Member FINRA/SIPC

Item 1. COVER PAGE

FIRST CITIZENS INVESTOR SERVICES, INC. FIRM BROCHURE
FORM ADV, PART 2A

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Date of Brochure: March 29, 2025

This Form ADV, Part 2 is the First Citizens Investor Services, Inc. Brochure (the "Brochure"). This Brochure provides information about the qualifications and business practices of First Citizens Investor Services, Inc. ("FCIS"). If you have any questions about the contents of this Brochure, please contact us at 1-800-229-0205.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about FCIS is also available on the SEC's website at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for "First Citizen Investor Services, Inc."

Our firm's SEC number is 801-57302, or our firm's CRD number is 44430.

Item 2. MATERIAL CHANGES

The last annual updating amendment to Form ADV Part 2A Firm Brochure was dated March 30, 2024. Material changes to this Firm Brochure since the March 30, 2024, filing includes amendments to the following item(s): None.

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Item 4. ADVISORY BUSINESS

Information on First Citizens Investor Services, Inc.

First Citizens Investor Services, Inc. ("FCIS," "we," "us," or "our/ours") is a wholly owned subsidiary of First-Citizens Bank & Trust Company ("First Citizens Bank"), which is a wholly owned subsidiary of First Citizens Bancshares, Inc., a publicly traded company (NASDAQ: FCNCA). FCIS is a corporation formed under the laws of the State of North Carolina.

In this Brochure, we provide essential information and disclosures about FCIS and our services, offerings, and practices as an investment adviser. You should review and understand the information in this Brochure before participating in advisory services, including opening a Program account offered by us.

FCIS is a dually registered broker-dealer and investment adviser and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation and an investment adviser with the Securities and Exchange Commission (SEC). FCIS has been registered with the SEC as a broker-dealer since April 1998 and as an investment adviser under the Investment Advisers Act of 1940, as amended, since February 2000.

FCIS is also a licensed insurance agency, domiciled in the State of North Carolina and licensed to solicit life, accident, annuity, health, and long-term care insurance.

FCIS provides investment advisory services through an Investment Adviser Representative ("IAR") of FCIS . You may obtain information about your IAR through the Brochure Supplement, which is a separate document provided along with this Brochure. If you did not receive a Brochure Supplement from your IAR, please contact FCIS Compliance at 1-800-229-0205.

Advisory Services

FCIS IARs collaborate with clients on an individualized basis to assess their financial needs, risk tolerance, time horizon, and investment objectives. As a client, you will provide personal information vital in determining which advisory service(s), if any, are appropriate for you. Through the course of selecting advisory services, you may request reasonable restrictions on investing in particular securities, sectors, or types of securities.

FCIS offers advisory services and programs including investment education, investment and financial advice, portfolio management, asset allocation, wrap programs, model portfolios, separately managed accounts), and financial planning.

FCIS offers wrap-fee programs and, as a result, receives all or a portion of the fee charged. The amount retained by FCIS varies by the Program option selected. The wrap-fee Programs currently offered by FCIS are collectively referred to as the First Citizens Investor Services Wealth Strategies (the "Program") and are sub-advised by affiliated and non-affiliated third parties.

First Citizens Investor Services Wealth Strategies Accounts

<u>Portfolio Manager Program-UMA Option</u>

The Program contains portfolio options managed by affiliated or non-affiliated third-party investment advisers ("Third-Party Managers") registered with the SEC within a Unified Managed Account ("UMA"). FCIS, as the sponsor, has discretionary authority to retain, modify, or discharge Third-Party Manager(s) and portfolio options to its Program. The Third-Party Manager independently determines whether to accept each client's Program account based on, among other factors, the Client's investment profile, restrictions imposed by the Client, and any additional relevant information provided by the Client. You give discretionary authority to the Third-Party Manager to include the amount and type of securities to be bought and sold within your account. You may add or amend any reasonable restrictions imposed on your account by providing written instructions to FCIS and the Third-Party Manager. If accepted, the Third-Party Manager invests in securities or assets based on factors the Third-Party Manager deems relevant and appropriate to meet the investment objective.

The Program utilizes a UMA. A UMA is an account that can encompass a range of investment options (e.g., third-party managed accounts, mutual funds, stocks, bonds, and exchange-traded funds) based on each account registration. The UMA removes the need to have more than one account and can combine assets into one account within a single registration, placing each strategy in a segment (or sleeve) of the account. The account is managed for allocation purposes, with each segment managed to its stated objective(s). Item 5 - Fees and Compensation lists the fees charged for a Program account.

Portfolio Manager Program-SMA option

The Program contains portfolio options managed by affiliate or non-affiliated third-party investment advisers ("Third-Party Managers”) registered with the Securities and Exchange Commission (SEC) within a Separately Managed Account (“SMA”). FCIS, as the sponsor, has discretionary authority to retain, modify, or discharge Third-Party Manager(s) and portfolio options to its Program. The Third-Party Manager independently determines whether to accept your Program account based on, among other factors, your investment profile, and any additional relevant information you provide. You give discretionary authority to the Third-Party Manager to include the amount and type of securities to be bought and sold within your account. You may add or amend any reasonable restrictions imposed on the account by providing written instructions to FCIS and the Third-Party Manager. If accepted, the Third-Party Manager invests in securities or assets based on factors the Third-Party Manager deems relevant and appropriate to meet the investment objective.

The Program utilizes a SMA. An SMA is an account specific to the selected investment objective and Third-Party Manager. Item 5 - Fees and Compensation lists the fees charged for a Third-Party Manager Program account.

