Citizens Securities, Inc.

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March 29, 2017

Form ADV, Part 2A, the "Disclosure Brochure" as required by the Investment Advisers Act of 1940, is a very important document between clients and/or potential clients and Citizens Securities, Inc. ("CSI"). This Disclosure Brochure provides information about our qualifications and business practices.

CSI, formerly known as CCO Investment Services Corp. (CCOISC), is a registered investment adviser with the Securities and Exchange Commission ("SEC"). Our registration as an investment adviser does not imply any level of skill or training. The verbal and written communications provided to you, including this Disclosure Brochure, is information you use to evaluate CSI (and other advisers), which are factors in your decision to hire CSI or to continue to maintain a mutually-beneficial relationship.

If you have any questions about the content of this Disclosure Brochure, please contact CSI at 800-942-8300. The information in this Disclosure Brochure has not been approved or verified by the SEC or by any State Securities Authority.

Additional information about CSI is also available at the SEC's website www.adviserinfo.sec.gov (click on the link, select "investment adviser firm" and type in: Citizens Securities, Inc.). Results will provide you both Part 1 and 2 of our Form ADV.

Item 2. Summary of Material Changes

Citizens Securities, Inc. has amended its Form ADV Part 2A, dated January 24, 2017, with the following material changes:

1. The Portfolio Management Consultants Sigma Strategic Mutual Fund Wrap Portfolios are no longer available to new investors

2. Disciplinary Information section has been updated to reflect the recent Acceptance, Waiver, & Consent agreement CSI will be entering into with the Financial Industry Regulatory Authority and the Consent Order CSI entered into with the Rhode Island Division of Insurance.

Future Filings

In future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since the last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

How to Obtain a Current Brochure

If you would like another copy of this Disclosure Brochure, please download it from the SEC Website as indicated above or you may contact 800-942-8300.

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Item 4. Advisory Business

About Us

Citizens Securities, Inc. ("CSI," "We" or "Us") is a corporation organized under the laws of Rhode Island that was established in September 1995. We have been registered with the SEC as a broker/dealer, and have been a member of the Financial Industry Regulatory Authority ("FINRA") since May 1996. In March 2003, we registered with the SEC as an investment adviser under the Investment Advisers Act of 1940. Prior to that time, we were registered as an investment adviser under the laws of the states in which we operated. We are 100% directly owned by Citizens Bank, N.A. (the "Bank"), a national banking association, and by its parent company, Citizens Financial Group, Inc., a bank holding company.

The Advisory Services We Offer

We offer investment advisory services to both existing and prospective clients through our primary advisory offering: - the Citizens Advisory Solutions Managed Account Program (the "Managed Account Program"). The Managed Account Program, which is described in this Wrap Fee Program Brochure, is a Turnkey Asset Management Program ("TAMP") sponsored and administered by Envestnet Asset Management, Inc., ("Envestnet" or "Platform Manager").

We do not provide legal, tax, or accounting advice.

Citizens Advisory Solutions Managed Account Program

We offer the Managed Account Program through an agreement with Envestnet, an independent TAMP provider that is not affiliated with us. Envestnet sponsors and administers the Managed Account Program. You will receive, and should review, a copy of Envestnet's Form ADV Part 2A, Appendix 1 Wrap Fee Program Brochure (the "Envestnet Disclosure Brochure"), which contains additional information regarding Envestnet's services, processes, and policies.

Under the Managed Account Program, you and your Financial Consultant ("FC") compile your pertinent personal and financial information to develop an investment management program that is designed to assist you potentially meet your financial goals and objectives. The process includes the following steps:

- You and your FC complete a Risk Tolerance Questionnaire ("RTQ") developed by Envestnet to identify your investment needs, objectives, time horizon, risk tolerance, and other pertinent information.
- The information compiled in the RTQ is used to create a risk-appropriate asset allocation model and/or to identify asset managers appropriate for your investment management account.
- Your FC will generate both an Investment Strategy Proposal ("ISP") and Investment Management Agreement ("IMA") for your review that will include a recommended Managed Account Program and investment strategy.
- Upon your acceptance of the recommended Managed Account Program and investment strategy, you will sign the IMA with your FC, and Envestnet.
- The IMA establishes your investment management account, evidences your approval, and grants investment discretion and discretionary trading authority to Envestnet and certain asset managers over your account.
- After your investment management account has been established, the assets in your account will be managed in accordance with your individual goals and objectives.

You are responsible for notifying your FC in the event there are changes to the personal information you originally disclosed to help determine whether the Managed Account Program and investment strategy is still appropriate for you. Envestnet and the asset managers you select in the Managed Account Program are also provided with this information to assist in this determination. Your FC will contact you, at least annually, to discuss any changes to your personal situation.

Our Managed Account Options

1. Citizens Custom Select Portfolios

The Citizens Custom Select Portfolios offer clients access to risk-based asset allocation model portfolios comprised of mutual funds and exchange traded funds ("ETFs"). You have the ability to direct investment in your account into one of these model portfolios and select the investments in each asset class from the available mutual funds and ETFs. The investments available under this program may change from time to time based on ongoing due diligence and screening of investment vehicles. Although we recommend what we believe to be the appropriate funds and asset allocation model for your portfolio, you are ultimately responsible for selecting the asset allocation model and investments in your account. Therefore, you must authorize any changes in the strategy or the investment vehicles used to pursue the strategy, *except in certain instances when we may exercise limited discretion,* as described below.

Limited Discretion We, or a third party service provider we retain, conduct ongoing due diligence and screening of the investments available in the Citizens Custom Select Portfolios program. Based on this review, we may add or remove mutual funds and/or ETFs from the available list in the portfolios. You grant us, as your advisor, the discretionary authority to add, remove, and/or substitute specific investments held in your account, without prior notice to you, in connection with our changes to the entire list of available investments.

In addition, once you have selected the portfolio, Envestnet will perform ongoing overlay management of the portfolio by maintaining the selected asset allocation, performing periodic portfolio rebalancing, and implementing trade instructions. Envestnet may introduce new asset classes and invest your assets in default funds with respect to such asset classes.

Apart from these circumstances, neither Envestnet nor we will exercise discretionary investment authority in connection with Citizens Custom Select Portfolios accounts.

2. Wrap Strategists

Wrap Strategists, or "Third Party Model Providers", offer risk-based model portfolios consisting of mutual funds or ETFs, or in some cases a combination of mutual funds and ETFs, selected by the Third Party Model Provider to pursue identified investment strategies and exposure to certain asset classes. The client's account is traded and rebalanced by Envestnet based on the model portfolios constructed by the Third Party Model Provider and the periodic changes the Third Party Model Provider submits to Envestnet. Envestnet does not engage in securities selection, but is responsible for identifying the risk-appropriate profile for each of the strategies. In addition, pursuant to a licensing agreement entered into with the asset manager, Envestnet performs administrative and trade order implementation duties (such as directing the relevant broker/dealer to rebalance the client's account) pursuant to the direction of the Third Party Model Provider. We do not exercise any investment discretion or discretionary investment authority.

Currently, mutual fund and ETF-based Third Party Model Provider portfolios constructed by the following managers are available to clients through the Wrap Strategists Option:

- **Brinker Destinations Dynamic Mutual Fund Model Portfolios** – The Brinker Destinations Dynamic Mutual Fund Model Portfolios seek to diversify investments among different mutual fund families and styles by tracking asset allocation models constructed by Brinker Capital, Inc ("Brinker Capital"). Seven model portfolios constructed by Brinker Capital across the risk spectrum are currently available to clients. In constructing the model portfolios, Brinker Capital seeks a high level of diversification across major asset classes. Typically, the model portfolios are comprised of between 20-25 actively managed mutual funds across six identified asset classes (domestic equity, international equity, fixed income, real estate-related investments, absolute return, and private equity). The Brinker Capital model portfolios typically include allocations to short-term, liquid investments and may include allocations to non-traditional asset classes.

- **Clark Navigator Multi-Strategy Dynamic Mutual Fund/ETF Model Portfolios** – The Clark Navigator Multi-Strategy Portfolios combine a U.S. equity style rotation strategy with a tactical fixed income strategy. The strategy uses a quantitatively-based relative strength approach designed to identify market leadership. Clark offers a series of asset allocation portfolios that are actively managed using underlying equity and fixed income holdings while rebalancing as needed to maintain the proper risk profile.

- **CLS American Mutual Fund Strategic Model Portfolios** – The CLS American Model Portfolios use risk budgeting to provide professionally managed portfolios comprised solely of American Funds in a diversified, risk-budgeted framework. This strategy allows investors looking for active management to continue investing in American Funds while adding CLS professional management, which seeks to take advantage of CLS's disciplined, yet flexible risk-budgeted investment management approach.

- **Frontier Dynamic Mutual Fund Model Portfolios –** The Frontier Dynamic Mutual Fund Model Portfolios seek to diversify investments among different mutual fund families and styles by tracking asset allocation models constructed by Frontier Asset Management, LLC ("Frontier Asset Management"). Currently, five risk-based model portfolio strategies and six specialty model portfolio strategies constructed by Frontier Asset Management are available to clients. The Frontier Dynamic Mutual Fund Model Portfolios generally are intended to be utilized as the "core" of a client's long-term, strategic asset allocation. The Frontier Asset Management model portfolios typically include allocations to short-term, liquid investments and may include allocations to nontraditional asset classes.

- **Fund Evaluation Group ("FEG") Dynamic Mutual Fund/ETF Model Portfolios –** The FEG Dynamic Mutual Fund/ETF Model Portfolios seek to invest among a combination of mutual funds and ETFs and various styles by tracking asset allocation models constructed by Fund Evaluation Group, LLC. Currently, six globally diversified, risk-based model portfolios constructed by Fund Evaluation Group LLC are available to clients under the Managed Account Program. The FEG Dynamic Mutual Fund/ETF Model Portfolios employ a "dynamic" approach, by seeking to combine both strategic and tactical elements with the asset allocation. The model portfolios utilize both actively managed and passive mutual funds and ETFs.
- **Russell Strategic Mutual Fund Model Portfolios –** The Russell Strategic Mutual Fund Model Portfolios seek to diversify investments among different mutual fund families and styles by tracking asset allocation models constructed by Russell Investment Management Company ("Russell"). Russell seeks to provide model portfolios that are highly diversified and strategically designed upon layers of diversification within investment styles, assets classes, and underlying investment managers selected by Russell. All or a portion of the portfolios may be comprised of Russell's "proprietary" funds (i.e., funds managed directly by Russell or which are managed by sub-advisers selected by Russell).

