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June 24, 2025

Citizens Advisory Solutions Managed Account Program

Citizens Securities, Inc. (“CSI”), also known as Citizens Investment Services, 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 wrap fee program brochure (“Wrap Fee Program 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.

***This Wrap Fee Program Brochure provides information about the qualifications and business practices of CSI in connection with the Citizens Advisory Solutions Managed Account Program. If you have any questions about the contents of this Wrap Fee Program Brochure, please contact CSI at 800- 942-8300. The information in this Wrap Fee Program Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.***

***Additional information about CSI is also available at the SEC’s website <http://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 2A of our Form ADV.***

## **Item 2. Summary of Material Changes**

This Wrap Fee Program Brochure, dated June 24, 2025, provides you with a summary of the material changes to the Citizens Advisory Solutions Managed Account Program since the last annual update of this Brochure.

### **Future Filings**

In future filings, this section of the Wrap Fee Program 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](http://www.adviserinfo.sec.gov).

### **How to Obtain a Current Brochure**

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

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## **Item 4. Services, Fees and Compensation**

### **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. (“Citizens 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 two primary advisory offerings: (1) the Citizens Advisory Solutions Managed Account Program (the “Managed Account Program”) and (2) the Digital Advisory Program. The Managed Account Program, which is described in this Brochure, is a Turnkey Asset Management Program (“TAMP”) comprised of two different variations. The standard option is sponsored and administered by Envestnet Asset Management, Inc., an unaffiliated investment advisory firm. The Citizens Advisory Connect™ Program (“Connect”) is sponsored by CSI and administered by SigFig Wealth Management, LLC (“SigFig”).

References to the “Platform Manager” in this Brochure refer to Envestnet and/or SigFig, as applicable. Although you will continue to interact with your Financial Advisor (“FA”), in the Connect variation of the Managed Account Program your primary method of receiving communications relating to your accounts and the services provided under the Program will be electronically through e-mail, designed websites, mobile applications or other digital interfaces that CSI makes available from time to time (collectively, the “Site”). Participation in the Connect Program is conditioned on your consent to electronic delivery. If you do not wish to consent to electronic delivery to receive communications through the Site, you should not select the Connect variation of the Managed Account Program. In addition, you should understand that the Connect variation of the Managed Account Program offers a more limited range of investment strategies.

The Digital Advisory Program, which is described in further detail in the Digital Advisory Program Wrap Fee Program Brochure, is a digital advisory offering in which an unaffiliated investment advisory firm acts as a sub- adviser. For the avoidance of doubt, the information in this Wrap Fee Program Brochure pertains to the Managed Account Program.

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

### **Citizens Advisory Solutions Managed Account Program**

We offer the Managed Account Program in connection with a Platform Manager, an independent investment adviser that is not affiliated with us. You will receive, and should review, a copy of the Platform Manager’s Form ADV, Part 2 (the “Brochure”), which contains additional information regarding the Platform Manager’s services, processes, policies, and conflicts of interest.

Under the Managed Account Program, you and your FA compile your pertinent personal and financial information to develop an investment management program based on your financial goals and objectives. The process includes the following steps:

- You and your FA complete a Risk Tolerance Questionnaire (“RTQ”) or a comprehensive financial plan (“Plan”) designed to identify your investment needs, objectives, time horizon, risk tolerance, and other pertinent information.
- The information compiled in the RTQ or Plan is used to create a risk-appropriate asset allocation model and/or to identify asset managers appropriate for your investment management account.
- Your FA will generate an investment proposal and an 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.
- The IMA establishes your investment management account, evidences your approval, and grants investment discretion and discretionary trading authority to the Platform Manager and certain asset managers over your account. In certain accounts, you may also grant investment discretion and discretionary trading authority to CSI.
- 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 FA 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. The Platform Manager and the asset managers you select in the Managed Account Program are also provided with this information to assist in this determination. Your FA will contact you to review your account, at least annually, to discuss any changes to your personal situation.

## **Our Managed Account Options**

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 Program Options is appropriate for you.

### **1. Citizens Integrated Portfolios**

Citizens Integrated Portfolios is a program where you hold a single unified managed account (“UMA”) that offers access to a broadly diversified portfolio of eligible mutual funds, ETFs, separately managed accounts, and wrap strategist portfolios. The Platform Manager defines the available risk-based asset allocation models. We make recommendations to you regarding the appropriate asset allocation model and underlying investment vehicles to meet your needs. You are responsible for confirming acceptance of the recommended asset allocation model and underlying investment vehicles for your account. In addition, you must authorize any changes in the asset allocation model or underlying investment vehicles used to pursue the strategy. You grant discretionary trading authority to the Platform Manager, which trades the account based on instructions from the relevant investment managers. We do not exercise investment discretion or discretionary trading authority, except in accordance with its limited discretion policy. We, or a third-party service provider that we retain, conduct ongoing due diligence and screening of the investments available in the Citizens Integrated Portfolios program. Based on this review, we may add or remove investments from the list of eligible programs. You grant us limited discretionary authority to add, remove and/or substitute specific investments held in your account without prior notice to you in connection with changes to the list of investments or as a result of certain actions by offered funds or managers.

## **2. Fixed Income Solutions**

The Fixed Income Solutions Program provides individual investors with direct access to global investment managers. Utilizing a separately managed account (“SMA”) vehicle, you directly own securities in their portfolio. Fixed Income strategies are available for you across the duration, credit, and liquidity spectrum in taxable and tax-exempt versions. An SMA can serve clients with specific objectives in terms of tax exposure, risk tolerance, and liquidity needs. SMAs typically have minimum investment levels that begin at \$100,000.

## **3. Citizens Private Wealth Solutions**

Citizens Private Wealth Solutions (“CPWS”) is a program where you hold a single UMA, an Advisor as Portfolio Manager (“APM”) account, or SMA accounts. In all versions of the CPWS Program, you can either choose to grant your advisor full or limited discretion over your portfolio, as set forth below.