Financial Planning

FCIS offers financial planning to clients to formulate investment strategies and provide investment advice and education more effectively. In some circumstances, FCIS will prepare and deliver to you a written financial plan to assist you in achieving your individual financial goals and investment objectives. The preparation of such a plan necessitates that you provide us with personal data such as family records, budgeting, personal liability, estate information, and additional financial information. Not all clients will engage in the financial planning process. A written financial plan can generally include any or all of the following: asset protection, business succession, strategies for exercising stock options, cash flow, education planning, estate planning, wealth transfer, charitable gifting, long-term care, disability planning, retirement planning, insurance planning, asset allocation comparisons, and risk management. Your IAR may not include all topics in developing their analysis and recommendations under a written financial plan. The implementation of financial plan recommendations is entirely at your discretion.

FCIS, at its discretion, offers some financial planning services without charge. Clients requiring complex financial plans may be referred to a division of First Citizens Bank and may incur a fee that is negotiable in advance between you and First Citizens Bank. These fees are in addition to any Fees charged for the Programs mentioned in this Brochure.

FCIS does not provide tax, accounting, or legal advice. FCIS suggests you work closely with your attorney, tax accountant, or other professionals should you choose to implement any or all recommendations contained in the written plan. Implementation of your written plan may include persons who, in certain circumstances, are also employees or affiliates of FCIS. In certain circumstances, FCIS will be compensated by an affiliate or non-affiliated third-party for referrals made to address or implement recommendations made from financial planning activities.

You should understand that you remain responsible for notifying FCIS of changes in your financial circumstances, investment objectives, or investment restrictions. Also, we will not independently verify any information we receive from you or your other professional advisors but will instead rely upon the accuracy and completeness of the information provided in performing our services when creating a financial plan for you.

Tailoring Advisory Services to the Individual

FCIS bases the selection of our advisory services on one-on-one discussions, interviews, and questionnaire responses you provide.

FCIS will not enter into an investment advisory relationship with a prospective client whose investment objectives are incompatible with our investment philosophy or strategies. Also, FCIS is unable to enter into or continue an investment adviser relationship where restrictions or investment guidelines are unreasonable for FCIS to accommodate.

Wrap Fee Program(s)

FCIS offers its current Program account options as wrap fee advisory accounts. An advisory fee applies for investment advisory services (which includes portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Fees charged to you for advisory services described in this Brochure will result in FCIS receiving a portion of the Fee. A portion of the fee is also paid to your IAR and the Third-Party Manager.

Client Assets Managed by FCIS

As of December 31, 2024, FCIS managed:

$ 2,090,756,140	Discretionary
$ 8,012,886	Non-discretionary*
$ 2,098,769,026	Total

*Non-discretionary client assets are from legacy accounts that were previously but no longer offered by the firm. Clients with assets in those legacy accounts may add money to their existing account(s). But the firm does not accept any new accounts on a non-discretionary basis.

Item 5. FEES AND COMPENSATION

The Program fees charged by FCIS (the “Fee” or “Fees”) are generally asset-based, expressed as an annual percentage of the assets in the account. The Fees cover a range of available services including investment management; ongoing monitoring of Third-Party Managers; services provided by your IAR (including periodic reviews of your account); execution costs and reporting of transactions with or through FCIS; custody of securities by Pershing, the trade execution and custodying firm, and services provided by the platform provider associated with the Program. The Fees are set forth below in the Fee Schedules and represent the maximum standard annual rate for each Program. Fees are negotiable and differ among clients based on several factors, including the specific Program(s) selected, the type and size of the account, and the client's overall relationship with FCIS and its affiliated entities.

FCIS believes that its annual fee is reasonable considering: (1) services provided and (2) the fees charged by other investment advisers offering similar services and programs. However, our annual investment advisory fee is higher than some investment advisers providing similar services or programs. In addition to our compensation, in certain circumstances, you will also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses) and/or brokerage charges, such as Section 31 fees imposed by the Securities and Exchange Commission.

First Citizens Investor Services Wealth Strategies

The Fee applied to all Program accounts is tiered, as shown in Item 5. The Fee is assessed quarterly in advance, based on the average daily total market value of Program assets during the previous calendar quarter (or at the funding of the Program account). The Fee charged at account inception is prorated to capture the number of days remaining in the calendar quarter and charged immediately to the account. The Program services continue in effect until terminated by either party (i.e., you or FCIS) by providing written notice of termination to the other party. Upon such notice, FCIS will cease making investment decisions for the client and implement any reasonable written instructions. Client's agreement will be terminated only after any open trades have been settled. FCIS will refund any un-earned portion of its Fee.

The tiered fee schedule below is assessed for each account, and FCIS does not aggregate other accounts for the client (Householding) when determining the fee.

Other Fees

Investment company shares (e.g., mutual funds) and similar investment vehicles used in the Programs, impose fees, charges, and other expenses, described in their respective prospectuses. As a result, Program accounts bear a proportionate amount of these expenses in addition to FCIS' Fees. Parties supporting Program accounts (e.g., FCIS, the Third-Party Managers, Custodians, and platform providers) and their affiliates often receive distribution payments or other compensation from such funds. These parties are permitted to receive distribution payments pursuant to the Investment Company Act of 1940 and Rules promulgated by the SEC under that Act or receive similar compensation from similar investment vehicles unless the Program account is a Retirement Plan or Retirement Account.

Program accounts holding cash or money market funds generally result in Pershing, the custodian, Third-Party Managers, or an FCIS affiliate, receiving management fees or other compensation. FCIS, as the broker-dealer or Pershing, in some circumstances, does receive trailing commissions or other compensation based on the arrangement with mutual fund companies. These payments create a conflict of interest for FCIS or our advisers when they evaluate which Funds to include in your portfolio. When FCIS receives trailing commission or other similar payments from mutual fund companies, FCIS will refund these trailing commissions to the account, where administratively feasible.

Fee Schedules

Account Value	Annualized Fee
First $100,000	1.30%
Next $150,000	1.20%
Next $250,000	1.05%
Next $500,000	0.90%
Over $1,000,000	0.85%

Fees for Third-Party Managers are in addition to fees for the Program Fee. Third-Party Manager Fees currently range **from 0.04% to** 0.55%.

