described below.

**Hiring of Sub-Advisors**
As a manager-of-managers, SIMC hires sub-advisors to provide day-to-day securities selection for many of its investment products. SIMC has hired an affiliated advisor, LSV Asset Management ("LSV"), to serve as sub-advisor to some of SIMC's investment products. Specifically, SIMC's parent company, SEI Investments Company, maintains a minority ownership interest (approximately 39% as of December 31, 2018) in LSV, which is a sub-advisor to the Funds and MAS. LSV is subject to the same evaluation and monitoring as other non-affiliated sub-advisors. Additionally, to the extent LSV is managing SEI Fund assets, it is subject to the same Board of Trustees approval process as non-affiliated sub-advisors and the affiliation is disclosed in the SEI Fund prospectuses.

SIMC may also hire sub-advisors for its investment products who may also be investment advisors/sub-advisors to other investment products offered by SIMC's affiliates and partners. Therefore, SIMC may have an incentive to recommend a firm for sub-advisory services for its investment products because they are also providing services to SIMC's affiliates and partners. To address this conflict, SIMC conducts the same due diligence on all sub-advisors regardless of whether they provide other services to SIMC's affiliates and partners.

Additionally, some of the sub-advisors that SIMC selects for its Funds and MAS may also be customers of SEI for other services and products (e.g., technology solutions, middle and back office platform solutions, turn-key pooled product solutions) for which SIMC's affiliates may be compensated, which could influence SIMC's decisions when recommending or retaining sub-advisors. To mitigate any conflicts, SIMC's follows the same manager due diligence and selection process on all sub-advisors regardless of whether they receive services from SIMC's affiliates.

**Investment Products**
SIMC not only provides investment management and advisory services to individuals and institutions, it also serves as the investment advisor to its investment products, including the SEI Funds (including subsidiaries of such Funds), SEI Alternative Funds and collective investment funds. Additionally, SIMC is the sponsor to, and the advisor of, managed accounts, including the MAS and Distribution Focused Strategies. SIMC may invest its Clients into these products. Therefore, the Client may pay SIMC investment advisory fees which are agreed to in the Client's investment advisory agreement, and pay SIMC investment advisory fees through the underlying investment products. However, SIMC generally, and to the extent required by the Employee Retirement Income Security Act of 1974 ("ERISA") and other applicable law, will credit any advisory fees

earned by SIMC with respect to a Client's investment in an underlying investment product against that Client's account level fee.

**SEI Funds**

Other affiliates of SIMC provide various services to the SEI Funds (including subsidiaries of such Funds), for which they may receive compensation. Specifically, SEI Investments Global Funds Services ("SGFS") serves as administrator, SEI Institutional Transfer Agent, Inc. ("SITA") serves as transfer agent, and SIDCO, serves as the distributor of the SEI Funds. SIDCO and SEI Private Trust Company ("SPTC") also provide shareholder services with respect to the Funds. SIMC, SGFS, SITA, SIDCO and SPTC receive fees from the SEI Funds determined as a percentage of the SEI Fund's total assets. Therefore, to the extent that SIMC recommends that a Client invests in the SEI Funds, SIMC's affiliates may benefit from the investment in the SEI Funds.

Some SEI Funds are "funds-of-funds," meaning that an SEI Fund will invest in underlying funds, which in most cases will be other SEI Funds. When an SEI Fund invests in underlying SEI Funds, SIMC is advisor to both the fund-of-funds and the underlying SEI Funds and is paid an advisory fee by both Funds. As a result, SIMC could select those underlying SEI Funds that pay higher advisory fees to SIMC. SIMC's investment processes and governance structure mitigates this risk to ensure that it does not factor in the level of fees in its decision in the allocation of underlying SEI Funds in the fund-of-funds.

A number of SEI Funds participate in securities lending. When an SEI Fund lends a security, it receives cash or collateral from the borrower. Currently the SEI Funds reinvest that cash or collateral into a pooled vehicle managed by SIMC. This lending activity takes place within each participating SEI Fund portfolio and not in a Client's individual account. SIMC and its affiliate are paid fees for the management and administration of the collateral investment pool and, consequently, may have an incentive to lend securities and/or use the collateral investment pool in order to generate more fees. To mitigate this risk, SIMC's use of the collateral pool and the SEI Funds' lending activities are overseen by the SEI Funds' Board of Trustees.