In the APM version of the CPWS Program, your advisor selects from a wide array of CSI approved investments and solutions to pursue the strategy described in the IMA, including equities, fixed income, mutual funds, ETFs, options, margin, and alternative investments. If you have granted your advisor with discretion, your advisor exercises their exclusive judgment to choose investments consistent with the terms of the IMA, to determine the investments that comprise your portfolio, allocation of assets among investments and investment classes, and to purchase and sell investments for the account. We, or a third-party service provider that we retain, conduct ongoing due diligence and screening of the investments available in the CPWS Program. Based on this review, we may add or remove the investments available for use in the CPWS Program. Please note that your advisor may purchase mutual funds, equities, and ETFs through the Platform Manager, but is not required to do so. If you do not grant your advisor with full discretion, you are responsible for confirming acceptance of the recommended asset allocation model and underlying investment vehicles for your account.

In the SMA and UMA versions of the CPWS Program, your financial advisor makes recommendations to you regarding the appropriate asset allocation model and underlying investment vehicles to meet your stated needs objectives and risk tolerance as stated in your IMA. Your advisor selects from the entire array of CSI approved investments and solutions to pursue the strategy described in the IMA, including equities, fixed income, mutual funds, ETFs, options, margin, separately managed accounts, and wrap strategist portfolios. If you have granted your advisor with discretion, your advisor exercises their exclusive judgment to choose investments consistent with the terms of the IMA, to determine the investments that comprise your portfolio, allocation of assets among investments and investment classes, and to purchase and sell investments for the account. If you do not grant your advisor with full discretion, you are responsible for confirming acceptance of the recommended asset allocation model and underlying investment vehicles for your account. In addition, you must authorize any changes in the asset allocation model or underlying investment vehicles used to pursue the strategy.

In the SMA and UMA versions of the CPWS Program all transactions are placed through the Platform Manager. You grant discretionary trading authority to the Platform Manager and/or relevant investment managers, which trade the account based on instructions received from either the relevant investment managers or your Financial Advisor (“FA”), depending on the account selected.. We, or a third-party service provider that we retain, conduct ongoing due diligence and screening of the investments available in the CPWS program. Based on this review, we may add or remove investments from the list of eligible programs. You grant us limited discretionary authority to add, remove and/or substitute specific investments held in your account without prior notice to you in connection with changes to the list of investments

or as a result of certain actions by offered funds or managers.

#### **4. Citizens Advisory Connect Program (the “Connect Program”)**

The Connect Program is an investment advisory program under which you receive investment recommendations and discretionary investment management of the assets held in your advisory account (“Account”) based on models provided by one or more unaffiliated investment managers (“Model Providers”). Your Financial Advisor (“FA”) will assist you in developing an investment management program based on your investment goals and risk tolerance. Although you will interact with your FA to obtain investment advice, you understand and agree that your primary method of receiving communications related to your Account and the services provided under the Connect Program will be electronically through the Site.

#### **5. Discontinued Programs**

As of October 8, 2018, CSI no longer offers its Wrap Strategist program to new clients; however existing accounts are eligible to be maintained. Further, both new and existing clients may invest their funds with wrap strategists through the Citizens Integrated Portfolios option.

As of March 7, 2019, CSI no longer offers its Separately Managed Accounts program to new clients; however existing accounts are eligible to be maintained. Further, both new and existing clients may invest their funds in separately managed accounts through the Citizens Integrated Portfolios option.

As of November 7, 2022, CSI no longer offers its Custom Select Portfolios program. Existing client accounts were transitioned in kind to the Integrated Portfolios UMA program on that date.

#### **The Assets We Manage**

As of December 31, 2024, we managed \$ 9,158,352,319 in assets.

#### **Brokerage Practices**

##### **Broker Selection**

In connection with your participation in the Managed Account Program, you will authorize the Program Manager 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 the Program Manager 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 the Program Manager 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 with regard to authorized trading in your account. All transactions effected by Sub-Managers for your accounts shall be cleared and settled with NFS.
- In effecting brokerage transactions, the Platform Manager, the Sub-Manager, or we may consider not only available prices and commission rates (including that some transactions 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.
- Except as otherwise set forth in your IMA, the Platform Manager, the Sub-Managers, or we are authorized to use a broker, dealer, or bank other than NFS for a transaction if the Platform Manager, 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, the Platform Manager, 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.
- The Platform Manager anticipates trading exclusively through CSI for execution through NFS within the Managed Account Program. We expect that any Sub-Managers you select within the Managed Account Program will generally trade through CSI for execution through NFS, as well. You understand that as a result of this trading arrangement, we, the Platform Manager, and the Sub-Managers may not always be able to obtain the most favorable execution for client transactions and it is possible you will receive less favorable net prices as a result of your decision to direct brokerage to NFS. You should understand that not all investment advisers recommend, request, or require their clients to direct brokerage. The execution received by trading through CSI to NFS may not be as favorable as execution that might be obtained if trades were placed through another broker-dealer.
- None of the Platform Manager, 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, the Platform Manager, 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, the Platform Manager, 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 (towards the acquisition of research products and services) for brokerage placed with the broker, dealer, or bank.

### **Order Aggregation**

When the Platform Manager or a Sub-Manager deems a transaction to be in your best interests, as well as the best interests of other applicable clients of the Platform Manager or the Sub-

Manager, to the extent permitted by applicable law and regulation, the Platform Manager 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.

### **Custody**

We do not maintain physical 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 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 the Platform Manager may be by electronic means.