Valuation

Program assets will be valued by an independent pricing service, where available, or otherwise in good faith at the value reflected on Pershing's books and records. The Program account value used for Fee calculation can differ from that shown on your account statement due to settlement-date accounting, the treatment of accrued income, distributions, or necessary adjustments. Where appropriate, the Program asset values will be determined based on the trade date, rather than the settlement date, of transactions.

Neither FCIS nor any Third-Party Manager will be compensated based on a share of capital gains or upon capital appreciation of the Program account. FCIS determines at its discretion the portion of the Fees paid to any relevant Third-Party Manager. These fees ordinarily range on an annual basis between 0 and 55 basis points of the correlating Third-Party Manager and Program assets. FCIS absorbs many of the transaction, billing, administrative, and marketing expenses that otherwise would be borne by the Third-Party Manager (see "Additional Information Regarding Fees and Expenses").

Payments to IARs

The IAR's compensation through the Program may be more or less than if you participated in other FCIS programs, including paying separately for investment advice, brokerage, and other services. You also have the option to purchase the investment products recommended to you at another broker or agent of your choice.

Depending upon the size of the account, your ability to negotiate Fees or commissions, changes in account value over time, and other factors, the costs associated with a Program account may cost you more than purchasing the services separately.

The Fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. The Account Agreement authorizes the custodian(s) of your account to deduct Fees from your account and pay those Fees directly to FCIS.

You should review your account statements received from the custodian(s) and verify that Fees are deducted appropriately. The custodian(s) will not verify the accuracy of the Fees deducted.

Additional Information Regarding Fees and Expenses

FCIS absorbs any SEC or exchange fees arising from the account activity. Administrative fees normally applicable to retirement accounts and qualified plans sponsored by Pershing are waived within Program accounts, except for 401(k) plan set-up fees, retirement account and qualified plan termination fees, and other fees (such as electronic fund/wire transfer fees) identified in the Pershing documents related to retirement accounts and qualified plans. The Fee does not cover transfer taxes, other charges required by law, regulation, brokerage or custodian fees, or rule to be imposed in addition to the Fee, or other costs that you agree to pay in addition to the Fee. Some Third-Party Managers can assess additional fees for specific products or services which they provide; if you select these product(s) or service(s), the Program account will pay those amounts in addition to the Fees.

FCIS strives to invest client funds in the cheapest available share class. Nevertheless, FCIS will still receive 12b-1 fees and/or service fees on certain shares either because the cheapest available share class still provides these fees, or from assets that were transferred into a client's account. If FCIS does receive 12b-1 fees or shareholder service fees, the fee will be credited back to the client's account.

Registered funds often offer one or more share classes that do not charge 12b-1 or shareholder services fees. Under certain circumstances, you can invest in lower-cost share classes directly or through other investment offerings. Program accounts generally are not permitted to effect margin transactions; however, we allow First Citizens Bank and Trust Company to collateralize Program accounts. If FCIS allows a margin transaction in the account, FCIS and Pershing will receive margin interest and additional compensation for borrowing against securities that will not be credited back to you when calculating the relevant Fee.

You will pay the public offering price on any securities purchased from an underwriter or dealer involved in a distribution, which may result in the payment of distribution compensation to the underwriter or dealer in addition to the relevant Program Fee.

Pershing acts as principal on Program account transactions in certain circumstances, meaning that securities in your portfolio are purchased from Pershing's inventory. No mark-up or mark-down on such trades will be charged to you, meaning you will pay the price that Pershing paid for the securities. Pershing, in certain circumstances, receives benefits from the spread (i.e., the price difference between the purchase and sale of the security) and any gain on the value of the security.

Program Fees vary across different programs and sponsors. The Program costs to you may be more or less than purchasing the component services separately. Before opening a Program account, you should carefully evaluate the Fees and other expenses. Consideration should be given to the costs of such services when purchased separately outside the Program, the type and size of the account, the historical and anticipated trading activity in the account, and the supplementary advisory and client-related services provided to the account.

FCIS offers to you Third-Party Managers that have met the conditions of our due diligence review. There are likely to be multiple Third-Party Managers that may be appropriate for you, not all of which are available through FCIS. Third-Party Managers' expenses vary, and the option chosen may be more or less costly than others available to you. FCIS makes no guarantees that we will meet your financial goals, objectives, or investment performance expectations.

Item 6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

Neither FCIS nor any of its supervised persons accept performance-based fees.

Item 7. TYPES OF CLIENTS

FCIS's investment advisory clients include individuals, trusts, estates, charitable organizations, pension, and profit-sharing plans, corporations, and other business entities.

FCIS requires a minimum of $25,000 to open a Program account. Third-party Managers also have a minimum account and fee requirements to participate in their programs. There are some portfolio models and Third-Party Managers that have minimums higher than the stated Program minimum of $25,000. Each Third-Party Manager will disclose their minimum account size and fees in their Form ADV Part 2A Disclosure Brochure(s).

Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

FCIS has an Investment Products Committee ("Committee")that is responsible for the selection and ongoing monitoring of the Program's Third-Party Managers. The Committee's decision to include or retain a Third-Party Manager in the Program is guided by quantitative and qualitative criteria. Further, the Committee may elect to replace Third-Party Manager that does not meet one or more of the criteria mentioned above. When Third-Party Manager is removed, FCIS will generally liquidate the position(s) and reinvest the proceeds with a replacement Third-Party Manager.

Third-Party Manager Designation and Reviews

FCIS has selected the Third-Party Managers available in the Program primarily from information that was provided by those firms or was publicly available. The relevant third-party management firm generally provides performance information used by FCIS. FCIS does not attempt to independently determine or verify the information's accuracy or its compliance with presentation standards. The third-party management firms do not necessarily calculate performance information on a uniform or consistent basis. FCIS, from time-to-time, considers additional third-party management firms for the Program. In this process, FCIS obtains and may rely upon certain information from independent sources.