**SEI Alternative Funds**

Affiliates of SIMC (SEI Funds, Inc. and SEI Investment Strategies, LLC) serve as the general partner or director to several of the SEI Alternative Funds. SEI Global Services, Inc. or SEI Investments Global (Cayman) Limited also serves as administrator and transfer agent to certain SEI Alternative Funds.

**Collective Trust Funds**

SEI Trust Company ("STC"), a Pennsylvania chartered trust company, serves as trustee and investment manager to various collective trust funds in which SIMC may invest certain Client's assets (to the extent they are eligible). SIMC also acts as an investment advisor to STC with respect to the various collective trust funds offered by STC.

**Non-U.S. Investors**

SIMC serves as investment advisor to proprietary Irish-regulated UCITS Funds (and other alternative investment funds), which are sold to non-US investors. SIMC also serves as sub-advisor to several proprietary Canadian-registered mutual funds to which SIMC's affiliates serve as advisor.

**Affiliated Custodian**

Clients typically choose to custody their accounts at SIMC's affiliate, SPTC, a limited purpose federal savings association. SPTC charges the Client a fee for these services. SPTC may also provide trust, custody and/or record-keeping services to SIMC's Clients, including some of the Pooled Investment Vehicles. SPTC's services may be provided at a discount or without additional Client charge. In connection with providing shareholder services to Clients invested in the SEI Funds, SPTC may also receive a shareholder service fee from the SEI Funds for providing those services. If a Client custodies assets at SPTC, SPTC provides a cash sweep service into an SEI money market mutual fund, and if elected, SIMC will earn additional fees, as an advisor to the SEI money market fund. Please see Item 5 for additional information on fees.

**Affiliated Broker-Dealer**

From time to time, SIMC or sub-advisors will execute brokerage transactions using SIMC's affiliated broker-dealer, SIDCO. SIDCO also receives shareholder service, administration service and/or distribution fees from the SEI Funds, portions of which may then be paid by SIDCO to affiliates or third parties that provide such services. SIDCO also receives distribution or creation unit servicer fees from certain third-party ETFs and their sponsors when providing services to those firms under services agreements between SIDCO and such firms. A conflict of interest may exist because SIDCO may earn additional fees to the extent that such ETFs are purchased by an SEI Fund or as part of MAS. SIMC anticipates that any resultant increase in fees payable to SIDCO would be immaterial. The conflict is further managed and mitigated to the extent that such ETFs are purchased in a secondary market as opposed to the purchase or redemption of creation units directly with SIDCO. In addition, certain SIMC employees are also registered representatives of SIDCO. Such individuals do not receive additional compensation by virtue of their role with SIDCO. See Items 4 for additional information on SIMC's use of broker-dealers, including SIDCO.

**Commodity Pool Operator**
SIMC is registered as a Commodity Pool Operator ("CPO") with the Commodities Futures Trading Commission ("CFTC"), and certain SIMC employees are registered with the CFTC as Principals and/or Associated Persons.

**Code of Ethics and Personal Trading**
When SIMC employees have access to nonpublic information, conflicts may arise between the interests of the employee and those of a Client. For example, a SIMC employee could gain information on the purchase or sale of securities by a SIMC Client, or portfolio holdings information for a particular Client. The SIMC employee could use this information to take advantage of available investment opportunities, take an investment opportunity from a Client for the employee's own portfolio, or front-run (which occurs when an employee trades in his or her personal account before making Client transactions). As a fiduciary, SIMC employees must always place the interests of Clients first and foremost and shall not take inappropriate advantage of his or her position.