### **Fee Schedules and Compensation**

#### **How the Firm is Paid for its Services**

The Managed Account Program charges a single asset-based fee (“Fee”). The Fee is comprised of separate components: CSI’s component and depending upon the specific program selected by the client, the Platform Manager’s component and the component of each Portfolio Manager selected. The maximum annual rate for CSI’s component of the Fee is 2.00%. The details of your fee composition will be listed in a schedule contained in your IMA.

#### **1. Fees for the Citizens Integrated Portfolios, Fixed Income Solutions and Connect Programs**

Depending on the specific program you select, the Fee covers our asset and investment style allocation recommendations, manager research, brokerage, custody, performance reports, periodic rebalancing of accounts, document processing, information systems, and other administrative services. The Fee also covers the platform administration and investment advisory services provided by the Platform Manager, and the services of any Sub-Managers, who are compensated from the portion of the Fee paid to the Platform Manager. The Fee also covers the investment management services of the Portfolio Manager(s) selected, which vary depending upon the strategy selected. These third-party manager fees typically range from 0.02% to 0.50%.

You will incur transaction costs, fees, commissions, and other charges and expenses in addition to the fees paid to us, as discussed in more detail below. 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, third-party providers, and affiliates. Any portion of a Managed Account Program account maintained in cash or in affiliated bank sweeps (as discussed below) is subject to the Fee (see “Banking Activities”). For services provided under the Citizens Integrated Portfolios Managed Account Program, you will pay the Fee on a quarterly basis. The rate used for each component of the Fee each quarter will be approximately one-fourth of the applicable annual rate based on the number of days in the quarter. For the CSI component of the Fee, lower asset-based fees will apply as the level of assets maintained in a Managed Account Program account increases to certain account balance tiers. For the services provided under the Connect Program you will pay a monthly asset-based fee.

Accounts in the non-Connect variation of the Managed Account Program may be combined under the same Billing Group for the purpose of achieving an overall account balance reducing asset-based fees, but *only at the Managed Account Option level*. For instance, Managed Account Program accounts that invested in SMAs may be combined to achieve an account balance, but an

SMA could not be combined within an Advisor-Directed UMA. Due to technical limitations, the Connect variation of the Managed Account Program does not offer the ability to household multiple accounts for the benefit of receiving lower fees. In addition, while householding practices may change over time, if you have accounts in both the Connect and non-Connect variations of the Managed Account Program, you currently do not have the ability to household Connect and non-Connect accounts for purposes of meeting higher breakpoints and receiving lower fees.

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.**”

## 2. Fees for the Citizens Private Wealth Solutions Program

If you have an account in the CPWS Program, the Fee will be negotiated between you and your Advisor. The rate can be either set up as a specified rate applicable to all assets managed in the account; or various rates, which are typically determined by the amount of assets invested and are set forth in the Fee schedule(s) contained in your IMA. The CPWS Fee covers our asset and investment style allocation recommendations, manager research, brokerage, custody, performance reports, periodic rebalancing of accounts, document processing, information systems, and other administrative services. The Fee covers the platform administration and investment advisory services provided by the Platform Manager, and the services of any Sub-Managers, who are compensated from the portion of the Fee paid to the Platform Manager. The Fee also covers the investment management services of the Portfolio Manager(s) selected, which vary depending upon the strategy selected. These third-party manager fees typically range from 0.02% to 0.50%.

The Fee covers most fees associated with your CPWS account, including transaction costs, fees and commissions. Other costs included within the CPWS Fee are financial planning fees and costs, wire fees, custodian charges, mutual fund commissions and other charges, and mutual fund and other investment vehicle redemption fees. 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, third-party providers, and affiliates. Any portion of a Managed Account Program account maintained in cash or in affiliated bank sweeps (as discussed below) is subject to the Fee (see “Banking Activities”).

### **Managed Account Program Fees Are Negotiable Under Some Circumstances**

We are willing to negotiate the rate of the CSI component of the Fee and any account minimums 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 CSI in terms of assets under supervision. Our employees and employees of our affiliates, in certain circumstances, are entitled to fee discounts and/or cash credits by virtue of their employment.

### **Managed Account Fee Billing**

The Fee for Citizens Integrated Portfolios, Fixed Income Solutions and Citizens Private Wealth Solutions accounts 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 the Platform

Manager. The following procedures will apply:

- The initial Fee will be calculated and debited on the 10th day of the month following the initial investment. The initial 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 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 Fee will be reimbursed to the client.
- The Platform Manager will calculate the applicable 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.

The Fee for Connect accounts is calculated on the Daily Average Balance of the account, rather than on the end of the month value. The Connect Fee is applied to the “Account Value”, which means the sum of the market value of all eligible security positions, including accrued income, cash, and any cash alternatives (if applicable) held in your Account. The Connect Fee is payable monthly in arrears and will be calculated by Platform Manager and deducted from your Account by the Custodian. If a Connect account has been managed for less than one month, the monthly fee will be prorated for the number of days the account was managed. This would typically be applicable during the fee calculations for the account opening month and/or the final month (termination).

Connect accounts are subject to a minimum investment of \$2,000. If the account drops below this defined minimum amount, the Program Manager will take certain actions to terminate its management of the account. The Program Manager will restrict billing on Connect accounts which have a balance below the technical minimum for the model they are invested in. This check is done daily. If the balance is below the technical minimum, a billing hold will be placed on that account for that day.

### **Costs Not Covered by the Fee for Citizens Integrated Portfolios, Fixed Income Solutions, and Connect Programs Accounts**

In addition to the Fee, you will incur certain transaction costs, fees, commissions, and other charges and expenses (described below). 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 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 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 executed through 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,” the Platform Manager 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 will 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 Platform Manager account.

#### *Custodian Fees and Charges*

The customary, ongoing custody fee charged by the Managed Account Program custodian will be paid out of the Fee. However, the Fee will not cover certain fees and charges or any other Managed Account Program custodian. Among other items, clients are 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, such as mutual funds and ETFs. However, all collective investment vehicles (including money market mutual funds used for investment of cash balances) have ongoing expenses that will impact the return received by your account. These ongoing expenses include, but are not limited to, 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 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 affiliate’s employees (see “Participation or Interest in Client Transactions” below).