In its reviews and selections, the Committee analyzes the Third-Party Managers and candidate firms based upon quantitative and qualitative criteria which may include:

A. <u>Quantitative Criteria</u>

Quantitative criteria may be evaluated in terms of both a Third-Party Manager's or a firm's absolute performance and performance relative to its investment style group and generally include:

1. Rate of return
2. The standard deviation (variation) of returns
3. Risk-adjusted rate of return
4. Consistency of returns

B. <u>Qualitative Criteria</u>

Qualitative criteria used in Third-Party Manager or firm evaluations may include:

1. Years in the business
2. Assets under management
3. Investment philosophy

4. Adherence to investment philosophy
5. History of Third-Party Manager

The Committee generally meets monthly and on an as-needed basis, and periodically reviews the Third-Party Managers. When appropriate, the Committee considers removing a firm as a Third-Party Manager. The removal of a Third-Party Manager may be based upon the criteria described above, or upon other information the Committee deems material. The Committee considers all relevant criteria; no one criterion is necessarily determinative. In its review process, the Committee emphasizes a Third-Party Manager's long-term overall performance.

Third-Party Manager Profiles

You will receive "Third-Party Manager Profiles" created from the information provided by the Third-Party Manager. The Profiles describe the Third-Party Manager's strategies, investments, investment philosophy, management style(s), and other relevant information about the Third-Party Manager. Any performance information included in the Third-Party Manager Profile is accompanied by disclosures, including disclosures about the types of accounts included in compiling the performance information.

You also receive a copy of the Third-Party Manager's ADV Part 2A ("Firm Brochure"). You should carefully review the Third-Party Manager Profile and the Firm Brochure before selecting the Third-Party Manager. Neither FCIS, platform provider, nor Pershing guarantees the accuracy of the Third-Party Manager Profile or their Firm Brochure. Past performance is no indication of future results. The actual results of any Program account can be materially different from past performance or results for other accounts managed by the Third-Party Manager because of differences in the diversification of securities, transaction and related costs, the inception dates of the accounts, withdrawals and additions, investment objectives and restrictions, and other factors.

IARs

IARs are generally college graduates who possess prior business experience in a securities-related field. IARs receive internal training and must have successfully passed all examinations and received all licenses necessary for the products and services they offer. IARs are subject to high standards of business conduct prescribed by FCIS, including its Code of Ethics.

IARs must have met one of the following securities industry education and certification requirements: (a) successful completion of both the FINRA Series 7 General Securities Registered Representative exam and Series 66 Uniform Combined State Law Exam, or prior equivalent, or (b) successful completion of the FINRA Series 6 Investment Products and Variable Contracts Products Representative exam (for advisory products consisting solely of investment company securities), the Series 63 Uniform Securities Agent State Law Exam, and the Series 65 Uniform Investment Advisers Law Exam.

In addition to this Brochure, you received one or more Brochure Supplement(s), which provides information about your IAR(s) and, where applicable, other FCIS Associates who will be involved in managing the Program account. You should carefully review these documents before opening a Program account.

Client Information Provided to Third-Party Managers

FCIS will generally provide the Third-Party Manager with material information for your Program account as it becomes available. FCIS usually conveys this information to the Third-Party Manager through the platform provider. Your IAR will be available on an ongoing basis to assist with Program account administration, including substitutions of Third-Party Managers.

Methods of Analysis

FCIS or the Third-Party Managers will generally use some or all of the following methods of analysis in formulating investment advice:

1. Cyclical

This method analyzes an investment's sensitivity to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall before a downturn occurs. Investors in cyclical stocks try to make the most substantial gains by buying the stock at the bottom of a business cycle, just before a turnaround begins. While most economists and investors agree that there are cycles in the economy, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may be timed incorrectly. If done before the bottom, losses can result before gains, if any. If done after the bottom, then some gains may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in a missed opportunity for further increases in the value of a security or realized losses in a portfolio.

2. Fundamental

A method of evaluating a security by examining related economic, financial, and other qualitative and quantitative factors in an attempt to determine its intrinsic value. Fundamental analysts try to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and company specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or sell short). Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can also be used other types of securities.

The risk associated with fundamental analysis is that it is subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. Those market forces can point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could, therefore, lead to an unfavorable investment decision.

3. Technical

A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead, use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis because it relies on a proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness (expectation for positive future performance) and bearishness (expectation for negative future performance) in a given security.

There are risks involved when using any method of analysis.

Investment Strategies

FCIS or the Third-Party Manager may use the following investment strategies when managing client assets or providing investment advice:

- Long term purchases (i.e., investments held at least a year).
- Short term purchases (i.e., investments sold within a year of purchase).
- Tactical asset allocation - Allows for a range of percentages in each asset class. The ranges establish minimum and maximum acceptable percentages that permit the Third-Party Manager to take advantage of market conditions within these parameters. By specifying a range rather than a fixed percentage, the Third-Party Manager has the flexibility to move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.
- Strategic asset allocation - Setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is similar to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets can change over time as the client's goals and needs change, and as the time horizon for major events such as retirement and college funding grow shorter.

Risk of Loss

Past performance is not indicative of future results; therefore, you should never assume that the future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves the risk of loss. Further, depending on the different types of investments, there are varying degrees of risk. You should be prepared to bear investment loss, including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market highs or lows, or insulate you from losses due to market corrections or declines.

There are certain additional risks associated with investing in securities through our Program, as described below:

<u>Market Risk</u> - Either the stock market as a whole or the value of an individual company, goes down resulting in a decrease in the value of your investments, also referred to as systematic risk.

<u>Liquidity Risk</u> - The risk that an investor may not be able to quickly sell an asset without significantly affecting its price.

<u>Inflation Risk</u> - The potential loss of purchasing power as inflation erodes the value of investment returns.