- **S&P Investment Advisory Services Dynamic ETF Model Portfolios –** The S&P Dynamic ETF Model Portfolios seek to diversify among ETFs and various styles by tracking asset allocation models constructed by the S&P Investment Advisory Services, LLC group. Eight model portfolios constructed by S&P across the risk spectrum are currently available to clients. The S&P Dynamic ETF models seek to employ a qualitative and quantitative approach to investment selection.

- **Vanguard Strategic ETF Model Portfolios –** The Vanguard Strategic ETF Model Portfolios seek to diversify investments among different ETFs and styles by tracking asset allocation models constructed by The Vanguard Group, Inc. ("Vanguard"). Eleven model portfolios constructed by Vanguard across the risk spectrum are currently available. The Vanguard Strategic ETF Model Portfolios are intended to be utilized as the "core" of a client's long-term, strategic asset allocation. Vanguard seeks to mitigate portfolio risk through asset allocation and broad diversification within each of the strategic model portfolios. Allocations to equity investments are diversified across market capitalizations and styles, while allocations to fixed income investments are diversified across maturity ranges and credit qualities.

- **Wilshire Dynamic Mutual Fund Model Portfolios –** The Wilshire Dynamic Total Allocation Mutual Fund Model Portfolios seek to diversify investments among different mutual fund families and styles by tracking asset allocation models constructed by the Wilshire Funds Management Group of Wilshire Associates Incorporated. The Wilshire Dynamic Mutual Fund Portfolios are a series of six strategic, risk-based, multi-asset class portfolios that seek varying allocations to alternative mutual fund options which the Wilshire Funds Management Group has determined have historically enhanced portfolio diversification. The Wilshire Dynamic Mutual Fund Model Portfolios typically include allocations to short-term, liquid investments and may include allocations to nontraditional asset classes.

Note: Citizens Securities Inc. **no longer offers** the *Portfolio Management Consultants Sigma Strategic Mutual Fund Wrap Portfolios* or the *Tactical Asset Group ETF Model Portfolios* to new clients but maintains existing accounts in each. For additional information on either manager or your account, please contact CSI Product Management Team at 800-390-4489, option 2.

Clients will receive a copy of the Form ADV Part 2A disclosure brochure for any Third Party Model Portfolio Provider utilized for the client's Managed Asset Program account, which will contain additional information concerning the respective strategies, practices, policies and procedures of the Third Party Model Portfolio Provider. Clients should carefully review the Form ADV Part 2A disclosure brochure for each applicable Third Party Model Portfolio Provider.

3. Separately Managed Accounts

Separately Managed Accounts ("SMAs") offer access to institutional level equity and fixed income asset managers separate account managers selected and hired by Envestnet. Clients are provided with access to the Sub-Managers directly using a separate managed account for each Sub-Manager. Envestnet provides an operating system that assists us in analyzing the client's information and recommending an appropriate strategy based on the client's investment needs, objectives, time horizon, risk tolerance, and other pertinent information. Envestnet's research team uses a number of tools (including proprietary analytical tools and commercially available optimization software applications) to develop asset allocation strategies. The asset allocation strategies take into account historical rates of risk and return for various asset classes, correlation across asset classes, and risk premium. Envestnet proposes an overall strategy for the client that includes asset allocation and investment style allocation recommendations. Envestnet retains the authority to change underlying investments within the portfolios if Envestnet believes a change is in the best interest of clients utilizing the particular portfolio. **You grant Envestnet full investment discretion and full discretionary trading authority. You also grant each of the selected investment**

managers discretionary authority over the portion of your account allocated to the investment manager.

4. Advisor-Directed Unified Managed Account

Unified Managed Accounts ("UMA") offer access to a single broadly diversified asset allocation model portfolio comprised of individual mutual funds, ETFs, and separate accounts. A UMA provides asset allocation model customization through your selection of the underlying investment vehicles for the portfolio. You directly own the underlying securities in the portfolio. **You grant full discretionary trading authority to Envestnet**, which trades the assets in your account based on the instructions received from the relevant investment managers. We do not exercise any investment discretion or discretionary trading authority.

Envestnet defines the available asset allocation models, including available independent asset managers. We define the list of available mutual funds and ETFs. Although we make recommendations to you regarding the appropriate model and underlying investment vehicles to meet your needs, you are ultimately responsible for the selection of the appropriate model and underlying investment vehicles. In addition, you must authorize any changes in the strategy or the investment vehicles used to pursue the strategy.

The Assets We Manage

As of December 31, 2016, we managed 22,356 accounts totaling $2,822,913,625 in assets.

Item 5. Fee Schedules and Compensation

How the Firm is Paid for its Services
The Managed Account Program is available only on a fee basis. Depending on the specific program you select, fees are charged for asset and investment style allocation recommendations, manager research, performance reports, periodic rebalancing of accounts, document processing, information systems and other administrative services.

For services provided under the Managed Account Program, you will pay a quarterly fee (the "Program Fee") calculated by applying the annual fee schedule for the type of account you maintain. Generally, lower asset-based fees will apply as the level of assets maintained in a Managed Account Program account increase. Managed Account Program accounts may be combined under the same Billing Group for the purpose of reducing asset-based fees, but *only at the program level*. You may incur transaction costs, fees, commissions, and other charges and expenses in addition to the fees paid to us. In some cases, we, our employees, and affiliated companies will also receive fees and compensation in addition to the fees paid directly by you, including from mutual funds or similar funds, third-party providers, and affiliates. The portion of the Program Fee payable to us and our representatives varies dependent on the type of account you maintains with us, which creates certain a conflict of interests.

See below under **"Additional Compensation"** and under **"Code of Ethics, Participation or Interest in Client Transactions and Personal Trading Participation or Interest in Client Transactions"**

Citizens Custom Select Portfolios Fee Schedule (For Accounts Opened After December 31, 2015)

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $150,000	1.30%	1.10% (1)
Next $350,000	1.10%	0.90% (2)
Next $250,000	1.05%	0.84%
Next $250,000	1.00%	0.69%
$1,000,000 and over	0.80%	0.69%

(1) 1.09% prior to October 1, 2012.
(2) 0.89% prior to October 1, 2012.

How the Fees Are Calculated
The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.30% on the first $150,000 of the assets and at an annual fee rate of 1.10% on the remaining $150,000 of the assets.

Citizens Custom Select Portfolios Fee Schedule (For Accounts Opened On or After November 1, 2013 through December 31, 2015)

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $500,000	1.40%	1.19%
Next $500,000	1.12%	0.96%
$1,000,000 and over	1.05%	0.94%

How the Fees Are Calculated
The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the ending market value of the account at the end of a calendar quarter is $1,000,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.40% on the first $500,000 of the assets and at an annual fee rate of 1.12% on the remaining $500,000 of the assets.

Combining Citizens Custom Select Portfolios Account Balances
If you maintain more than one Citizens Custom Select Portfolios account with us, the balances in your Citizens Custom Select Portfolios accounts may be combined under the same Billing Group at the *program level only* for purposes of calculating the applicable fees.

Minimum Fees
The minimum annual Program Fee for a Citizens Custom Select Portfolio Account is $75.

<u>Wrap Strategist ("Third Party Model Provider") Portfolio Fee Schedules</u>

Brinker Destinations Dynamic Mutual Fund Model Portfolios Fee Schedule

Account Balance	**Base Annual Program Fee**	**Program Fee Portion Payable to Us**
First $250,000	1.70%	1.30%
Next $250,000	1.53%	1.13%
Next $500,000	1.36%	0.96%
Next $1,000,000	1.28%	0.88%
Next $3,000,000	1.19%	0.79%
$5,000,000 and over	1.10%	0.70%

How the Fees Are Calculated
The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.70% on the first $250,000 of the assets and at an annual fee rate of 1.53% on the remaining $50,000 of the assets.

Clark Navigator Multi-Strategy Dynamic Mutual Fund/ETF Model Portfolios Fee Schedule

Account Balance	**Base Annual Program Fee**	**Program Fee Portion Payable to Us**
First $250,000	1.60%	1.15%
Next $250,000	1.50%	1.20%
Next $500,000	1.35%	1.07%
Next $1,000,000	1.25%	0.98%
Next $3,000,000	1.15%	0.89%
$5,000,000 and over	1.00%	0.75%

How the Fees Are Calculated
The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.65% on the first $250,000 of the assets and at an annual fee rate of 1.5 % on the remaining $50,000 of the assets.

CLS American Funds Strategic Mutual Fund Model Portfolios Fee Schedule

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $250,000	1.50%	1.15%
Next $250,000	1.39%	1.04%
Next $500,000	1.24%	0.89%
Next $1,000,000	1.16%	0.81%
Next $3,000,000	1.08%	0.73%
$5,000,000 and over	1.00%	0.65%

How the Fees Are Calculated

The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.50% on the first $250,000 of the assets and at an annual fee rate of 1.39% on the remaining $50,000 of the assets.

We also may earn additional revenue from CLS based on total client assets invested in their program. The revenue earned is based on this schedule and is paid quarterly:

First $50,000,000	0.00%
Next $50,000,000	.025%
$1,000,000 and over	.05%

Frontier Dynamic Mutual Fund Model Portfolios Fee Schedule

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $250,000	1.65%	1.30%
Next $250,000	1.48%	1.13%
Next $500,000	1.32%	0.99%
Next $1,000,000	1.24%	0.94%
Next $3,000,000	1.15%	0.90%
$5,000,000 and over	1.07%	0.82%

How the Fees Are Calculated

The quarterly fee is determined by multiplying the ending market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.65% on the first $250,000 of the assets and at an annual fee rate of 1.48% on the remaining $50,000 of the assets.

