



Fiduciary Disclosure Prohibited Transaction Exemption 2020-02 (PTE)

This Fiduciary Disclosure provides information about the fiduciary status and material conflicts of interest for the Trust Department (“Trust”) of First-Citizens Bank & Trust Company (“Bank”), First Citizens Investor Services (“FCIS”) or First Citizens Asset Management (“FCAM”), whichever is applicable, (also referred to as “First Citizens”, “we”, “us”, or “our/ours”) when we provide investment advice regarding retirement plans and individual retirement accounts as specified under Title I of the Employee Retirement Income Security Act of 1974 (ERISA).

When we provide investment advice to you regarding your retirement plan account or individual retirement account, **we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable**, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Disclosure of Material Conflicts of Interest

As a fiduciary, we must disclose any material conflicts of interest related to recommendations we make to you regarding your retirement assets. A material conflict of interest arises whenever we, or our affiliates or associates, have a financial interest that a reasonable person would conclude could affect our best judgment in making recommendations to you.

We have identified the following material conflicts of interest:

First Citizens and our associates have a material conflict of interest when making recommendations to roll your retirement savings plan from an employer sponsored plan, another brokerage firm, or investment advisor to us based on how we are compensated for the products and services we provide. We make money by charging you fees or commissions for services in connection with any IRA that you open and hold at First Citizens. Our fees and commissions may often exceed the costs incurred within employer sponsored plans; however, we believe we have a broader array of products and services available to you to better address your financial needs and objectives.

When we serve in the capacity as trustee (Trust) or investment advisor (FCIS and FCAM) and manage the assets in an IRA account, we charge fees based on the market value of the managed assets in accordance with the applicable published fee schedule for asset management services. There may be additional fees charged for services such as, but not limited to, financial/wealth planning or tax reporting, if applicable. The applicable published fee schedules for the services we are recommending to you will be provided to you at the time of our recommendation or may also be attached to this Fiduciary Disclosure for your reference, as applicable.

When we serve in the capacity as broker-dealer (FCIS), we charge commissions or mark-up/mark-downs based on the type of transaction FCIS effects in accordance with the applicable published commission and fee schedule. There may be additional fees charged for services such as, but not limited to, financial/wealth planning or tax reporting, if applicable. The applicable published fee schedules for the services we are recommending to you are provided to you at the time of our recommendation and attached to this Disclosure Statement for your reference, as applicable.

- Certain First Citizens associates receive incentive or variable compensation based on several factors, including but not limited to products or services sold, the market value of assets at the time an account is opened for a client, as well as the compensation charged by First Citizens for its services. Receipt of incentive or variable compensation could result in a material conflict of interest between your interests and those of the First Citizens associate making the recommendation as to whether it is in your best interest to rollover or transfer your retirement assets to First Citizens. To mitigate this risk, senior management reviews our incentive compensation plans and practices on an ongoing basis to ensure our incentive and variable compensation plans do not inappropriately incentivize associates to recommend products or services that are not in your best interest. We also mitigate this risk by providing training, monitoring, and oversight from management, compliance, and audit.
- First Citizens Investor Services may receive compensation for selling certain products and services offered by our affiliates or other third parties with which we have financial agreements. We feel these agreements negotiated with our affiliates or third-party providers offer high quality and value to our clients. A material conflict may exist when

recommending a rollover into a third party or affiliate product or service for which FCIS may receive higher compensation relative to its competitors.

- Product Sponsors of First Citizens Investor Services (including vendors, wholesalers, investment managers and distributors) provide First Citizens associates with non-cash compensation in the form of occasional gifts, meals, networking, entertainment, sponsorships, or educational events. Consistent with industry regulations any non-cash compensation must be reasonable and customary, and gifts must not exceed a specified value each year. Although non-cash compensation must not be conditional upon sales of a particular product, a conflict of interest exists when recommending a rollover into a product or service affiliated with a Product Sponsor that has provided or may provide non-cash compensation to the associate making the recommendation. We mitigate this risk by providing training, recordkeeping, monitoring, and oversight from management, compliance, and audit for non-cash compensation.
- Your IRA with First Citizens may hold bank deposit products from the Bank. The Bank, like all banks, uses bank deposits as a low-cost funding source for the Bank's business activities (e.g., lending and investment). The Bank makes money to the extent its business use of the deposits exceeds the interest paid to the account. In addition, we utilize interest-bearing bank deposit accounts from the Bank for operational purposes to handle cash flows in and out of accounts. Any interest earned on the account is retained by us as interest income.
- First Citizens outsources certain functions, including but not limited to, custody and sub-custody services, administrative services, and technology services to third-party service providers. The omnibus service provider, FIS (for Trust) and Pershing (for FCIS and FCAM) receives compensation from certain mutual funds with respect to mutual fund shares held by the provider as part of the custody and sub-custody services FIS or Pershing performs for First Citizens, as described in the prospectuses and statements of additional information (SAI) of the mutual funds. Costs borne by certain mutual funds in which an account invests reduces the net return to the owner of the account. First Citizens may indirectly benefit from the fee arrangements our service providers have with the applicable mutual funds through reduced costs to First Citizens for services. We do not, however, construct portfolio strategies based on whether our service provider receives compensation from the mutual fund involved but instead base the selection of any mutual funds employed in a portfolio strategy on investment factors only.
- Trust receives soft dollar benefits when managing certain accounts, including IRA accounts depending upon our capacity and the portfolio strategy employed. The Soft Dollars Benefits Disclosure is attached to this Disclosure Statement for your reference, if applicable, based on the recommendation we are making to you.

Also, if we provide investment advice regarding your retirement plan account or individual retirement account, we must make sure we provide you with a summary of the services we are recommending to you in addition to providing you with a copy of the applicable account agreement and any other applicable documentation. The services we recommend to you will be provided to you in the rollover recommendation document.

In addition, we are required to document and disclose the reasons our recommendation is in your best interest prior to engaging in the rollover transaction. Our recommendation to rollover your retirement plan account or individual retirement account will be provided to you in the rollover recommendation document and may not be based on the consideration of any factors or interests other than your investment objectives, risk tolerance, financial circumstances, needs, and best interest.

On behalf of:

- First Citizens Bank & Trust Company
- First Citizens Investor Services, Inc.
- First Citizens Asset Management, Inc.

Signature of Client/Prospect

Signature of Authorized Representative

Printed Name

Printed Name

Date

Date