<u>Stock Market Volatility Risk</u> - Stock prices can fluctuate widely due to market sentiment, economic conditions, or political events.

<u>Small-Cap and Emerging Market Risk</u> - Smaller companies and emerging market securities can be more volatile and less liquid than large-cap investments.

<u>Interest Rate Risk</u> - The risk that rising interest rates will reduce the value of fixed-income securities.

Credit Risk - The risk that a bond issuer may default on its debt payments.

Reinvestment Risk - The risk that cash flows from an investment, such as bond interest payments, will be reinvested at lower rates.

Duration Risk - The sensitivity of a bond's price to changes in interest rates; longer-term bonds are more sensitive.

Geo-Political Risk - Investments in international markets may be affected by foreign regulations, economic instability, or political uncertainty. Changes in government policies, tax laws, or regulations can impact investment returns.

Currency Risk - The risk that exchange rate fluctuations will impact the value of foreign investments.

Leverage Risk - The use of borrowed money to amplify returns can increase the potential for losses.

Derivatives Risk - Derivative instruments, such as options and futures, may be complex and subject to extreme price movements.

Counterparty Risk - The risk that the other party in a transaction may default on its obligations.

Cybersecurity Risk - The risk of losses or disruptions due to cyber-attacks or data breaches affecting business operations.

Equity (stock) Risk - Common stocks are susceptible to market fluctuations and to volatile increases and decrease in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally have a higher exposure to risk than if you held preferred stocks and debt obligations of the issuer.

Company Risk - When purchasing stock positions, there is always a certain level of company or industry-specific risk that is inherent in each investment, also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

Fixed Income Risk - When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk, although inflation-protected products may also be available.

Options Risk - Options on securities may be subject to more significant fluctuations in value than an investment in the underlying securities. Purchasing and writing put, and call options are highly specialized activities and entail greater than ordinary investment risks.

ETF and Mutual Fund Risk - When investing in an ETF or mutual fund, you will bear additional expenses based on your pro-rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.

Management Risk - Your investment with our firm varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Pledging Assets - The bank holding the loan may have the authority to liquidate all or part of the securities at any time without your prior notice to maintain required maintenance levels, or to call the loan at any time. As a practical matter, this may cause you to sell assets and realize losses in a declining market. These actions may interrupt your long-term investment goals and result in adverse tax consequences and additional fees to the bank. The returns on accounts or pledged assets may not cover the cost of loan interest and account fees and may dictate a more aggressive investment strategy to support the costs of borrowing. Before pledging assets in an account, you should carefully review the loan agreement, loan application, and any forms required by the bank and any other documents and disclosures provided by FCIS.

Margin Risk - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your account, you would be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and sell assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Agreement established between you and FCIS and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account;
- The account custodian or clearing firm can force the sale of securities or other assets in your account;
- The account custodian or clearing firm can sell your securities or other assets without contacting you;
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call;
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities;
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time, and they are not required to provide you advance written notice; and,
- You are not entitled to an extension of time on a margin call.

In general, FCIS does not allow the use of margin in investment advisory accounts.

Item 9. DISCIPLINARY INFORMATION

In February 2018, the SEC announced an industry-wide initiative to identify and remedy conflicts of interest that arise where investment advisers failed to make required disclosures relating to their selection of certain mutual fund share classes that paid the adviser (or its related entities) a fee pursuant to Rule 12b-1 under the Investment Company Act of 1940 ("12b-1 fee") when a lower-cost share class for the same fund was available to clients. FCIS elected to participate in this initiative and, based on information that FCIS provided, the SEC issued an Order Instituting Administrative and Cease-and-Desist Proceedings against FCIS on March 11, 2019 (the "Order"). The SEC determined that for the period

January 1, 2014, through July 20, 2018, FCIS purchased, recommended, or held for advisory clients, mutual fund share classes that paid 12b-1 fees to FCIS instead of lower-cost share classes for the same funds for which the clients were eligible. The SEC determined that FCIS did not adequately disclose this conflict of interest and that the failure to do so constituted breaches of FCIS's fiduciary duties and willful violations of Sections 206(2) and 207 of the Investment Advisers Act of 1940. The SEC, among other things, censured FCIS and ordered FCIS to cease-and-desist from any future violations of Sections 206(2) and 207 of the Investment Advisers Act of 1940, and to pay $359,872.11 in disgorgement and $42,793.07 in prejudgment interest to FCIS's affected investors, in accordance with procedures set forth in the Order. The SEC did not order a civil monetary penalty or fine. The SEC also directed FCIS to complete certain remedial undertakings. FCIS consented to the Order without admitting or denying the SEC's findings (except as to jurisdiction, which was admitted). The SEC's Order can be found at: https://www.sec.gov/litigation/admin/2019/ia-5124.pdf.

In order to ensure that this conduct is not repeated, among other things, since March 11, 2016, FCIS has been crediting all 12b-1 fees back to advisory accounts.

On January 24, 2020,FCIS paid a monetary fine of $250.00 to the Louisiana Department of Insurance for late disclosure of the publicly available SEC Order, referenced above.

Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

FCIS and the IAR receive compensation for advice implemented as a registered investment adviser, registered representative, or insurance agent of FCIS. The IAR providing advice may, with your permission, implement recommendations as an investment adviser representative, registered representative, or an insurance agent when appropriately registered or licensed to do so. An inherent conflict of interest exists for IARs who are dually registered and insurance licensed.

The IARs, certain management and support staff of FCIS, are also registered representatives of First Citizens Investor Services, Inc., a securities broker-dealer, and insurance agency. In addition, IARs, management, and support staff can also be representatives of First Citizens Asset Management (FCAM), an affiliated Registered Investment Adviser under common control with FCIS.