Fund Evaluation Group Dynamic Mutual Fund/ETF Model Portfolios Fee Schedule

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $250,000	1.70%	1.32%
Next $250,000	1.53%	1.15%
Next $500,000	1.36%	0.98%
Next $1,000,000	1.27%	0.89%
Next $3,000,000	1.19%	0.81%
$5,000,000 and over	1.10%	0.72%

How the Fees Are Calculated

The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.70% on the first $250,000 of the assets and at an annual fee rate of 1.53% on the remaining $50,000 of the assets.

Russell Strategic Mutual Fund Model Portfolios Fee Schedule

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $250,000	1.35%	1.27%
Next $250,000	1.22%	1.14%
Next $500,000	1.08%	1.00%
Next $1,000,000	1.01%	0.93%
Next $3,000,000	0.95%	0.87%
$5,000,000 and over	0.88%	0.80%

How *the Fees Are Calculated*

The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.35% on the first $250,000 of the assets and at an annual fee rate of 1.22% on the remaining $50,000 of the assets.

S&P Investment Advisory Services Dynamic ETF Model Portfolios Fee Schedule

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $250,000	1.60%	1.22%
Next $250,000	1.52%	1.19%
Next $1,500,000	1.42%	1.11%
Next $3,000,000	1.28%	0.98%
$5,000,000 and over	1.16%	0.87%

How the Fees Are Calculated

The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.60% on the first $250,000 of the assets and at an annual fee rate of 1.52% on the remaining $50,000 of the assets.

Vanguard Strategic ETF Model Portfolios Fee Schedule

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $250,000	1.35%	1.27%
Next $250,000	1.22%	1.14%
Next $500,000	1.08%	1.00%
Next $1,000,000	1.01%	0.93%
Next $3,000,000	0.95%	0.87%
$5,000,000 and over	0.88%	0.80%

How the Fees Are Calculated

The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.35% on the first $250,000 of the assets and at an annual fee rate of 1.22% on the remaining $50,000 of the assets.

Wilshire Dynamic Mutual Fund Model Portfolios Fee Schedule

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $250,000	1.60%	1.30%
Next $250,000	1.44%	1.14%
Next $500,000	1.28%	0.98%
Next $1,000,000	1.20%	0.90%
Next $3,000,000	1.12%	0.82%
$5,000,000 and over	1.04%	0.74%

How the Fees Are Calculated

The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.60% on the first $250,000 of the assets and at an annual fee rate of 1.44% on the remaining $50,000 of the assets.

***Portfolio Management Consultants (“PMC”) Sigma Mutual Fund Portfolios Fee Schedules**

**Citizens Securities Inc. no longer offers the PMC) Sigma Strategic Mutual Fund Wrap Portfolios to new clients but maintains existing accounts in each.*

PMC Sigma Strategic Mutual Fund Wrap Portfolios Accounts **Opened Prior to November 1, 2013 - Fixed Income** Portfolio Fee Schedule

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $250,000	1.25%	1.10%
Next $250,000	1.15%	1.02%
Next $500,000	1.00%	*0.88%
Next $1,000,000	0.90%	0.80%
Next $2,000,000	0.80%	0.70%

*The portion of the Program Fee payable to us for assets over $750,000 but less than $1,000,000 is 0.90%.

PMC Sigma Strategic Mutual Fund Wrap Portfolios Accounts **Opened Prior to November 1, 2013 - Portfolios Other than Fixed Income** Fee Schedule

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $150,000	1.50%	1.27% (1)
Next $350,000	1.30%	1.10% (2)
Next $250,000	1.25%	1.07% (3)
Next $250,000	1.20%	1.01% (4)
$1,000,000 and over	1.01%	0.83% (5)

(1) 1.22% prior to October 1, 2012.
(2) 1.05% prior to October 1, 2012.
(3) 1.03% prior to October 1, 2012.
(4) 0.98% prior to October 1, 2012.
(5) 0.81% prior to October 1, 2012.

Minimum Fees

The minimum annual Program Fee for a PMC Sigma Strategic Mutual Fund Wrap Portfolio account is $150.

How the Fees Are Calculated
The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if you are invested in the Fixed Income Portfolio and the market value of your account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.25% on the first $250,000 of the assets and at an annual fee rate of 1.15% on the remaining $50,000 of the assets.

If you are invested in a PMC Sigma Strategic Mutual Fund Wrap Portfolio other that the PMC Sigma Strategic Mutual Fund Wrap Portfolio Fixed Income Portfolio and the ending market value of your account at the end of the calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.50% on the first $150,000 and an annual fee rate of 1.30% on the remaining $150,000 in the account.

PMC Sigma Strategic Mutual Fund Wrap Portfolios Accounts **Opened On or After November 1, 2013 - Fixed Income Portfolio** Fee Schedule

Account Balance	**Base Annual Program Fee**	**Program Fee Portion Payable to Us**
First $250,000	1.25%	1.10%
Next $250,000	1.15%	1.02%
Next $500,000	1.00%	*0.88%
Next $1,000,000	0.90%	0.80%
Next $2,000,000	0.80%	0.70%

*The portion of the Program Fee payable to us for assets over $750,000 but less than $1,000,000 is .90%.

PMC Sigma Strategic Mutual Fund Wrap Portfolios Accounts **Opened On or After November 1, 2013 – Portfolios Other Than Fixed Income** Fee Schedule

Account Balance	**Base Annual Program Fee**	**Program Fee Portion Payable to Us**
First $250,000	1.50%	1.27%
Next $250,000	1.30%	1.10%
Next $500,000	1.25%	1.07%
Next $1,000,000	1.20%	1.04%
Next $3,000,000	1.00%	0.83%
$5,000,000 and over	1.00%	0.86%

How the Fees Are Calculated
The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if you are invested in the PMC Sigma Strategic Mutual Fund Wrap Portfolios Fixed Income Portfolio and the market value of your account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.25% on the first $250,000 of the assets and at an annual fee rate of 1.15% on the remaining $50,000 of the assets.

If you are invested in an PMC Sigma Strategic Mutual Fund Wrap Portfolio other that the Fixed Income Portfolio and the ending market value of your account at the end of the calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.50% on the first $250,000 and an annual fee rate of 1.30% on the remaining $50,000 in the account.

***Tactical Asset Group ("TAG") ETF Model Portfolios Fee Schedule**
**Citizens Securities Inc. no longer offers the TAG ETF Model Portfolios to new clients but maintains existing accounts in each.*

Account Balance	Base Annual Program Fee	Program Fee Portion Payable to Us
First $250,000	1.70%	1.12% (2)
Next $250,000	1.60%	1.10%
Next $500,000	1.50%	1.05% (3)
Next $1,000,000	1.40%	0.96% (4)
Next $3,000,000	1.30%	0.90% (5)
$5,000,000 and over	1.30% (1)	0.91% (6)

(1) 1.20% for TAG ETF Model Portfolio accounts opened prior to November 1, 2013.
(2) 1.15% prior to November 1, 2013.
(3) 1.02% prior to November 1, 2013.
(4) 0.93% prior to November 1, 2013.
(5) 0.84% prior to November 1, 2013.
(6) 0.75% prior to November 1, 2013.

How the Fees Are Calculated
The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated 16 at an annual fee rate of 1.70% on the first $250,000 of the assets and at an annual fee rate of 1.60% on the remaining $50,000 of the assets.

Combining Third Party Model Provider Portfolio Account Balances
If you maintain more than one Third Party Model Provider Portfolio account balances with us, the balances in your Third Party Model Provider Portfolio accounts may be combined under the same Billing Group *at the program level only* for purposes of calculating the applicable fees.

Minimum Fees
Exclusive of the PMC Sigma Strategic Mutual Fund Wrap Portfolios, the minimum annual Program Fee for all other Third Party Model Provider Portfolio accounts is $75.

Separate Accounts (”SMA”) Fee Schedules

*****Equity Investment Management Accounts Opened Prior to July 28, 2016

Account Balance	Base Annual Program Fee
First $250,000	2.30%
Next $250,000	2.00%
Next $500,000	1.75%
Next $1,000,000	1.50%
$2,000,000 or above	1.25%

*****Equity Investment Management Accounts Opened on or After July 28, 2016

Account Balance	Base Annual Program Fee
First $500,000	2.00%
Next $500,000	1.75%
Next $1,000,000	1.50%
$2,000,000 and above	1.25%

*****Fixed Income Investment Management Accounts

Account Balance	**Base Annual Program Fee**
First $250,000	1.25%
Next $250,000	1.15%
Next $500,000	1.00%
Next $1,000,000	0.90%
$2,000,000 and above	0.80%

*****The Base Annual Program Fee shown in the above tables takes into account the typical fees paid by Envestnet to Sub-Managers used in the SMA Program. If one or more Sub-Managers charge Envestnet higher fees, the portion of the Program Fee payable to us will be decreased accordingly.

How the Fees Are Calculated
The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if your SMA is invested in fixed income securities and the market value of your account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 1.25% on the first $250,000 of the assets and at an annual fee rate of 1.15% on the remaining $50,000 of the assets.

If your SMA is opened after July 28, 2016, invested in equity securities, and the market value of your account at the end of the calendar quarter is $700,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 2.00% on the first $500,000 and an annual fee rate of 1.75% on the remaining $200,000 in the account.

Combining SMA Portfolio Account Balances
If you maintain more than one SMA Portfolio account balance with us, the balances in your SMA Portfolio accounts may be combined under the same Billing Group *at the program level only* for purposes of calculating the applicable fees.

Minimum Fees
The minimum annual Program Fee for Equity Investment Management is $600 and the minimum annual Program Fee for Fixed Income Investment Management is $450.