#### *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 will incur redemption fees if you (assuming you participate in the Citizens Integrated Portfolios program, which allows you direct investment of your account), the Platform Manager, 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. The Platform Manager 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 the Platform Manager and Sub-Managers are not obligated to do so. Depending on the particular collective investment vehicle,

redemption fees will also 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 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 Citizens Integrated Portfolios account, or a Model Portfolio account), changes in value over time, our and the Platform Manager's ability to negotiate fees or commissions, and the number of transactions. These factors create conflicts of interest because there is a financial incentive for us to recommend certain Managed Account Program portfolios that result in higher levels of compensation to us. We have attempted to manage these conflicts of interest in the case of the Model Providers by ensuring that we and our representatives receive the same amount of compensation regardless of the Model Provider or program type selected.

In addition, the compensation payable to an FA in connection with a client's participation in the Managed Account Program may be more than what the FA 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 FA has 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 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 varies based on the collective investment vehicle and the corresponding share class that is chosen. Mutual fund companies offer a variety of different share classes with different expense levels, and each share class pays different levels of Fund-Related Compensation. We do not make all share classes available to you through the Managed Account Program, and although we undertake reasonable efforts to obtain the lowest cost share class available for your investment, you should not assume that you are invested in the lowest available share class. The mutual fund share class we recommend or select can have higher expenses (including because of the Fund-Related Compensation we receive), and therefore lower returns, than other share classes for which you are eligible to invest or that might otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly. As a result, we have a financial incentive to select

collective investment vehicles and mutual fund share classes that provide us with more Fund-Related Compensation. Share class selection for advisory accounts will be based on a variety of factors, though we strive to place clients in the lowest net expense share class offered by the applicable funds. Any 12b-1 compensation received by CSI in the Managed Account Program is credited back to the client's account. While CSI generally seeks to select a single share class of a mutual fund for purchase, share classes will likely vary among custodial platforms and more than one share class can be purchased and held in advisory accounts. Factors we consider in share class selection include, but are not limited to, the net expense ratio of the share classes, whether a portfolio is a discretionary managed portfolio or a non-discretionary managed portfolio, the availability of share classes on various custodial platforms, whether particular share classes are subject to transaction fees ("TF") or do not have transaction fees ("NTF") on the custodial platform used, operational considerations such as share class consistency within a fund family on a particular custodial platform, the availability of account minimum waivers, tax and other circumstances that are unique to particular clients.

- You should not assume that you are or will be invested in the lowest expense share class, and the share class of a mutual fund offered by CSI can have higher expense ratios, and therefore lower returns, which can reduce performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly.
- We address these conflicts by disclosing them to you and by adopting policies and procedures and related controls around share class selection. We may also take steps to mitigate these conflicts. In the case of Managed Account Program accounts, we credit 12b-1 distribution fees received by us to the client account. This applies to taxable clients, as well as to clients that are IRAs and employee benefit plans subject to the Employee Retirement Security Act of 1974 ("ERISA"). Model Providers and Sub-Managers are responsible for making the determination of which share class of a mutual fund to invest in and will follow their own share class selection practices.
- CSI also conducts periodic reviews of a mutual fund's available share classes to determine if a different share class would be more appropriate. CSI may, at its discretion, determine to convert your mutual fund positions held in one share class to a different share class. Such share class conversions will occur as deemed appropriate by CSI and will be reflected on your account statement. CSI will consider various factors when considering share class conversion in your advisory accounts, including but not limited to, the net expense ratios of the share classes, whether your account is subject to taxation, the difference in the expense ratios between share classes, the share class designated by CSI for initial purchases, your investment preferences and amount of taxable gains or losses to which you could be subject. The ability and length of time to affect a share class conversion will vary by custodial platform and is subject to prospectus requirements and custodial platform approval. Thus, if CSI determines to convert your mutual fund position to a lower-cost share class, you may remain in the higher-cost class for some period of time.
- 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 of 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 to Your IMA and to Our Fee Schedule**

We may amend the terms of your IMA, including the Fees paid pursuant to the agreement, upon 60 days' written notice to you (electronic mail shall suffice). Unless you notify us that you object, the amendment shall be effective 60 days from the date of mailing. You and CSI may amend the IMA any time by mutually agreed written amendment.

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

### **Item 5. Account Requirements and 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, in most instances, the Platform Manager. 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 typically required in order to establish and maintain an account under the Managed Account Program:

- Citizens Integrated Portfolios UMA: \$100,000 with individual manager minimums ranging from \$10,000 up to \$500,000.
- Fixed Income Solutions SMA: \$100,000 with individual manager minimums ranging from \$100,000 up to \$1,000,000.
- Citizens Private Wealth Solutions: \$100,000. Citizens Private Wealth Solutions Program portfolios can only be managed by financial advisors who have been approved by CSI to participate in the Program.
- Citizens Advisory Connect: \$2,000.