FCAM provides advisory services similar to FCIS and serves as a Third-Party Manager on certain model portfolios available to FCIS clients. Certain management, IARs, and support staff also have employment agreements with the parent company, First Citizens Bank & Trust (FCB). You may work with your IAR in his or her separate capacity as an associate of First Citizens Investor Services, Inc., FCAM, or FCB. When acting in his or her separate capacity, your IAR may be registered or licensed to sell securities and/or insurance products to you on a commission basis, or offer banking products such as deposit accounts, loans, and trust services. Your IAR may suggest that you implement investment advice by purchasing products through a commission-based brokerage account in addition to or in lieu of a fee-based advisory account. This receipt of commissions creates an incentive to recommend those products for which your IAR will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased. You are under no obligation to use the services of our representative(s) in this separate capacity.

On March 27, 2023, First Citizens Bank, the parent company of First Citizens Investor Services, Inc. acquired Silicon Valley Bridge Bank, N.A., formerly known as Silicon Valley Bank the parent company of SVB Asset Management, SVB Wealth LLC (formerly known as Boston Private Wealth LLC).

FCIS is under common ownership with the following entities:

- CIT Capital Securities LLC., a Broker/Dealer
- CIT Asset Management, a Registered Investment Adviser
- SVB Asset Management, a Registered Investment Adviser
- SVB Wealth LLC, a Registered Investment Adviser
- First Citizens Asset Management, Inc. (FCAM) a Registered Investment Adviser
- Neuse Title Services, an Insurance Agency

When acting as a representative of FCIS, your IAR can recommend one of the Programs described in Item 4. Some of these Programs use Third-Party Managers to implement the selected investment strategy. In their capacity as a representative of FCIS, your IAR may recommend a Program that uses FCAM as a Third-Party Manager. In these instances, the total compensation received by FCIS, and its related affiliates is higher than it would be if a different third-party manager were selected. This creates a conflict of interest between the firm and IAR, as well as between you and the IAR.

The IARs, as well as certain management and support staff of FCIS, may be licensed insurance agents with First Citizens Investor Services Insurance Agency. You may work with your IAR in their separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the IAR may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. This receipt of commissions creates an incentive to recommend those products for which your IAR will receive a commission in his or her separate capacity as an insurance agent. FCIS does not currently offer insurance products on an advisory basis. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your IAR.

You may select any broker/dealer, insurance company, or agency you wish to implement any advice provided by your IAR. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use FCIS as broker-dealer to affect any such transactions, and you will be required to enter into a new account agreement with FCIS.

FCIS acts as an introducing broker-dealer to provide brokerage services for Program accounts described in this Brochure.

FCIS nor any of its management persons are registered as or associated persons of any futures commission merchant, commodity pool operator or a commodity trading IAR.

FCIS does not engage in all services recommended for as a result of financial planning. As a result, we may refer you to other professionals to assist you in implementing our recommendations. FCIS, in many circumstances, will receive compensation for those referrals. Pursuing any referral or business relationship with any individual, organization, or professional is completely at your discretion.

Item 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

FCIS has established a Code of Ethics that applies to all of its supervised persons. As a fiduciary, it is an IAR's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our Insider Trading and Personal Securities Transaction

Policies and Procedures. FCIS requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.

Upon employment or affiliation, when changes occur, and no less than annually, all supervised persons will sign an acknowledgment that they have read, understand, and agree to comply with the Code of Ethics. FCIS has the responsibility to make sure that the interests of all clients are placed ahead of FCIS' management or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest are provided to you prior to any services being conducted. FCIS management and its supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our fiduciary duty. This disclosure is provided to give a summary of FCIS's Code of Ethics. If you would like to review FCIS's Code of Ethics in its entirety, a copy will be provided upon request.

Employee Personal Securities Transactions Disclosure

The IAR may buy or sell securities for their personal accounts that are also recommended to you. To minimize this conflict of interest, FCIS only recommends and purchases securities which are widely held and publicly traded.

To prevent conflicts of interest, we have developed compliance procedures that include personal investment and trading policies for our representatives, employees, and their immediate family members (collectively, "Associated Persons"):

- Associated Persons cannot prefer their own interests to that of the client;
- Associated Persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for their client'(s) account(s);
- Associated Persons cannot buy or sell securities for their personal accounts based on material, non-public information;
- Associated Persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider;"
- Associated Persons are discouraged from conducting frequent personal trading; and,
- Associated Persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the President and Chief Compliance Officer of FCIS.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Conflicts of Interest

Discounting - The IAR has the ability to discount the commission or fees you pay on certain investments or Programs. These discounts create a conflict of interest between your interests and the Firm's because the Firm's compensation is negatively impacted when commissions and fees are discounted.

Registration of IARs - Not all IARs are registered to offer brokerage, insurance, and investment advisory products and services. Some IARs may only be registered to make a recommendation regarding investment company (i.e., mutual funds) or variable contract products (i.e., variable annuities) and may not be licensed to make a recommendation for individual equities or fixed income products (i.e., stocks and bonds) or provide investment advisory products or services. Because of the differences in the compensation payable with respect to these products, this could be seen as creating a conflict for the IAR.

Approved Product List - We limit recommendations to products available through an approved product list. Our approved product list does not contain the entire universe of securities or products available in the marketplace. Other broker-dealers and investment advisory firms may have additional securities available to you that we do not offer. Differences in compensation for these securities and products to FCIS and our IARs creates a conflict of interest.

Rollovers - When you invest with the Firm as a result of a recommendation to rollover or transfer your assets from an employer-sponsored retirement plan, another brokerage firm or investment adviser, FCIS receives compensation. This compensation creates a conflict between your interests and the Firm's because our compensation is based, in part, on the assets placed with us. In addition, a conflict exists on rollovers when we also advise on the employer-sponsored plan. In these circumstances, the compensation received by the Firm and the IAR will generally be greater than that received if you choose to keep your assets in the plan.