Unified Managed Account) Fee Schedule

Account Balance	***Base Annual Program Fee**	**Program Fee Portion Payable to Us Before Sub-Manager Fee**
First $250,000	2.30%	2.00%
Next $250,000	2.20%	1.92%
Next $250,000	2.10%	1.86%
Next $250,000	2.05%	1.84%
Next $1,000,000	2.00%	1.79%
$2,000,000 and over	1.90%	1.69%

*Takes into account deduction from the Base Annual Program Fee of a 0.01% charge per SMA (and assumes two separate accounts managers if assets under management are $250,000 or below, three if assets under management are between $250,000- $500,000 and four for assets under management of $500,000 and above). The compensation we receive will depend on whether SMAs are retained for the client and the level of the fees payable to the SMAs. SMA fees will range from 0.30%- 0.50% of the assets managed in the case of fixed income managers to 0.50%-1.20% of the assets managed in the case of equity managers dependent on the asset category. Our net compensation will be higher if mutual funds or ETFs are used instead of SMAs.

How the Fees Are Calculated
The quarterly fee is determined by multiplying the market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an Annual Fee rate of 2.30% on the first $250,000 of the assets and at an Annual Fee rate of 2.20% on the remaining $50,000 of the assets.

Combining UMA) Portfolio Account Balances
If you maintain more than one UMA Portfolio Account with us, the balances in your UMA Portfolio accounts may be combined under the same Billing Group *at the program level only* for purposes of calculating the applicable fees.

Minimum Fees
The minimum annual Program Fee for a UMA is $185.

PMC Multiple Manager Account ("MMA") Fee Schedule
***Citizens Securities Inc. no longer offers the PMC MMA accounts to new clients but does maintain active accounts.*

Account Balance	Base Annual Program Fee
First $250,000	2.30%
Next $250,000	2.00%
Next $500,000	1.75%
Next $1,000,000	1.50%
$2,000,000 and above	1.25%

How the Fees Are Calculated
The quarterly fee is determined by multiplying the ending market value of the account at the end of the previous calendar quarter by one-fourth of the annual Program Fee rate. For example, if the ending market value of the account at the end of a calendar quarter is $300,000, the fee for the subsequent quarter will be calculated at an annual fee rate of 2.30% on the first $250,000 of the assets and at an annual fee rate of 2.00% on the remaining $50,000 of the assets.

Combining PMCMMA) Portfolio Account Balances
If you maintain more than one PMC MMA Portfolio Account with us, the balances in your PMC MMA Portfolio accounts may be combined under the same Billing Group *at the program level only* for purposes of calculating the applicable fees.

Minimum Fees
The minimum annual Program Fee for a PMC MMA Portfolio Account is $625.

Managed Account Program Fees Are Negotiable Under Some Circumstances

We are willing to negotiate the rate of the applicable fees for Managed Account Program accounts under some circumstances, such as the type and size of the client account, the range of services provided to the client, and our total relationship with Envestnet in terms of assets under supervision.

Our employees and employees of our affiliates may be entitled to discounts by virtue of their employment with us.

Managed Account Fee Billing

The Program Fee typically is paid quarterly in advance by applying the applicable fee rate (as specified in the fee schedule for the applicable Managed Account Program account type or otherwise applicable to the client's account balances) to the fair market value of the assets in the account (including interest paid or accrued) as of the last business day of the preceding calendar quarter. The fair market value of the assets in the account will be as determined by Envestnet. The following procedures will apply:

- The initial Program Fee will be calculated and debited on the 10th day of the month following the initial investment. The initial Program Fee for any partial calendar quarter will be pro-rated based on the number of calendar days in the partial quarter.
- After the initial payment period, the Program Fee will be calculated at the beginning of each calendar quarter based on the value of Program Assets on the last business day of the prior calendar quarter.
- If an account is terminated and all assets of the account are withdrawn prior to the end of a quarter, a pro rata portion of the Program Fee will be reimbursed to the client.

Envestnet will calculate the applicable Program Fee and provide the amount due to the Managed Account Program account custodian, National Financial Services ("NFS"). NFS will automatically deduct the amount due from your Managed Account Program account.

Costs Not Covered by the Program Fee

In addition to the Program Fee, you may incur transaction costs, fees, commissions, and other charges and expenses. In some cases, we and our employees and affiliated companies will also receive fees and compensation in addition to the fees paid directly by you, including from mutual funds or similar funds, third-party providers and affiliates.

Securities Transaction Charges
The Program Fee does not cover certain charges associated with securities transactions in clients' accounts, including the following:

- Dealer markups, markdowns, or spreads charged on transactions in over-the counter securities;
- Costs relating to trading in certain foreign securities;
- The internal charges and fees that may be imposed by collective investment vehicles, such as mutual funds and closed-end funds, unit investment trusts, ETFs, or real estate investment trusts, including fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses;
- Brokerage commissions or other charges imposed by broker/dealers or entities other than the custodian if and when trades are cleared by another broker/dealer;
- Regulatory fees; and
- The charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law.

In-Kind Transfers
If you transfer assets into a Program account "in-kind," Envestnet will have the discretion to liquidate some or all of those assets either immediately or at a future point in time. In that event, you may incur a brokerage commission or other charge, including a Contingent Deferred Sales Charge. The in-kind

transfer or liquidation of assets also may have tax consequences for you. Accordingly, you should consult with your tax consultant before transferring assets in-kind into a Managed Account Program account.

Custodian Fees and Charges

The customary, ongoing custody fee charged by the Managed Account Program custodian will be paid out of the Program Fee. However, the Program Fee will not cover certain fees and charges or any other Managed Account Program custodian. Among other items, clients may be charged for specific account services, including the following:

- Automated Customer Account Transfers;
- Electronic fund and wire transfer charges;
- Other optional services which you elect to request;
- Transaction-based ticket charges assessed by the custodian for the purchase of certain mutual funds; and
- Non-brokerage-related fees such as individual retirement account ("IRA") trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs).

Mutual Fund and Similar Commissions and Expenses

Your Managed Account Program account will not incur front-end or deferred sales charges in connection with the purchase of collective investment vehicles. However, all collective investment vehicles (including money market mutual funds used for investment of cash balances) will have ongoing expenses that will impact the return received by your account. These ongoing expenses may include management fees, distribution expenses, 12b-1, shareholder servicing, administrative service and similar fees. Collective investment vehicle charges and expenses are subject to change. A detailed explanation of mutual fund fees and expenses is contained in each mutual fund's prospectus. You should carefully read each fund's prospectus. In addition:

- In some cases, the investment of assets in collective investment vehicles will result in the receipt of additional compensation by us or our affiliates or our or our affiliate's employees.
- If an ETF is purchased or sold for your account, your account typically will incur a commission that will be paid from the assets of your account.

Mutual Fund and Other Investment Vehicle Redemption Fees

Some mutual funds, ETFs, and other collective investment vehicles assess redemption fees to investors upon the short-term sale of shares or other participation interests. Your account may incur redemption fees if you (assuming you participate in the UMA or Citizens Custom Select Portfolios programs, which allow you to direct investment of your account), Envestnet, or a Sub-Manager sells some or all of your account's holdings in a collective investment vehicle before the end of the collective investment vehicle's stated minimum holding period. Envestnet or a Sub-Manager may decide to delay a decision to liquidate a position in a collective investment vehicle until the end of the applicable minimum holding period if it believes that it is appropriate to do so under the circumstances, but Envestnet and the Sub-Managers are not obligated to do so. Depending on the particular collective investment vehicle, redemption fees also may be incurred in connection with routine, periodic rebalancing of your account.

Please see the prospectus or other disclosure document for the specific collective investment vehicle for detailed information regarding applicable redemption fees.

Additional Compensation

We, our representatives, and our affiliates will receive fees and other compensation in addition to the fees we charge to your account for investment management services. The compensation we receive in connection with a client's participation in the Managed Account Program will vary based on a number of factors, including, among other things, the size of the account, the type of Managed Account Program account(s) the client maintains with us (i.e., based on whether the client maintains a Separate Account, a UMA, a Citizens Custom Select Portfolios account, or a Third Party Model Portfolio account), changes in value over time, our and Envestnet's ability to negotiate fees or commissions, and the number of transactions. In addition, the compensation a client's FC receives will vary based, in part, on the amount of compensation we receive over time. These factors create conflicts of interest because there may be financial incentives for us and our representatives to recommend certain Managed Account Program portfolios that result in higher levels of compensation to us. In addition, the compensation payable to an FC in connection with a client's participation in the Managed Account Program may be more than what the FC would receive if the client participated in another one of our advisory and/or brokerage programs, or if the client paid separately for investment advice, brokerage and other services. Therefore, our FC may have an incentive to recommend the Managed Account Program over other programs or services available from us.

Our investment advisory services fees are not reduced by the amount of the additional fees and other compensation received by us, our representatives, or our affiliates. This presents a conflict of interest and gives us or our representatives an incentive to recommend investment products based on the compensation received, rather than on a client's needs. The types of additional compensation we expect to receive are described below:

- We will receive 12b-1 distribution fees, shareholder servicing fees, administrative service fees and similar fees, and revenue-sharing payments, from certain affiliates of the collective investment vehicles or in connection with the investment of client funds into the collective investment vehicle ("Fund-Related Compensation"). The availability to us of Fund-Related Compensation gives rise to conflicts of interest since some collective investment vehicles pay Fund-Related Compensation, while others do not, and from the fact that the level of Fund-Related Compensation may vary based on the collective investment vehicle chosen. In the case of the Managed Account Program accounts where the client is an IRA or an employee benefit plan subject to the Employee Retirement Security Act of 1974 ("ERISA"), we either will not accept Fund-Related Compensation or will credit any Fund-Related Compensation received by us to the client account.
- Our principal executive officers, FCs, and other associated persons will receive a portion of the Fund-Related Compensation received by us in connection with the investment of our client's assets into collective investment vehicles. The availability of this compensation results in conflicts of interests for our principal executive officers, FCs, and other associated persons. Conflicts of interest also arise for our principal executive officers, FCs, and other associated persons because their individual compensation will vary based on the particular investment choice recommended to the client. These conflicts of interest may affect the judgment of those of our representatives who make investment recommendations to you.
- We act as a broker/dealer in addition to acting as an investment adviser. If you open your Managed Account Program account with securities previously purchased through us or one or our representatives, you will already have paid a commission on the purchase to us or our representative, or both. Similarly, if you open your account with cash proceeds from the sale of securities through us or our representative, we or our representative, or both, may have already received commissions of the sale. Clients have the option of obtaining certain of the investment products we recommend for our investment advisory accounts through brokers or other agents that are not affiliated with us.