SIMC has adopted a Code of Ethics to reinforce to its employees SIMC's principles of integrity and ethics, and to enforce compliance with applicable regulations and best practices. Under the SIMC Code of Ethics, SIMC employees that are characterized as Access Persons and their family members with whom they reside must disclose personal securities holdings and personal securities transactions. Access Persons are SIMC employees that have access to non-public information regarding any Client's purchase or sale of securities or who are involved in making, or have non-public access to, securities recommendations to Clients. Access Persons are also subject to certain trade pre-clearance and reporting standards for their personal securities transactions. Additionally, certain Access Persons may not purchase or sell, directly or indirectly, any "Covered Security" (which is defined in the Code) within 24 hours before or after the time that the same Covered Security is being purchased or sold in any SIMC Client account. Some Access Persons may not purchase or sell such securities within seven days of a transaction for a SIMC Client account. Certain Access Persons also may not profit from the purchase and sale or sale and purchase of a Covered Security within 60 days of acquiring or disposing of beneficial ownership of that Covered Security. Finally, Access Persons may not acquire securities as part of an initial public offering or a private placement transaction without the prior consent of SIMC Compliance. The Code of Ethics also includes provisions relating to the confidentiality of Client information and market timing, and also incorporates SEI Investments Company's insider trading policy by reference. All supervised persons at SIMC are trained on the Code of Ethics and must acknowledge the terms of the Code of Ethics annually, or as amended.

SIMC anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which SIMC has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which SIMC, its affiliates and/or Clients, directly or indirectly, have a position of interest. SIMC's employees and persons associated with SIMC are required to follow SIMC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of SIMC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for SIMC's Clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of SIMC will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is monitored under the Code of Ethics, to seek to prevent conflicts of interest between SIMC and its Clients.

Clients and prospects may request a copy of SIMC's Code of Ethics by e-mailing SIMCCompliance@seic.com or sending a request to: SEI Investments Management Corporation, Attn: SIMC Compliance, One Freedom Valley Drive, Oaks, PA 19456.

**Participation or Interest in Client Transactions**
As explained above, among its other recommendations, SIMC recommends to its Clients invest in pooled investment vehicles to which SIMC also serves as investment advisor when SIMC believes such recommendation is appropriate for the Client. For example, SIMC, as investment manager to a Client, may recommend that they invest in the SEI Funds, a managed account, or a private fund, where SIMC also serves as investment advisor and may receive a fee for those services. This could create a conflict of interest whereby SIMC may have a financial incentive to recommend an unsuitable SEI investment product to a SIMC Client in order for SIMC and its affiliates to receive additional fees. SIMC discloses its fees in the offering documents for each Pooled Investment Vehicle. To the extent that a particular investment is suitable for a Client, if applicable, such investments will be allocated in a manner which SIMC determines is fair and equitable under the circumstances in respect to all of its other Clients.

SIMC and its affiliates may advise one Client or take actions for a Client, for itself, for its affiliates, or for their related persons that are different from the advice given or actions taken for other Clients. SIMC, its affiliates, and their related persons are not obligated to buy or sell for a Client any investment that they may buy, sell, or recommend for any other Client or for their own accounts. Persons associated with SIMC or its affiliates may themselves have investments in the SEI Funds.

It is SIMC's policy that the firm will not affect any principal securities transactions for Client accounts. Principal transactions are generally defined as transactions where SIMC, acting as principal for its own account or the account of an affiliate (i.e., SIDCO), buys from or sells any security to any advisory Client. In limited circumstances, SIMC may affect cross-transactions in which SIMC may affect transactions between two of its managed Client accounts (i.e., arranging for the Clients' securities trades by "crossing" these trades when SIMC believes that such transactions are beneficial to its Clients). To the extent permitted by law, SIDCO may act as a broker, and may receive any commission. The Client may revoke SIMC's cross-transaction authority at any time upon written notice to SIMC.

**Client Referrals and Other Compensation**
SIMC enters into solicitation arrangements with third parties who will receive a solicitation fee from SIMC for introducing prospective Clients to the SIMC or SEI investment products Additionally, SIMC may compensate SEI employees who will receive a fee (determined based on the fee paid to SIMC by the Client) for introducing prospective Clients to SIMC or SEI investment products. Where required by federal or state law, each solicitation arrangement will be governed by a written agreement between SIMC and the third party that complies with Rule 206(4)-3 of the Investment Advisers Act of 1940. As required, Clients will be provided with copies of SIMC's Form ADV, separate disclosure of the nature of the solicitation or referral arrangement (including compensation features) applicable to the Client being referred, and any other document required to be provided under applicable state law.

**Financial Information**
Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about SIMC's financial condition. SIMC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.