Distributions - Compensation and performance incentives cause a conflict between your interests and FCIS's when the IAR provides recommendations for distributions from any of your IRAs. When you make a distribution from an IRA, certain commissions or sales charges in certain circumstances are generated. Further, if you have both a transaction-based IRA and an advisory program IRA, the Firm may have an incentive to advise you to take a distribution from your transaction-based IRA and not your advisory program IRA because the distribution would generate additional transactional revenue and would not affect the amount of your asset-based fee in your advisory program IRA.

Transaction-Based IRAs vs. Advisory Programs IRAs - You may be eligible to invest retirement assets in an asset-based fee advisory program IRA. Instead of paying a commission per transaction, you would pay a fee based on a percentage of the market value of the assets held in your account for the services FCIS provides. Fee-based IRA accounts may offer additional types of investment options, including mutual funds. Depending on your circumstances, including the number of transactions you anticipate making and what services you want, an advisory program can be more or less expensive than a transaction-based IRA. Typically, the Firm would earn more in upfront commissions in a transaction-based IRA. On the other hand, the Firm will typically earn more over time if you invest in one of FCIS's fee-based advisory programs. These differences in compensation create a conflict between your interests and the Firm's when recommending the type of account most appropriate for you.

Non-Cash Third-Party Incentives - FCIS as a broker-dealer or insurance agency receives third-party payments with respect to investment recommendations, as follows:

Annuities:

- Up-front insurance commissions at the point-of-sale, including gross dealer concessions, trailing commissions, or "trails" (or "renewal fees") for ongoing services as long as the annuity remains in force;
- Revenue sharing, marketing fees, administrative fees, and similar fees relating to sales and support services.

The amount of these third-party payments varies among different variable annuities and different annuity issuers.

Fixed Indexed Annuities: Insurers that issue fixed indexed annuity contracts pay FCIS the following types of third-party payments:

- Up-front insurance commissions at the point-of-sale, including gross dealer concessions; Trailing commissions or "trails" (or "renewal fees") for ongoing services as long as the annuity remains in force; and,
- Revenue sharing, marketing fees, administrative fees, and similar fees relating to sales and support services.

The amount of these third-party payments varies between different fixed indexed annuities and different annuity issuers.

Mutual Funds:

- Up-front sales commissions or "loads," at the point-of-sale;
- 12b-1 distribution fees; and,
- Fees for sub-accounting services, sub-transfer agency services, and/or other revenue sharing or similar payments for services to the funds.

The amount of these Third-Party Payments varies among different fund families, different funds, and different share classes. In an effort to reduce client costs, minimize the conflicts of interest presented by mutual fund 12b-1 fees, and conform the treatment of different types of FCIS client accounts, FCIS will credit these fees to advisory clients' accounts.

These credits will be subject to the advisory fee if they remain in a client account at the time of billing. For brokerage accounts, FCIS has a conflict of interest in recommending these funds or share classes, both in making investment decisions in light of the receipt of these fees and in selecting a more expensive 12b-1 fee-paying share class when a lower-cost share class is available for the same fund. The conflict of interest arises from FCIS's financial incentive to recommend or select registered funds or share classes for clients that pay higher 12b-1 fees because such registered funds or share classes generally result in higher compensation for FCIS.

Although there can be legitimate reasons that a particular client is invested in a more expensive 12b-1 fee-paying share class, FCIS has taken steps to minimize the conflict of interest through:

- Advisory account credits;
- Disclosure in this Brochure;
- Internal policies and procedures that require investment advice to be in the best interest of advisory clients;
- By ensuring that individual IARs are not directly compensated for recommendations to purchase share classes of registered funds that pay such fees to FCIS;
- By restricting IARs' recommendations to funds and share classes on FCIS' approved list; and
- By systematically evaluating when a lower fee share class of a registered fund on FCIS's approved list is available.

It will not always be possible or in your best interest for FCIS to select SEC-registered mutual fund investments that do not pay these fees. Accordingly, despite our efforts to minimize conflicts of interest, you should not assume that you will be invested in the registered fund or share class with the lowest possible 12b-1 fees.

Third-party providers, including annuity product partners, annuity wholesalers, Third-Party Managers, ETF wholesalers, and insurance distributors, may also give IARs gifts up to a total value of $100 per provider per year, consistent with industry regulations. Third parties may occasionally provide IARs with meals and entertainment of reasonable value. These incentives create a conflict between your interests and those of the IAR and may cause the IAR to recommend those products or companies that provide these non-cash incentives.

<u>Training and Marketing Incentives</u> - Third-party providers such as annuity product partners, annuity wholesalers, Third-Party Managers, ETF wholesalers, and insurance distributors may reimburse or pay certain expenses on behalf of IARs and the firm, including expenses related to training, marketing, and educational efforts. Training of the IAR can occur at branch offices, seminars, meetings, or other events.

The training focuses on, among other things, the third-party provider's products, suitability, product literature, and product support. These incentives create a conflict between your interests and those of the IAR and may cause the IAR to recommend those products of those companies that provide marketing and educational opportunities and to whom the IAR has greater access.

Performance Standards and Incentive Compensation for the IAR - The IAR's performance can be measured in various ways, and performance measurements are positively impacted by the assets under care. These positive impacts on performance measures can lead to increased compensation. This incentive creates a conflict between your interests and those of the IAR when recommending that you rollover or transfer your assets to FCIS, keep your assets at FCIS, and engage in transactions within your account.

Item 12. BROKERAGE PRACTICES

FCIS requires clients wishing to establish an account under Programs to open an account with Pershing, LLC, through FCIS broker-dealer. Pershing, LLC offers custody of securities, account administration trade execution, clearance, and settlement of transactions.

Handling of Trade Errors

FCIS's policy is to correct trade errors in a manner that is fair and equitable to our clients. In cases where a client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the circumstances of the trade error, clients may not be able to receive any gains generated as a result of the error correction. Situations where the client is not the cause of the trade error, the client will be made whole. FCIS or the custodian will absorb losses resulting from the trade error based on fault. If the trade correction results in a gain, the client will not receive the profit.