Changes in Our Fee Schedule

We and Envestnet may revise the Managed Account Program Fees on an annual basis by giving you at least 30 days' prior notice. You will be deemed to have approved a fee changes unless you object to the fee change by sending written notice to us within 30 days from the date of the fee increase notification.

Account Termination

Your Managed Account Program Investment Management Agreement (IMA) is not effective until it is accepted by us and Envestnet. During the five business days after both we and Envestnet have accepted the investment management agreement, you have the right to cancel the IMA by providing written notice to us. If you cancel as described above, any Managed Account Program Fees paid by you will be refunded, but you will be responsible for any transactions executed prior to cancellation.

In addition, you, we, and Envestnet each have the option to terminate your Managed Account Program IMA by providing at least 30 days' prior written notice to the other parties. In the event of termination, you will be refunded any Managed Account Program Fees that have been prepaid but have not yet been earned.

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

Performance-Based Fees and Side-By-Side Management

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Advisory fee compensation is charged only as disclosed in the Fee Schedules and Compensation section.

Item 7. Types of Clients

Types of Clients

We provide services to, among others:
- Individuals, including high net worth individuals;
- Trusts, estates and charitable organizations;
- Corporations or other business entities;
- Taft-Hartley plans, governmental plans and municipalities;
- Not for profit entities; and
- Individual retirement plans

In order to establish a Managed Account Program account, you must sign an IMA with us and Envestnet. In addition, if you do not already have one, you must open a custodial account with our clearing broker, NFS. The following minimum amounts are required in order to establish and maintain an account under the Managed Account Program:

- Citizens Custom Select Portfolios – the minimum account size is $50,000.
- Third Party and ETF Model Portfolios – the minimum account size ranges from $25,000 - $50,000.
- SMA – the minimum account size range is typically $100,000 - $250,000 depending on the manager.
- UMA – the minimum account size is $250,000.

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

Methods of Analysis, Investment Strategies and Risk of Loss Analysis

Except as provided herein for the Citizens Custom Select Portfolios (limited discretion), we do not provide investment advisory services on a discretionary basis. However, in connection with our recommendations to our clients in connection with the Managed Account Program, we will utilize the following, among other, sources:

- Computer-based independent research and analytical data provided unaffiliated entities Morningstar, Inc. and fi360, Inc. Information and recommendations provided by Envestnet, including regarding asset allocation models, appropriate asset classes, asset managers, historical rates of risk of return for various asset classes, correlation across asset classes, and risk premiums;
- Recommendations provided by Envestnet regarding appropriate strategies to achieve your needs and objectives; and
- Model management tools provided by Envestnet.

At the time you open an investment advisory account under the Managed Account Program, depending on the type of account you open, either Envestnet, one or more Third Party Model Portfolio Providers and/or one or more SMA investment managers, and/or one or more mutual fund or ETF managers, collectively "Sub-Managers," will be selected or approved by you. Envestnet, the respective Third Party Model Portfolio Providers and the respective Sub-Managers may utilize different types of investments, methods of analysis, sources of information and investment strategies. You will receive descriptions of the investment strategies, methods of analysis, sources of information and types of investment products that will be utilized for your account.

Investment Strategies

Prior to participating in the Managed Account Program, you will execute an IMA with Envestnet as Platform Manager and us as Advisor. By signing the IMA, you will be approving and authorizing your participating in a particular Managed Account Program, the recommended investment selection and applicable fees associated with such investment selection.

- Citizens Custom Select Portfolios – Your account will be invested into one of a group of risk-based model portfolios comprised of mutual funds and ETFs. The available risk-based model allocation is developed by Envestnet and we make recommendations regarding an appropriate asset allocation model and the funds for your portfolio. We may exercise limited discretionary authority by adding or removing investments held in your account, based on independent third party research. We may also make changes to the overall menu of available mutual funds and ETFs in the model portfolios, based upon similar independent third party research. Envestnet will perform ongoing overlay management of the portfolio by maintaining the selected asset allocation, performing periodic portfolio rebalancing and implementing trade instructions. Envestnet may introduce new asset classes and invest your assets in default funds with respect to such asset classes. We will offer and make available a Citizens Custom Select Portfolio Account to you only if we have determined that the Managed Account Program and the recommended Citizens Custom Select Portfolio Account type are suitable for you.

- Third Party Mutual Fund and ETF Model Portfolios – Envestnet does not engage in securities selection but is responsible for identifying the risk appropriate profile for each of the risk-based model strategies. In addition, pursuant to a licensing agreement entered into with the Third Party

Model Provider, Envestnet performs administrative and trade order implementation duties (including directing the relevant broker/dealer to rebalance the client's account) pursuant to the direction of the Wrap Strategist. The client grants Envestnet the authority to engage the Third Party Model Provider and to trade and rebalance the client's account based on the identified model portfolio provided by the Third Party Model Provider. We provide you with a recommended mutual fund and/or ETF-based Third Party Model Provider strategy taking into account the risk appropriate profile for the Wrap Strategists' strategies provided by Envestnet. We do not exercise investment discretion or discretionary trading authority.

- SMA – SMA portfolios are comprised of individual stocks and bonds. Envestnet establishes relationships with various SMA managers, and those meeting its most stringent due diligence requirements (initial and ongoing review of investment style and philosophy, past performance, and personnel, including annual on site visit) are placed on its "Approved SMA" list. Generally, your FC recommends a portfolio offered by an Approved SMA manager. If Envestnet determines that an "Approved SMA" manager is no longer meets its due diligence requirements, it will remove the SMA manager from its Approved SMA list and offer a recommendation to us and our client regarding a substitute Approved SMA manager.

  In addition to the Approved SMA manager list, we have discretion to choose additional managers through access to Envestnet's "Available SMA" manager list. The level of due diligence and on-going monitoring performed by Envestnet in the case of Available SMA managers is less than in the case of the Approved SMA managers. Among other things, Envestnet does not conduct periodic on-site visits of Available SMA managers and does not ask the investment managers for information concerning investment personnel changes. However, Envestnet will notify us and our affected clients if an Available SMA manager no longer satisfies the parameters established by Envestnet. The ultimate decision to allow a client's access to a particular SMA manager is made by us. It is anticipated that clients participating in the SMA program will have access to Approved SMA managers, but not to Available SMA managers.

- UMAs – Envestnet defines the available risk-based asset allocation models, including available independent asset managers and other underlying investment vehicles. Although we make recommendations to you regarding the appropriate model and underlying investment vehicles to meet your needs, you are responsible for the selection of the appropriate model and underlying investment vehicles. In addition, you must authorize any changes in the strategy or the investment vehicles used to pursue the strategy.

Risk of Loss

Any securities investment involves the risk of losing one's principal (invested amount) and any profits that may not been realized (the securities were not sold to "lock in" the profit). Stock and bond markets fluctuate substantially over time, such that performance of any investment is not guaranteed. As a result, there is a risk of loss of the managed assets. Our investment approach takes the potential risk of loss in mind and seeks to match the investment strategy employed for you with your tolerance for potential fluctuations incurring losses. Generally, it is necessary to invest in securities that have a higher risk of loss in order to obtain a higher potential for long-term gains. There is no guarantee that our investment strategies will meet your objectives or, in any event, protect your assets from the potential for losses. Depending on the types of securities you invest in, you may face the following investment risk:

- **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 prices to decline.

- **Market Risk:** The price of a security, 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 particular 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 the lengthy process of finding oil and then refining it, before they can generate a profit. Such as company carries 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.
- **Financial Risk:** Excessive borrowing to finance a business' operations may limit profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in a declining market value and even bankruptcy.
- **Liquidity Risk:** When consistent with a client's investment objectives, guidelines, restrictions and risk tolerances, an FC may invest portions of client portfolios in illiquid securities, subject to applicable investment standards. Investing in an illiquid (difficult to trade) security may restrict its ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities.
- **Fixed Income Risks:** Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce an investor's portfolio yield. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.
- **Foreign, Emerging Markets Equity, and Fixed Income Risk:** Investments in securities of foreign and emerging markets issuers involve different investment risks from those affecting obligations of U.S. issuers. Public information may be limited with respect to foreign and emerging markets issuers and foreign and emerging markets issuers may not be subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. There may also be less government supervision and regulation of foreign and emerging markets securities exchanges, and are less liquid and more volatile than securities of comparable domestic issuers. Brokerage commissions and other transaction costs on foreign and emerging markets securities exchanges are generally higher than in the U.S. Dividends and interest paid by foreign and emerging markets issuers may be subject to withholding and other foreign taxes, which may decrease the net return on foreign investments as compared to dividends and interest paid by U.S. companies. Such markets often have different clearance and settlement procedures for securities transactions. Additional risks include future political and economic developments, the possibility that a foreign jurisdiction might impose or change withholding taxes on income payable with respect to foreign and emerging markets securities, and the possible adoption of foreign governmental restrictions such as exchange controls. Since the securities purchased in a foreign or emerging markets portfolio can be denominated or quoted in currencies other than the U.S. dollar, changes in foreign currency exchange rates may affect the value of securities in the portfolio.

- **High-Yield Fixed-Income Securities Risk:** Investments in high-yielding, non-investment grade bonds involve higher risk than investment grade bonds. Adverse conditions may affect the issuer's ability to make timely interest and principal payments on these securities.
- **Structured Products Risk:** These products often involve a significant amount of risk and should only be offered to clients who have carefully read and considered the product's offering documents, as they are often times based on derivatives. Structured products are intended to be "buy and hold" investments and are not liquid instruments.
- **Small/Mid Cap Risk:** Stocks of small or mid-sized emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.
- **Diversification Risk:** Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.