### **Item 6. Portfolio Manager Selection and Evaluation**

#### **Investment Strategies**

Prior to participating in the Managed Account Program, you will execute an IMA with us as Advisor and, in most cases, the Platform Manager. By signing the IMA, you will be approving and authorizing your participation in a particular Managed Account Program, the recommended investment selection, and applicable fees associated with such investment selection. CSI participates in certain programs that limit the universe of mutual funds and mutual fund share classes available. Many of these mutual funds pay 12b-1 fees or other revenue-sharing payments, including shareholder servicing fees from the mutual fund issuer or sponsor. For many funds available within these programs, CSI receives a portion of the fees. Receipt of

these fees presents a conflict of interest for CSI because it creates an incentive for CSI to recommend funds from the limited universe of options available through these programs:

- **Citizens Integrated Portfolios and Citizens Private Wealth Solutions UMA (“UMA Programs”)** – Your account will have access to a broadly diversified portfolio of mutual funds, ETFs, SMAs and FSPs. The Platform Manager defines the available risk-based asset allocation models, and we make recommendations to you regarding an appropriate asset allocation model and investments for your portfolio. We, or a third-party service provider we retain, conduct ongoing due diligence and screening of the investments approved for clients participating in the UMA Programs. Based on this review, we may exercise limited discretionary authority by adding or removing the mutual funds, ETFs, SMAs, and FSPs held in your account based on independent third-party research. We may also make changes to the overall menu of approved mutual funds, ETFs, SMAs, and FSPs in the model portfolios, based on similar independent third-party research. Unless you are a CPWS UMA client and have granted your advisor discretion, you must authorize any changes to the selected asset allocation model and underlying investments included in your portfolio.

The Platform Manager will perform ongoing overlay management of the portfolio by maintaining the selected asset allocation, performing periodic portfolio re-balancing and implementing trade instructions. You grant full discretionary trading authority to Platform Manager, which trades the assets in your account based on the instructions received from the mutual fund, ETF, SMA, and FSP managers and, in connection with such trading, Platform Manager exercises full discretionary trading authority. We do not exercise any investment discretion or discretionary trading authority, except in accordance with our limited discretion policy described below. You must authorize any changes to the model portfolio or the individual asset class investments. CSI is responsible for determining which mutual funds, ETF, SMAs, and FSPs to offer through the Citizens Integrated Portfolios UMA program.

- **Fixed Income Solutions SMA** – The Platform Manager provides an operating system that assists us in analyzing your information and recommending an appropriate SMA strategy based on your investment needs, objectives, time horizon, risk tolerance, and other pertinent information. SMA portfolios are comprised of individual bonds. You grant each of the selected Sub-managers discretionary authority over the portion of your account allocated to an SMA. We, or a third-party service provider we retain, conduct ongoing due diligence and screening of the approved SMA managers. We may also make changes to the overall menu of approved SMAs, based on similar independent third-party research. You must authorize any changes to the selected asset allocation model and underlying investments included in your portfolio.
- **Citizens Private Wealth Solutions SMA** – The Platform Manager provides an operating system that assists us in analyzing your information and recommending an appropriate SMA strategy based on your investment needs, objectives, time horizon, risk tolerance, and other pertinent information. SMA portfolios are comprised of different securities. You grant each of the selected Sub-managers discretionary authority over the portion of your account allocated to an SMA. We, or a third-party service provider we retain, conduct ongoing due diligence and screening of the approved SMA managers. We may also make changes to the overall menu of approved SMAs, based on similar independent third-party research. Unless you have granted your advisor discretion, you must authorize any changes to the selected asset allocation model and underlying investments included in your portfolio.

- **Citizens Private Wealth Solutions APM** - Your account will have access to a broadly diversified portfolio of mutual funds, equities, and ETFs. We, or a third-party service provider we retain, conduct ongoing due diligence and screening of the investments approved for clients participating in the APM Program. Based on this review, we may exercise limited discretionary authority by adding or removing the mutual funds and ETFs held in your account based on independent third-party research. Unless you have granted your advisor discretion, you must authorize any changes to the selected asset allocation model and underlying investments included in your portfolio.
- **Citizens Advisory Connect** – Prior to enrolling in the Connect Program, you and your FA will complete a risk tolerance questionnaire (“RTQ”) developed by CSI that requests certain information designed to ascertain your investment goals and risk tolerance. Based on this information, your FA will recommend an investment strategy comprised of mutual funds and exchange-traded funds (“ETFs”) based on model portfolios (each, a “Model Portfolio”) provided by one or more Model Providers.

The Model Providers are responsible for selecting the universe of mutual funds, including the applicable share classes, and ETFs available through the Connect Program (collectively, the “Connect Funds”). SigFig Wealth Management LLC, as Platform Manager, is responsible for serving as manager and implementing the Model Portfolio that corresponds to the investment strategy you select for your Account.

### **Methods of Analysis**

Except in the Citizens Private Wealth Solutions Program, we do not provide investment advisory services on a discretionary basis. In connection with our recommendations to our clients in the Managed Account Program, we will utilize the following, among other, sources:

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

At the time you open an investment advisory account under the Managed Account Program, depending on the type of account you open, either the Platform Manager, one or more Model 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. the Platform Manager, the respective Model 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.

### **Risk of Loss**

Any securities investment involves the risk of losing one’s principal (invested amount) and any profits that may not have been realized (the securities were not sold to “lock in” the profit). Stock and bond markets fluctuate substantially over time, such that the 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 risk.

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 one or more of the following investment risks:

- **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 a 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.
- **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.
- **Diversification Risk:** Investments that are concentrated in one or few industries or sectors involve more risk than more diversified investments, including the potential for greater volatility.
- **ETF Risk:** Investments in an ETF are subject to the fees and expenses of the ETF, including, but not limited to, a management fee, other fund expenses, and a distribution fee. A client's positions in any ETF are subject to a number of risks associated with the management and market conditions of the ETF. These include (but are not limited to): (i) Delisting—An ETF may be delisted and liquidated at the discretion of its issuer. Should a client hold a position in an ETF when it is delisted, such client is subject to costs associated with the ETF's liquidation, counterparty risk against the issuer, and additional taxes due to cash distributions from the liquidation. (ii) Market Maker Instability—The supply and demand of ETF shares are kept in balance by its authorized participants. The authorized participants of an ETF may, purposefully or by mistake, destabilize the supply-demand balance of an ETF, causing tracking error of the ETF to its constituent instruments that may negatively affect the value of an entity's position in the ETF. (iii) Hidden Illiquidity—The liquidity of an ETF is determined not only by the ETF's own market liquidity but by how easy or difficult it is to transact in the ETF's constituent instruments. If one or more of an ETF's constituent instruments becomes difficult to buy or sell, the ETF may become difficult to transact or experience tracking error that negatively affects the value of positions held in the ETF. Trading volume and liquidity vary and may affect the ability to buy or sell ETF shares or cause the market price of ETF shares to experience significant premiums or discounts relative to the value of the assets underlying the shares. Additional risks include, (i) ETFs may trade at a discount or premium to their underlying net asset value ("NAV"); (ii) ETFs may not fully replicate the construction of their benchmark index, resulting in performance that differs from expectations; and (iii) investors purchasing an ETF at a premium may underperform the ETF NAV, while the redemption of shares may result in the ETF trading at a discount to NAV.
- **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.