Individual Trading Policy

FCIS, Third-Party Manager, or other provider's transactions, implemented for client accounts, are generally affected independently. However, the firm FCIS or Third-Party Managers can purchase or sell the same securities for several clients at approximately the same time. Consolidation of orders referred to as "aggregating orders" or "block trading," is used by firms or Third-Party Managers if believed such actions may prove favorable for the client(s). Under this procedure, transactions will be averaged in price and allocated to the firm's clients in proportion to the purchase or sale orders placed for each client's account on any given day. When FCIS chooses to aggregate client orders, FCIS will do so following the parameters of the SEC No Action Letter, SMC Capital Inc., dated September 5, 1995. FCIS does not receive any additional compensation or remuneration because of aggregating orders.

Item 13. REVIEW OF PROGRAM and ACCOUNTS

Through the Investment Products Committee or its designees, FCIS makes a best effort to review each Third-Party Manager in the Program on at least an annual basis. Triggers for additional reviews may include events such as large deposits or withdrawals, , requests for substitutions of Third-Party Managers or investment criteria, and updates in client information. FCIS instructs the Committee, in performing each review, to address any issues of concern. FCIS does not monitor each transaction effected by Third-

Party Managers for consistency with your investment objectives or conformance with the Third-Party Manager's stated strategies or philosophy.

FCIS IARs meet with clients on at least an annual basis to review the client's account, determine ongoing financial needs, changes in the client's financial situation, risk tolerance, portfolio holdings, and performance. A client may initiate a review at any time by contacting their FCIS IAR or an IAR within the "Investment Solution Center."

Item 14. CLIENT REFERRALS AND OTHER COMPENSATION

IARs can make product or strategy recommendations in the capacity of an investment adviser representative, registered representative, or an insurance agent when appropriately registered or licensed to do so. Investment adviser representatives have a fiduciary duty to their clients. Dually registered individuals, however, have an inherent conflict of interest as previously discussed above in Item 10.

FCIS does occasionally receive additional compensation from product sponsors; however, such payment may not be conditional on the sale of any products. Compensation may include items such as gifts that are within a reasonable amount and are within FCIS guidelines. An occasional dinner or ticket to an event or reimbursement in connection with an educational meeting with IAR, client event(s), or advertising initiatives are permitted. Product sponsors may also pay for or reimburse FCIS for the costs associated with education or training events that may be attended by FCIS employees and the IARs.

FCIS, in certain circumstances, will refer you to third parties who offer products and services that FCIS does not provide to our clients. In cases where a written solicitor's agreement is in place, FCIS will receive compensation from the referral. Such payment is not contingent on you implementing any strategies or recommendations proposed, nor is the compensation tied to the sale of any product or service offered by the third-party. You may incur fees and expenses for such products or services that are separate from any fees or expenses incurred through products or services offered directly through FCIS.

Item 15. CUSTODY

Pershing, LLC ("Pershing"), located at One Pershing Plaza, Jersey City, NJ 07399, serves as the clearing broker-dealer for FCIS and maintains custody of the Program assets in a separate account for each client registration.

FCIS does not take custody or possession of client assets. Account statements are delivered directly from Pershing to each client, or the client's independent representative, at least quarterly. We urge you to carefully review and compare the statements against any reports received from us. Should you have questions about your account statements, you should immediately contact FCIS or the custodian preparing the statement.

FCIS is a wholly owned subsidiary of First Citizens Bank. From time to time First Citizens Bank enters into a control agreement with FCIS's clients where the assets in an advisory account are held as collateral for a First Citizens Bank loan. Under such circumstances, and as per a properly executed control agreement, First Citizens Bank would have the ability to direct FCIS to liquidate securities in a pledged advisory account and transfer funds to the Bank, depending on certain triggering events, including loan default. Under SEC rule 206 (4)-2 FCIS also has custody of these pledged assets because FCIS is not operationally independent from First Citizens Bank.

Item 16. INVESTMENT DISCRETION

Investment discretion is granted to FCIS, the IAR, or Third-Party Manager by entering into a First Citizens Investor Services Wealth Strategies Agreement and designating the Manager(s) on the Statement of Investment Selection. The Agreement must be completed and signed to open a Program account. The Third-Party Manager(s) must also accept the appointment by the Client.

Portfolio Manager Program

FCIS, as the sponsor, has discretionary authority to retain, modify, or discharge Third-Party Manager(s) and portfolio options to its Program without consulting with you in advance. You may request reasonable restrictions. The Third-Party Manager(s), however, retain discretionary authority, to buy, sell, or otherwise modify the portfolio to meet the stated investment objective.

Item 17. VOTING CLIENT SECURITIES

FCIS does not vote proxies or corporate actions for you, nor does FCIS advise on proxies or solicitations concerning corporate activities for the securities held within a Program account. FCIS' Custodian, Pershing, LLC ("Pershing") will forward to you the relevant information on proxies and corporate actions, including the information necessary to vote on such matters. You should utilize contact information provided in the proxy or solicitation to inquire further about the merits and methods of voting available to you.

As between you and FCIS, you retain the right and responsibility to vote proxies and to review related materials on securities held in the account or to delegate that function to another person or entity. Each Third-Party Manager independently determines whether it will vote proxies. As to investments managed by a Third-Party Manager, you should review the relevant Third-Party Manager's Firm Brochure to determine the allocation of proxy responsibilities.

Item 18. FINANCIAL INFORMATION

This Item is not applicable as FCIS does not require or solicit prepayment of more than $1200 in fees per client, six months or more in advance. Additionally, FCIS is not subject to a financial condition reasonably likely to impair its ability to meet contractual commitments; and FCIS is not currently nor previously has been the subject of a bankruptcy petition.