Item 9. Disciplinary Information

Legal and Disciplinary Actions Pertaining to Variable Annuity Sales and Related Matters

In July 2005, in our capacity as a broker/dealer, we agreed with the Commonwealth of Massachusetts to allow all customers over age 75 from 2003-2004 to redeem their variable annuities without incurring surrender charges. We also agreed to retain an independent consultant in order to enhance our policies and procedures concerning variable annuity sales practices, gifts and gratuities, and books and records. In addition, we agreed to pay an administrative fine of $3,000,000. This matter arose from allegations by the Commonwealth of Massachusetts, Securities Division, regarding violations of Massachusetts securities laws in connection with the sale of variable annuities in Massachusetts branch offices, a failure to supervise such activity, and a failure to maintain and preserve books and records relating to gifts, gratuities, and business entertainment.

In April 2006, in our capacity as a broker/dealer, we also settled administrative matters with the State of Rhode Island and FINRA (formerly NASD) relating to the same or substantially similar issues raised by the Commonwealth of Massachusetts. We agreed to pay an administrative fine of $800,000 to the State of Rhode Island for the same or similar issues previously identified by the Commonwealth of Massachusetts and to waive certain surrender charges for variable annuity clients.

In August 2006, we entered into a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA relating to allegations that we had failed during the period beginning October 25, 2003 through March 29, 2005 to maintain and enforce a supervisory system including, but not limited to, written procedures concerning product suitability reviews, telemarketing, internal inspections, and correspondence review, registration of offices and review, and approval of 529 plans. We agreed to a censure and a fine of $850,000, and also agreed to conduct a review of certain supervisory systems and procedures.

In June 2007, the State of New Hampshire fined us $375,000 in connection with the same pattern of alleged violations identified by Massachusetts, Rhode Island, and FINRA. This included failure to adequately monitor variable annuity sales practices to customers 75 years and older as well as failure to retain e-mail communications under broker/dealer rules.

Miscellaneous Legal and Disciplinary Proceedings

In February 2008, the State of New York fined the firm $1,500 for providing material incorrect information on its application of our insurance license and for failure to notify the State of New York within 30 days of matters concerning the Rhode Island and FINRA actions described above under "Legal and Disciplinary Actions Pertaining to Variable Annuity Sales and Related Matters."

In January 2009, we concluded a Consent Order in the State of Florida related to an inadvertent failure to comply with Florida insurance licensing regulations and paid and administrative penalty of $1,000.

In June 2009, we paid an administrative penalty of $200 to the State of Delaware related to a failure to notify the insurance department within 30 days of an administrative matter in another jurisdiction.

In September 2011, we paid an administrative penalty of $2,500 to the State of New Jersey related to a failure to notify the insurance department within 30 days of administrative matters in other jurisdictions.

In February 2016, we entered into a Consent Order with the Commonwealth of Massachusetts, Securities Division (the Division) to settle a matter brought by a customer. We agreed to censure by the Division and to make reimbursement to the customer.

In December 2016, we entered into a Consent Order with the Florida Department of Financial Services for engaging in the business of insurance without a license after the expiration of the firm's agency license. We paid a $500 fine.

In January 2017, we entered into an AWC with FINRA for failing to timely disclose customer complaints and other reportable events on its associated persons Uniform Applications for Securities Industry Registration or Transfer ("Forms U4") and Uniform Termination Notices for Securities Industry Registration ("Forms U5") for the period January 2010 through June 2016. Additionally, we failed to establish and maintain a supervisory system reasonably designed to ensure the timely reporting of disclosable events as required by NASD Rule 3010 and FINRA Rules 201 and 3110. CSI agreed to the censure and a $300,000 fine related to this matter.

In March 2017, we entered into a Consent Order with the Rhode Island Division of Insurance for failure to disclose disciplinary matters of affiliates during the renewal application process and within 30 days of such matters being settled. We agreed to a $5,000 fine.

We are entering into an AWC with FINRA relating to allegations that we failed to establish and maintain a supervisory system and procedures reasonable designed to ensure certain retirement plan and charitable organization customers could purchase mutual funds without a front end sales charge. We agreed to a censure and a fine of $50,000, and also agreed to provide restitution to the affected customers.

Item 10. Other Financial Industry Activities and Affiliations

Investment Adviser Activities

As an investment adviser, we are registered with the SEC under the Investment Advisers Act of 1940. Our FCs who provide investment advice on our behalf hold all securities registrations and pass the professional examinations required by the states where they do business. Our FCs are required to have a college degree and/or appropriate business experience. We emphasize the importance of continuing education to our FCs.

Insurance and Securities Activities

In addition to being a registered investment adviser, we are a broker/dealer and an insurance agency.

- As a broker/dealer, we are registered with the SEC and in the states where we provide brokerage services. We also are a member of FINRA, the self- regulatory body for broker/dealers. We have a fully disclosed clearing agreement with NFS under which NFS provides clearing, custody, and recordkeeping services for our brokerage client accounts. Our executive officers and associated persons who are engaged in broker and dealer activities are separately licensed as our registered principals or representatives and are not employees of, or licensed through, NFS.
- We also are licensed as an insurance agency in each of the states in which we do business (other than Massachusetts) and offer insurance and insurance-related products and services in those states. Our affiliated company, Citizens Financial Services Insurance Agency, Inc. ("CFSIAI"), a Massachusetts corporation, has an insurance license with the Commonwealth of Massachusetts. CFSIAI offers and sells insurance and insurance-related products and services to our and Citizens Bank's clients in Massachusetts. Our FCs may also be licensed as our insurance agents and/or as insurance agents of CFSIAI and various national insurance companies.

Special Considerations Regarding Our Broker/Dealer Activities.

Our FCs, in their separate capacities as broker/dealer representatives, may effect securities transactions for any client for separate and typical commission compensation.

- In connection with the Managed Account Program and subject to the Sub-Manager's best execution obligation, we will be the introducing broker/dealer for all brokerage transactions originated by the Sub-Managers. We do not receive an additional fee for this service, but NFS, as clearing broker and custodian, is compensated for these services out of the Program Fees paid by you.
- We may execute securities transactions on a principal basis in which we act on our own behalf and not solely as agent for our customer. These transactions are cleared by NFS. All securities laws and regulations regarding principal trades will be adhered to when executing any principal transactions for advisory clients. We will not engage in a principal transaction involving your investment management account with us unless you have approved the transaction in writing.
- As our registered representatives, FCs will receive separate and typical compensation from any brokerage transaction they implement on behalf of our clients. No investment advisory client is obligated to use the FCs for brokerage services.

Special Considerations Regarding Our Insurance Agency Activities.

- FCs who are licensed as insurance agents may offer fixed annuities and other insurance products and services.
- Our FCs who are licensed as insurance agents also may recommend and sell life, accident, health, and variable annuity and variable life insurance products, including to our brokerage, investment management and/or financial planning.
- If you engage in an insurance transaction, those transactions will not be part of the investment management services we provide to you and you would pay compensation that is separate from our investment management, financial planning and consulting services. No client is obligated to use us, CFSIAI or our FCs to purchase fixed annuities or other insurance products.

Revenue Sharing Arrangements

We may receive revenue sharing from product sponsors and our clearing firm. There are a number of annuities and mutual funds available for sale in the marketplace. CSI has entered into agreements with certain mutual fund and annuity providers to share the cost of training and education of our Financial Consultants, conferences and meetings, seminars for current and prospective clients, internal wholesaling, distribution of sales and marketing materials, and for conducting due diligence on the mutual fund providers. Mutual fund and annuity providers may also reimburse CSI for expense incurred, either directly or indirectly during training and educational conferences and seminars. In addition, the revenue sharing payments may be used to pay for seminars for current and prospective clients. They may also constitute additional compensation to CSI. It is also important to note that CSI’s FCs do not receive additional compensation as a result of these revenue-sharing payments. Revenue sharing payments are in addition to standard sales commissions and other fees that CSI receives.

Mutual Funds: The sharing of costs can take the form of compensation made by these mutual fund providers to CSI in amounts up to .05% on customer assets managed by the mutual fund providers, and up to .1% on the sales of mutual fund products to CSI clients. These payments are not made directly by you. They are paid by the mutual fund providers or its affiliates. None of these payments is passed on to your CSI Financial Consultant, even though the funds may be used for some of the general activities and benefits to your FC that are described above.

Annuities: Revenue sharing can take the form of compensation from these annuity carriers to CSI in amounts up to .05% on customer assets managed by the annuity providers, and up to .29% on the sale of annuity products to CSI clients. Each of these annuity providers or the entity that markets the annuity contract has also agreed to make revenue sharing payments to CSI. These revenue sharing payments are separate from the mortality and expense risk charges, administrative fees, contract maintenance (or "annual") fees, applicable sales charges or contingent deferred sales charges, and underlying sub-account expenses disclosed in the contract prospectus and in sub-account prospectus fee tables. Revenue-sharing payments are paid out of the annuity provider's revenues or profits and not from a client's contract value or the assets of a subaccount. However, the annuity provider's revenues or profits may in part be derived from the product fees and expenses described in the prospectus. No portion of these revenue-sharing payments to CSI is made by means of brokerage commissions generated by the provider, the sub-account investment companies or their affiliates.

NFS: There is revenue sharing arrangement in place between CSI and NFS. CSI can earn a monthly distribution fee on all Fidelity Money Market Sweep Fund balances (including qualified retirement plans) at annualized rate of the average net assets (calculated daily) in clients who own shares in the Fidelity Money Market Sweep Fund portfolios (Prime Fund, Tax-Exempt Fund, and Treasury Fund). There is also additional revenue earned on No Transaction Fee mutual funds and non-managed Transaction Fee mutual funds.

Banking Activities

We are a wholly owned subsidiary of Citizens Bank, N.A. We have various arrangements with Citizens Bank, N.A. and its other affiliates under which they or their employees may refer certain of its clients to us for investment management services. Also, some of our employees are also employees of Citizens Bank, N.A. Citizens Bank, N.A. also provides investment management support and model portfolio recommendations to us for our use in the management of certain investment accounts.