- **Foreign, Emerging Markets Equity Risk:** Investments in securities of foreign and emerging markets issuers involve different investment risks from those affecting the 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.

- **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.
- **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.
- **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.
- **Interest-Rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market prices to decline.
- **Liquidity Risk:** When consistent with a client's investment objectives, guidelines, restrictions, and risk tolerances, an FA 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 limits the ability to take full advantage of market opportunities.
- **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 (see "Acts of God

and Geopolitical Risks” below).

- **Acts of God and Geopolitical Risks:** The performance of your account(s) could be impacted by Acts of God or other unforeseen and/or uncontrollable events (collectively, “disruptions”), including, but not limited to, natural disasters, public health emergencies (including any outbreak or threat of COVID-19, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These disruptions may affect the level and volatility of security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment’s profitability or result in it suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions. The extent of the impact of any such disruption on us, you, and any underlying portfolio investments’ operational and financial performance will depend on many factors, including the duration and scope of such disruption, the extent of any related travel advisories and restrictions implemented, the impact of such disruption on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A disruption may materially and adversely impact the value and performance of any investment, our ability to source, manage and divest investments, and our ability to achieve your investment objectives, ultimately resulting in significant losses to you. In addition, there is a risk that a disruption will significantly impact, or even temporarily or permanently halt, our operations and/or the operations of any underlying portfolio funds and companies.
- **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.
- **Reliance on Technology; Cybersecurity Risk; Back-up Measures:** The operation of the Program is dependent on various computer and telecommunications technologies, many of which are provided by or are dependent upon third parties such as data feed, data center, telecommunications, or utility providers. The successful deployment, implementation, and/or operation of such activities and strategies, and various other critical activities, could be severely compromised by system or component failure, telecommunications failure, power loss, a software-related “system crash,” unauthorized system access or use (such as “hacking”), computer viruses and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. It is not possible to provide comprehensive and foolproof protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. Any event that interrupts such computer and/or telecommunications systems or operations could have a material adverse effect on clients, including by preventing CSI, the Platform Manager, and Sub-Managers from trading, modifying, liquidating, and/or monitoring its clients’ investments. In addition, clients should be aware of the risk of attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation or corruption. Due to our interconnectivity with third-party vendors, central agents, exchanges, clearing houses, and other financial institutions, we could be adversely impacted if any of them is subject to a cyber-attack or other information

security event. Although we take protective measures and endeavor to modify them as circumstances warrant, their computer systems, software, and networks may be vulnerable to unauthorized access, issues, computer viruses or other malicious code, and other events that could have a security impact. We maintain back-up electronic books and records at a third-party disaster recovery site, which is a fully operational data center facility. In the case of events that interrupt CSI's computer and/or telecommunications systems or operations, CSI hopes to resume trading, modifying, liquidating, and/or monitoring its clients' investments relatively promptly, subject to any circumstances that are outside the control of CSI. In the case of severe business disruptions (e.g., regional power outage or loss of personnel), CSI may not resume such activities for one or more business days because (among other things) such resumption is dependent on other critical business constituents, such as brokers and exchanges, and on the nature of the disruption. Although the foregoing reflects CSI's objectives, designs, and/or plans, no assurance can be given that these objectives, designs, and/or plans will be realized, or that, in particular, CSI would be able to resume operations following a business disruption.

- **Small/Mid Cap Risk:** Stocks of small or mid-sized emerging companies may have less liquidity than those of larger, established companies and are therefore subject to greater price volatility and risk than the overall stock market.
- **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.

#### **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 are invested in the APM version of the CPWS program, we utilize a third party to vote proxies for securities within your account. You have the choice to opt out of this service, however, and vote the proxies yourself.
- If you are invested in strategies available through the Connect variation of the Managed Account Program, 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 non-Connect Model Provider account, an Advisor-Directed UMA account, or a Citizens Integrated Portfolios account, the Platform Manager is responsible for voting proxies relating to securities held in your account.
- In all other accounts, either the Platform Manager or 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 the Platform Manager or Sub-Manager at any time.
- Periodically, we will review the Platform Manager's proxy voting policies and procedures. If you would like a copy of the Platform Manager's proxy voting guidelines, please contact your FA for more information.

### **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. Client Information Provided to Portfolio Managers**

The pertinent personal and financial information that you provide to your FA and through the RTQ (such as name, address, Social Security number, date of birth, assets, and income) are provided to the Platform Manager to enable management of your account. We only share personal information and account data pursuant to our Privacy Policy. Additional information about the Platform Manager's use of your personal and financial information may be found in the Platform Manager's Form ADV brochure. When utilizing an SMA, the Platform Manager will forward client information to the Sub-Manager in order for the Sub-Manager to effectively manage the account. Model Providers are not provided with client-specific information, except for the brokerage number, account size, and information about us.