CSI offers a Proprietary Bank Deposit Sweep Program ("BDSP") to clients as their core account investment vehicle for available cash balances in their account. If you participate in the BDSP, available cash in your account will be deposited or "swept" through the BDSP into interest-bearing FDIC-insured deposit accounts at Citizens Bank, N.A. / Citizens Bank of Pennsylvania (the "Bank"), an affiliate of CSI. The BDSP creates financial benefits for CSI, the Bank, and NFS, which is CSI's clearing agent and also serves as the Custodian for the BDSP. CSI will receive a credit from the Bank in connection with the BDSP. CSI may, in its discretion, reduce its fee and may vary the amount of the reductions between clients. The amount of the credit received will affect the interest rate paid by the Bank on your Account. A portion of these credits may be paid as fees to NFS. CSI reserves the right to modify the credits it receive from the Bank. CSI and/or NFS may also benefit from the possession and temporary investment of cash balances prior to the deposit of such balances in the BDSP. Please refer to the Proprietary Bank Deposit Sweep Program Disclosure Document for further information regarding the BDSP.

In addition to CSI's credit, other service providers with respect to the BDSP will receive fees from the Program Bank. The revenue generated by CSI may be greater than revenues generated by sweep options at other brokerage firms, and may be greater than other possible sweep options that CSI has used in the past or may consider using in the future. In addition, CSI will make compensation payments to NFS for record keeping and other services with respect to amounts invested in the BDSP, which will be no more than 70 basis points. NFS may receive more revenue with respect to amounts in the BDSP than with respect to other sweep products. As a result of the fees and benefits described above, the BDSP may be significantly more profitable to CSI than other available sweep options, if any. CSI and/or NFS may also benefit from the possession and temporary investment of cash balances prior to the deposit of such balances in the BDSP. Please refer to the Proprietary Bank Deposit Sweep Program Disclosure Document for further information regarding this program.

Affiliate Arrangements

We may purchase certain goods and services or obtain administrative, custody, safekeeping and operational support from our direct parent company, Citizens Bank, N.A. or other affiliates of Citizens Financial Group by entering into agreements or arrangements with such affiliate. If deemed appropriate under the circumstances or required under banking laws, we will pay compensation to our affiliates for such goods, services or support. If Citizens Bank, N.A. provides us with goods and services, banking laws generally require that we provide Citizens Bank, N.A. compensation that is at least as favorable to Citizens Bank, N.A. as the compensation we would pay an unaffiliated third party for similar goods and services in an arms-length transaction.

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

Code of Ethics

As required by law, we have adopted a Code of Ethics establishing policies and procedures to handle potential conflicts of interest that may arise from providing advisory services to you. Our Code of Ethics recognizes that we are a fiduciary and is designed so that we meet our fiduciary obligation to you by setting forth standards of conduct for our directors, officers, and employees and requiring compliance with federal securities laws. Our Code of Ethics is based upon the principle that our employees owe a duty to not only avoid actual conflicts of interest with our clients but also to refrain from conduct which could give rise to the appearance of a conflict of interest that may compromise the trust our clients have placed in us. Our Code of Ethics:

- Prohibits our directors, officers, and employees from preferring his or her own interest to that of any advisory client;
- Requires that we maintain the confidentiality of your information;
- Prohibits our employees from engaging in initial public offerings and certain types of limited offerings (for example private placement transactions under SEC Regulation D;
- Requires that our officers, directors, and employees submit initial and annual personal securities holdings reports and report on a quarterly basis reports of their personal securities transactions (what we call "reportable securities" as mandated by regulation);
- Requires that all of our officers, directors, and employees re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (that is, they "own" the account or have "authority" over the account), and identify securities held in certificate form and all securities.

Our Code of Ethics also provides that no director, officer, or employee may trade securities, either personally or on behalf of others, while in possession of material, nonpublic information with respect to any such securities, or may communicate material, non-public information to others, other than as required and allowed by the Code of Ethics. Our management may impose a number of sanctions which it feels is most appropriate for violations of the Code of Ethics. To receive a copy of our Code of Ethics, you should contact your FC or call us at number 800-942-8300.

Participation or Interest in Client Transactions

We, or individuals associated with us, may buy or sell securities identical to or different than those recommended to our clients for their personal accounts. In addition, our FCs or other related persons may have an interest or position in a certain securities which may also be recommended to our clients. We participate in a TAMP sponsored by Envestnet and, through the TAMP, offer our clients access to our Managed Account Program. While there is no direct linkage between the investment advice given and participation in the Managed Account Program, we receive economic benefits from your participation in the Managed Account Program that we would not otherwise receive. The benefits we receive include receipt of duplicate client confirmations and bundled duplicate statements; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client account information; receipt of compliance publications; and access to mutual funds and separate account managers which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The compensation we receive in connection with a client's participation in the Managed Account Program will vary based on a number of factors, including, among other things: the size of the account, the type of Managed Account Program account(s) the client maintains with us, changes in value over time, our and Envestnet's ability to negotiate fees or commissions, and the number of transactions. In addition, the compensation a client's FC receives will vary based, in part, on the amount of compensation we receive over time. These factors create conflicts of interest because there are financial incentives for us and our representatives to recommend Managed Account Program portfolios that result in higher levels of compensation to us. In addition, the compensation payable to an FC in connection with a client's participation in the Managed Account Program may be more than what the FC would receive if the client participated in another of our advisory and/or brokerage programs, or if the client paid separately for investment advice, brokerage, and other services. Therefore, our FC may have an incentive to recommend the Managed Account Program over other programs or services available from us.

In addition, we, our representatives, and our affiliates will receive fees and other compensation in addition to the fees we charge to your account for investment management services. Our investment advisory services fees are not reduced by the amount of the additional fees and other compensation received by us, our representatives or our affiliates. This presents a conflict of interest and gives us or our representatives an incentive to recommend investment products based on the compensation received, rather than on a
client's needs. The types of additional compensation we expect to receive are described below.

- We and our affiliates will receive Fund-Related Compensation (12b-1 distribution fees, shareholder servicing fees, administrative service fees and similar fees, and revenue-sharing payments, from certain affiliates of the Collective Investment Vehicles or in connection with the investment of client funds into the Collective Investment Vehicle). The availability to us of Fund-Related Compensation gives rise to conflicts of interest since some Collective Investment Vehicles pay Fund- Related Compensation, while others do not, and from the fact that the level of Fund-Related Compensation may vary based on the Collective Investment Vehicle chosen. In the case of Managed Account Program accounts where the client is an individual retirement account or an ERISA plan, we either will not accept Fund-Related Compensation or will credit any Fund-Related Compensation received by us to the client account.
- Our FCs, in their separate capacities as broker/dealer representatives, may effect securities transactions for any client for separate and typical commission compensation.
- In connection with the Managed Account Program and subject to the Sub-Manager's best execution obligation, we will be the introducing broker/dealer for all brokerage transactions originated by the Sub-Managers. We do not receive an additional fee for this service, but NFS, as clearing broker and custodian, is compensated for these services out of the Program Fees paid by you.
- We may execute securities transactions on a principal basis in which we act on our own behalf and not solely as agent for our customer. These transactions are cleared by NFS. All securities laws and regulations regarding principal trades will be adhered to when executing any principal transactions for advisory clients. We will not engage in a principal transaction involving your investment management account with us unless you have approved the transaction in writing.
- Our principal executive officers, FCs, and other associated persons will receive a portion of the Fund-Related Compensation received by us in connection with the investment of our client's assets into Collective Investment Vehicles. The availability of this compensation results in conflicts of interests for our principal executive officers, FCs, and other associated persons. Conflicts of interest also arise for our principal executive officers, FCs, and other associated persons because their individual compensation will vary based on the particular investment choice recommended to the client. These conflicts of interest may affect the judgment of our representatives who make investment recommendations to you.

- If you open your Managed Account Program account with securities previously purchased through us or one or our representatives, you will already have paid a brokerage commission on the purchase to us or our representative, or both. Similarly, if you open your account with cash proceeds from the sale of securities through us or our representative, we or our representative, or both, may have already received brokerage commissions of the sale.

We and FCs participate in client transactions in the following situations that are not directly related to the Managed Account Program:

- As our registered representatives, our FCs will receive separate and typical compensation from any brokerage transaction they implement on behalf of our clients. No investment advisory client is obligated to use our FCs for brokerage services.
- FCs who are licensed as insurance agents may offer fixed annuities and other insurance products and services.
- Our FCs who are licensed as insurance agents also may recommend and sell life, accident, health, and variable annuity and variable life insurance products, including to our brokerage, investment management and/or financial planning clients.
- If you engage in an insurance transaction, those transactions will not be part of the investment management services we provide to you and you would pay compensation that is separate from our investment management, financial planning, and consulting services. No client is obligated to use us, CFSIAI, or our FCs to purchase fixed annuities or other insurance products.

We are a wholly owned, direct subsidiary of Citizens Bank, N.A., the lead bank subsidiary of Citizens Financial Group, Inc., a bank holding company. Citizens Bank, N.A. and their affiliates maintain a variety of banking, financial, or service relationships with corporations or other business enterprises the securities of which may be purchased or sold by us for clients' accounts. Citizens Bank, N.A. or their affiliates may receive compensation from such corporations or other business enterprises in the ordinary course of their business. Because of internal controls maintained by Citizens Bank, N.A. and us, recommendations by us and our FCs to our investment management clients typically will be made without the knowledge of other banking, financial, or services relationships between Citizens Bank, N.A. or their affiliates and the issuers of securities recommended by us. Citizens Bank, N.A. may purchase or sell for trust, fiduciary, and investment management clients or recommend that such accounts purchase or sell securities of the same type as those purchased or sold by us for our clients' accounts.

Personal Trading

CSI and individuals associated with CSI may buy or sell securities identical to or different from those recommended to customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security or securities which may also be recommended to a client. It is our policy that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, and therefore, our employees are prohibited from benefiting from transactions placed on behalf of advisory accounts. In order to address the conflicts of interest that may arise from these situations, our Code of Ethics establishes the following restrictions:

1) Directors, officers, and employees are not permitted to buy or sell securities for their personal account where their decision emanates from his or her employment unless the information is also available to the investing public on reasonable inquiry.
2) All advisory clients will be fully informed that certain individuals may receive separate compensation when effecting securities or insurance transactions during the implementation process.