### **Item 8. Client Contact with Portfolio Managers**

You are encouraged to direct general questions about your account to your FA. In the event you request more specific information about the management of your account, the Platform Manager and Sub-Manager personnel who are knowledgeable about your account and its management will be made reasonably available for consultation through your FA. If you are participating in the Wrap Strategists (Model Providers) program, the Platform Managers, who are exercising discretion over your account, will make personnel who are knowledgeable about your account and its management reasonably available, but the Model Providers will not be available for direct client consultation. Financial Advisors who manage their clients' assets through the Citizens Private Wealth Solutions Program will be available for direct client consultation.

### **Item 9. Additional Information**

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.

In March 2017, we entered into an AWC with FINRA relating to allegations that we failed to establish and maintain a supervisory system and procedures reasonably 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.

In May 2017, we entered into a Voluntary Settlement Agreement with the North Carolina Department of Insurance for failure to disclose disciplinary matters during the renewal application process for the years 2010, 2011, 2012, and 2013, as well as not disclosing the disciplinary matters within 30 days of such matters being settled. We agreed to \$1,500 fine.

### **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 FAs 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 FAs are required to have a college degree and/or appropriate business experience. We emphasize the importance of continuing education to our FAs.

#### **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 FAs 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 FAs, in their separate capacities as broker/dealer representatives, may affect 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 Fees paid by you.

- As our registered representatives, FAs 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 FAs for brokerage services.

*Special Considerations Regarding Our Insurance Agency Activities.*

- FAs who are licensed as insurance agents may offer fixed annuities and other insurance products and services.
- Our FAs who are licensed as insurance agents also may recommend and sell life, accident, health, and variable annuity and variable life insurance products, in addition to our brokerage, investment management and/or financial planning services.
- 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 FAs to purchase fixed annuities or other insurance products.

### **Revenue Sharing Arrangements**

We 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 Advisors, 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 also constitute additional compensation to CSI. It is also important to note that CSI's FAs 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.

With respect to all mutual funds held by advisory accounts, clients will pay an agreed-upon investment advisory fee based on the value of the client's shares in the fund and will also indirectly pay to the mutual fund or its advisors or administrators the client's *pro rata* share of certain fees and payments associated with management, operation and distribution of the mutual fund, including but not limited to distribution and transaction fees (including 12b-1 fees), shareholder servicing fees, revenue sharing payments, finders fees, fund management fees, and custodian fees, which are directly paid by the fund or its adviser but are ultimately borne by the fund's shareholders. The prospect of receiving, or the receipt of, the additional compensation presents Citizens with a conflict of interest by providing an incentive in making mutual fund recommendations to favor mutual funds where CSI receives greater overall compensation over mutual funds where it receives less or no additional compensation.

In addition, the receipt of revenue sharing from our clearing firm creates a conflict of interest for CSI by providing an incentive to use our clearing firm over other clearing firms that would not share these fees with us.

*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 are passed on to your CSI Financial Advisor, even though the funds may be used for some of the general activities and benefits to your FA 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 investment companies, or their affiliates.

*NFS:* There is a 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 an 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 and Transaction Fee mutual funds.

### **Banking Activities**

We are a wholly owned subsidiary of Citizens Bank. We have various arrangements with Citizens Bank and its other affiliates under which they or their employees may refer certain of their clients to us for investment management services. Individuals registered with Citizens Securities, Inc. are employees of Citizens Bank. Citizens Bank also provides investment management support and model portfolio recommendations to us for our use in the management of certain investment accounts. In its capacity as a Model Provider, Citizens Bank provides the Citizens Private Wealth Portfolios. Please refer to “Additional Compensation” in Item 5 (Fees and Compensation) for additional information relating to the compensation received by Citizens Bank in its capacity as a Model Provider.

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. (the “Bank”), an affiliate of CSI. The BDSP creates financial benefits for CSI, the Bank, and NFS, which is CSI’s clearing agent and 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 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 will be paid as fees to NFS. CSI reserves the right to modify the credits it receives from the Bank. CSI and/or NFS will 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 is significantly more profitable to CSI than other available sweep options, if any.

### **Affiliate Arrangements**

We may purchase certain goods and services or obtain administrative, custody, safekeeping, and operational support from our direct parent company, Citizens Bank or other affiliates of Citizens Financial Group by entering into agreements or arrangements with such affiliates. 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 provides us with goods and services, banking laws generally require that we provide Citizens Bank compensation that is at least as favorable to Citizens Bank as the compensation we would pay an unaffiliated third party for similar goods and services in an arms-length transaction. As our affiliates will benefit from such compensation, we have an incentive to choose to purchase such goods and services from our affiliated companies over unaffiliated companies.

It is our standard practice to allow Citizens Bank NA, our parent company, to advertise and assist in acquiring new clients on our behalf. Therefore, from time to time, Citizens Bank NA may run internet-based advertisements and other marketing campaigns to promote our investment advisory services. Cash compensation paid to various internet platforms may present material conflicts of interest including, but not limited to, financial incentives to promote our affiliation with Citizens Bank NA.

### **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 actual and 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 that 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 that it feels are most appropriate for violations of the Code of Ethics. To receive a copy of our Code of Ethics, you should contact your FA 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 FAs or other related persons may have an interest or position in certain securities which are also recommended to our clients. We participate in a TAMP sponsored by the Platform Manager 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 the Program Manager's ability to negotiate fees or commissions, and the number of transactions. In addition, the compensation a client's FA 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 FA in connection with a client's participation in the Managed Account Program may be more than what the FA 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 FA has 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 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 varies based on the collective investment vehicle and the corresponding share class that is chosen.