3) We emphasize the unrestricted right of any advisory clients to decline to implement any advice rendered.
4) We require that all individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

As noted above, our Code of Ethics:

- Prohibits our employees from engaging in initial public offerings and certain types of limited offerings (for example private placement transactions under SEC Regulation D;
- Requires that our officers, directors, and employees submit initial and annual personal securities holdings reports and report on a quarterly basis reports of their personal securities transactions (what we call "reportable securities" as mandated by regulation);
- Requires that all of our officers, directors, and employees recertify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (that is, they "own" the account or have "authority" over the account), and identify securities held in certificate form and all securities.

Item 12. Brokerage Practices

Broker Selection

In connection with your participation in the Managed Account Program, you will authorize Envestnet and/or any applicable Sub-Manager to instruct brokers, dealers, and banks to purchase, sell, exchange, convert and otherwise trade in and deal with any security or cash in your account. You will bear the risk of such transactions. Also, you will authorize Envestnet and us to designate NFS to provide trade execution and custodial services for your Managed Account Program account. NFS does not provide investment advice or investment advisory services in connection with the Managed Account Program. You should note the following in connection with your participation in the Managed Account Program:

- You authorize Envestnet to open broker/dealer accounts at applicable executing brokers, and authorize the Platform Manager as attorney-in-fact to give instructions to an appropriate broker. All transactions effected by Sub-Managers for your accounts shall be cleared and settled with the NFS.
- In effecting brokerage transactions, Envestnet, the Sub-Manager, or we may consider not only available prices and commission rates (including that some transaction effected through NFS are included in the Program Fee), but also other relevant factors such as execution capabilities, research, and other services provided by the broker/dealer. In such circumstances, you may not receive the benefit of the lowest trade price then available for any particular transaction for your Managed Account Program account.
- Envestnet, the Sub-Managers, or we are authorized to use a broker, dealer, or bank other than NFS for a transaction if Envestnet, the Sub-Managers, or we (as applicable) determine that “best execution” of the transaction may be obtained through such other broker, dealer, or bank. The broker, dealer, or bank used for execution may be a broker/dealer affiliated with us, Envestnet, or the Sub-Manager. Client agrees to furnish any such broker, dealer, or bank such authorizations as any of them or Advisor may request to implement the provisions of this Agreement.
- None of Envestnet, any Sub-Manager, or us will be responsible for any action or inaction taken by any broker, dealer, or bank or any loss incurred by reason of any action or inaction of any broker, dealer, or bank.
- You authorize us, Envestnet, and the Sub-Managers to instruct all brokers, dealers, and banks executing securities transactions for your Managed Account Program account to forward confirmations of transactions to us, Envestnet, or the Sub-Managers.

Research and Soft Dollar Benefits

Sub-Managers may execute transactions through brokers, dealers, and banks that have arrangements with the Sub-Managers under which the Sub-Manager will receive “soft dollar” credit (toward acquisition of research products and services) for brokerage placed with the broker, dealer, or bank.

Order Aggregation

When Envestnet or a Sub-Manager deems a transaction to be in your best interests, as well as the best interests of other clients of Envestnet or the Sub-Manager, to the extent permitted by applicable law and regulation, Envestnet or the Sub-Manager will aggregate multiple client orders to obtain the most favorable price and/or lower execution costs at the time of execution.

Item 13. Review of Accounts

Account Review Procedures

We review our investment management accounts at least annually. This annual review is used to determine whether the investment approach and asset mix being used is consistent with the client's investment objectives, risk tolerance, cash flow needs, and any other special guidelines that may impact the client's investment allocations. Occasionally, we perform reviews of investment management accounts in between scheduled annual reviews when we become aware of material market, economic or political events, or changes in the client's individual circumstances.

All account reviews are conducted by the FC who is assigned to the client's account. As part of our annual account review process, we contact our investment management clients to obtain their updated information and to discuss any changes in investment approach deemed appropriate, due to any changes in the client's circumstances.

Performance Reports

NFS, as clearing broker and Managed Account Program custodian, will provide regular monthly statements to you showing your securities positions and account activity. You should promptly and carefully review the statements you receive from NFS. You will not receive a statement from the Managed Account Program custodian during any month in which there is no account activity, but you will receive a statement at least quarterly otherwise. You will not receive trade confirmations for each transaction unless you notify us that you wish to receive such confirmations.

All communications from us and/or Envestnet may be by electronic means. In addition to the monthly statement you will receive from NFS, we will provide you a Quarterly Performance Report ("QPR") statement containing a description of all activity in your account during the previous quarter, including all of the following:

- An asset summary and performance section;
- Comparative indices;
- All transactions made on behalf of your Managed Account Program accounts;
- Your contributions and withdrawals;
- All fees charged to your accounts, the asset value of your accounts for Program Fee calculation purposes, and the Program Fee calculation; and
- Information indicating the market value of your accounts at the beginning and end of the period, as well as the cost, market value, estimated annual income of each of the Managed Account Program Assets and the value of the Managed Account Program Assets in aggregate.

Our QPR statement will also include a statement to the effect that you should contact us if there have been any changes in your financial situation or investment objectives, if you wish to impose reasonable restrictions on the management of your account, or if you wish to reasonably modify existing restrictions. You should promptly and carefully review and compare the statements provided by us and the statements provided by NFS and notify us promptly in writing of any errors or discrepancies.

Item 14. Client Referrals and Other Compensation

From time to time we may compensate, either directly or indirectly, any person or company for referring investment management clients to us. In addition, under certain circumstances, our employees and employees of our affiliates may have the opportunity to refer clients to each other or to unaffiliated third parties. Such referrals may result in the receipt of a referral fee. We will comply with all applicable requirements of SEC Rule 206(4)-3 under the Investment Advisers Act of 1940 in connection with any referral arrangements, including appropriate disclosure of referral arrangements to our clients and maintenance of referral agreements.

CSI registers some Citizens Bank Employees with the broker/dealer. The registered Bank Employees may earn compensation from the broker/dealer for those customers they refer to the broker/dealer.

Item 15. Custody

We do not maintain custody of your assets. NFS, as clearing broker and Managed Account Program custodian, will provide regular written monthly statements to you showing your securities positions and account activity. You should promptly and carefully review the statements provided by NFS. You should promptly and carefully review the quarterly statements you receive from us and you should compare them with those provided by NFS and notify us promptly in writing of any errors or discrepancies. Communications from us, NFS, and/or Envestnet may be by electronic means.

Item 16. Investment Discretion

Based on the information you provide to us regarding your financial circumstances, investment objectives and risk tolerance, we will provide you with a recommendation concerning whether one or more of the Managed Account Programs is appropriate for you. As described below, under some of the Managed Account Programs you will grant investment discretion to Envestnet, Sub-Managers and/or us.

Citizens Custom Select Portfolios
We may exercise limited discretionary authority by adding or removing individual securities held in your account based on independent third party research used to make changes to the menu of available mutual funds and ETFs available in the program. In addition, Envestnet will perform ongoing overlay management of the portfolio by maintaining the selected asset allocation, performing periodic portfolio rebalancing, and implementing trade instructions. Envestnet may introduce new asset classes and invest your assets in default funds with respect to such asset classes. Apart from these circumstances, you are otherwise responsible for selecting or changing the investments in your account.

Third Party Model Providers
A designated Third Party Model Provider constructs identified risk-based model portfolios consisting of mutual funds or ETFs, or in some cases a combination both, selected by the Third Party Model Provider manager to pursue identified investment strategies and asset class exposures. Your account is traded and rebalanced by Envestnet based on the risk-based model portfolios constructed by the Third Party Model Provider manager and the periodic changes the Third Party Model Provider manager submits to Envestnet. Envestnet does not engage in securities selection but is responsible for identifying the risk appropriate profile for each of the strategies. In addition, pursuant to a licensing agreement entered into with the Third Party Model Provider manager, Envestnet performs administrative and trade order implementation duties (including directing the relevant broker/dealer to rebalance your account) pursuant to the direction of the Third Party Model Provider. We do not exercise any investment discretion or discretionary investment authority.

SMA
You grant Envestnet full investment discretion and full discretionary trading authority. Under the Separate Account Program you also grant each of the selected Sub-Managers discretionary authority over the portion of your account's assets allocated to the Sub-Manager.

UMA
We provide you with recommendations regarding the appropriate model and underlying investment vehicles to meet your needs. However, you direct the investments within your account and you are responsible for the selection of the appropriate model and the underlying investment vehicles. Envestnet trades your account based on the instructions received from the independent asset managers and, in connection with such trading, exercises full discretionary trading authority.

Item 17. Voting Client Securities (i.e. Proxy Voting)

We do not exercise voting authority over the securities held in our clients' investment management accounts.

- If you have either a Citizens Custom Select or UMA, you will be solely responsible for determining whether and how to vote proxies or act on similar actions in connection with the securities held in your account. NFS will send proxies or similar action requests directly to you.
- If you have a Third Party Model Provider account, Envestnet is responsible for voting proxies relating to securities held in your account.
- In all other accounts, either Envestnet or the Sub-Manager, as applicable, will determine whether and how to vote or otherwise act on all matters requiring a vote, consent, election or similar action by the holders of securities held in your Managed Account Program account. You may revoke the voting authority given to Envestnet or the Sub-Manager at any time.
- Periodically, we will review Envestnet's proxy voting policies and procedures. If you would like a copy of Envestnet's proxy voting guidelines, please contact your FC for more information.

Item 18. Financial Information

We do not serve as a custodian of client funds or securities, and do not require prepayment of fees of more than $1,200 per client, and six months or more in advance. Accordingly, a balance sheet is not required to be provided with this Disclosure Brochure. We do not have any financial impairment that will preclude us from meeting our contractual commitments to clients. We have not been the subject of any bankruptcy petition at any time, including any time during the past ten years.

Item 19. Requirements for State-Registered Advisers

We are an SEC-Registered Adviser, rather than a State-Registered Adviser. As a result, this item is not applicable to us.