- Mutual fund companies offer a variety of different share classes with different expense levels, and each share class pays different levels of Fund-Related Compensation. Share class selection for advisory accounts will be based on a variety of factors, though we strive to place clients in the lowest net expense share class offered by the applicable funds. Any 12b-1 fee compensation received by CSI in the Managed Account Program is credited back to the client's account. While CSI generally seeks to select a single share class of a mutual fund to purchase, share classes will likely vary among custodial platforms and more than one share class can be purchased and held in advisory accounts. Factors we consider in share class selection include, but are not limited to, the net expense ratio of the share classes, whether a portfolio is a discretionary managed portfolio or a non-discretionary managed portfolio, the availability of share classes on various custodial platforms, whether particular share classes are subject to transaction fees ("TF") or do not have transaction fees ("NTF") on the custodial platform used, operational considerations such as share class consistency within a fund family on a particular custodial platform, the availability of account minimum waivers, tax and other circumstances that are unique to particular clients.
- You should not assume that you are or will be invested in the lowest expense share class, and the share class of a mutual fund offered by CSI can have higher expense ratios, and therefore lower returns, which can reduce performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly.
- CSI may, at its discretion, determine to convert your mutual fund positions held in one share class to a different share class. Such share class conversions will occur as deemed appropriate by CSI and will be reflected on your account statement. CSI will consider various factors when considering share class conversion in your advisory accounts, including but not limited to the net expense ratios of the share classes, whether your account is subject to taxation, the difference in the expense ratios between share classes, the share class designated by CSI for initial purchases, your investment preferences and amount of taxable gains or losses to which you could be subject. The ability and length of time to affect a share class conversion will vary by custodial platform and is subject to prospectus requirements and custodial platform approval. This, if CSI determines to convert your mutual fund position to a lower-cost share class, you may remain in the higher-cost class for some period of time. CSI will periodically compare the share classes of your funds with the share classes offered by the fund and available to clients.
- Through the conversion process, you should not assume that you are or will be invested in the lowest expense share class, and the share class of a mutual fund offered by CSI can have higher expense ratios, and therefore lower returns, which can reduce performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly.
- We do not make all share classes available to you through the Managed Account Program, and you should not assume that you are invested in the lowest available share class. The mutual fund share class we recommend or select can have higher expenses (including because of the Fund-Related Compensation we receive), and therefore lower returns, than other share classes for which you are eligible to invest or that might otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly. As a result, we have a financial incentive to select collective investment vehicles and mutual fund share classes that provide

us with more Fund-Related Compensation.

- We address these conflicts by disclosing them to you and by adopting policies and procedures and related controls around share class selection. In the case of Managed Account Program accounts, we credit 12b-1 distribution fees received by us to the client account. This applies to taxable clients, as well as to clients that are IRAs and employee benefit plans subject to the Employee Retirement Security Act of 1974 (“ERISA”). Model Providers and Sub-Managers are responsible for making the determination of which share class of a mutual fund to invest in and will follow their own share class selection practices.
- Our affiliate, Clarfeld Financial Advisors, LLC (“CFA”), provides investment management services to Managed Account Program accounts. CFA may or may not receive compensation for these services. Neither we nor your FA receive greater compensation for recommending CFA’s investment management services. However, this constitutes a conflict of interest because our affiliate CFA may receive compensation for providing these services. We address these conflicts by disclosing them to you.
- Our FAs, in their separate capacities as broker/dealer representatives, may affect 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.
- Our principal executive officers, FAs, 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 interest for our principal executive officers, FAs, and other associated persons. Conflicts of interest also arise for our principal executive officers, FAs, 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 of 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, our representative, or both, may have already received brokerage commissions from the sale.

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

As our registered representatives, our FAs 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 FAs for brokerage services.

- FAs who are licensed as insurance agents may offer fixed annuities and other insurance products and services.

- Our FAs 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 FAs to purchase fixed annuities or other insurance products.

We are a wholly owned, direct subsidiary of Citizens Bank, the lead bank subsidiary of Citizens Financial Group, Inc., a bank holding company. Citizens Bank and its 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 or its affiliates will receive compensation from such corporations or other business enterprises in the ordinary course of their business. Because of internal controls maintained by Citizens Bank and us, recommendations by us and our FAs to our investment management clients typically will be made without the knowledge of other banking, financial, or services relationships between Citizens Bank or their affiliates and the issuers of securities recommended by us. Citizens Bank 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.

Under its agreement with the Platform Manager, Citizens Bank, as a Model Provider, manages various model portfolios that are available through its Managed Account Program, and the Platform Manager implements the model portfolios for each client account. The same or similar model portfolios available through Citizens Bank's Managed Account Program may also be used by Citizens Bank or provided to affiliates who intend to use such model portfolios in developing their own investment recommendations and managing their own accounts ("Affiliated Advisory Accounts").

Citizens Bank generally disseminates information regarding its model portfolios and any updates thereto simultaneously; however, the Platform Manager, Citizens Bank, and its affiliates will implement these recommendations and any resulting trading at different times. As a result, Citizens Bank and its affiliates will evaluate and act upon model portfolio recommendations for Affiliated Advisory Accounts prior to the time at which the Platform Manager acts upon them on behalf of clients participating in the Managed Account Program. Trades on behalf of accounts that commence trading after the others may be subject to price movements, particularly with large orders or where the securities are thinly traded. As a result, clients participating in the Managed Account Program may receive prices that are less favorable than the prices obtained for other Affiliated Advisory 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 their 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 submit 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.

## **Review of Accounts**

### **Account Review Procedures**

We review our investment management accounts at least annually, or more frequently as necessary. 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 FA 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 the Platform Manager may be by electronic means. In the case of the Connect variation of the Managed Account Program, all communications will be delivered electronically through the Site.

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 statement provided by us and the statements provided by NFS and notify us promptly in writing of any errors or discrepancies.

### **Client Referrals and Other Compensation**

From time to time we 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 have the opportunity to refer clients to each other or to unaffiliated third parties. Such referrals will 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.

Certain Citizens Bank retail employees are registered with the broker/dealer. The registered Bank Employees will earn compensation from the broker/dealer for those customers they refer to the broker/dealer.

### **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 Wrap Fee Program 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.