

NBCSecurities

Financial Advisors / Wealth Management

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NBC Securities, Inc. Advisory Programs Disclosure Document

Form ADV, Part 2A Disclosure Brochure

September 15, 2018

This ADV Part 2A Disclosure Brochure (“Disclosure Brochure”) provides information about the qualifications and business practices of NBC Securities, Inc. [“NBCS”] and the advisory programs and services offered by NBCS. This document provides investors with information about NBCS and the advisory programs that should be considered before participating in a program. Please contact Scott Wilkins, VP and Chief Compliance Officer, at 205-521-9390, or swilkins@nbcsecurities.com, if you have questions about the content of this brochure.

NBC Securities, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an Adviser. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

This Disclosure Brochure is available on our web site www.nbcsecurities.com, free of charge. You may also obtain a copy at no charge by contacting us at 205-521-9390.

Additional information about NBC Securities, Inc. is available on the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with NBCS who are registered, or are required to be registered, as investment adviser representatives.

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ITEM 2: MATERIAL CHANGES

In this Item 2, NBCS is required to identify and discuss all material changes to its NBCS Form ADV Part 2A Disclosure Brochure (“Disclosure Brochure”) since the May 15, 2018 version of the Disclosure Brochure, we have the following material updates:

No changes from the May 15, 2018 version of the Disclosure Brochure are deemed by NBCS to be material.

NBCS will provide you with a new Disclosure Brochure without charge, upon request to your NBCS Financial Advisor. The Disclosure Brochure is also available on the SEC’s website, www.adviserinfo.gov.

ITEM 3: TABLE OF CONTENTS

Form ADV, Part 2A Disclosure Brochure.....	1
ITEM 2: MATERIAL CHANGES.....	2
ITEM 3: TABLE OF CONTENTS	3
ITEM 4: GENERAL INFORMATION, ADVISORY SERVICES, ACCOUNT OPENING AND MAINTENANCE.....	4
A. ProAM Program	4
B. APS Program.....	5
C. Investnet Program	5
D. SSGA Program.....	6
E. RBC Resource II.....	6
F. RBC Total Strategy.....	7
G. RBC Advisor	8
H. RBC Unified Portfolio.....	9
I. Financial Planning.....	9
ITEM 5: FEES AND COMPENSATION.....	12
<i>Additional Information Regarding Advisory Fees</i>	<i>14</i>
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	14
ITEM 7: TYPES OF CLIENTS	15
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK and TAX CONSIDERATIONS	15
ITEM 9: DISCIPLINARY INFORMATION	17
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	17
ITEM 11: CODE OF ETHICS.....	18
ITEM 12: CERTAIN POTENTIAL CONFLICTS OF INTEREST	19
ITEM 13: BROKERAGE PRACTICES.....	22
ITEM 14: REVIEW OF ACCOUNTS	22
ITEM 15: CLIENT REFERRALS AND OTHER COMPENSATION.....	22
ITEM 16: CUSTODY.....	22
ITEM 17: INVESTMENT DISCRETION	22
ITEM 18: VOTING CLIENT SECURITIES.....	23
ITEM 19: FINANCIAL INFORMATION.....	23

This Disclosure Brochure provides a description of the advisory fee services provided, and the fees payable to, NBC Securities, Inc. under the advisory programs (individually, a “Program” and, collectively, the “Programs”) sponsored and offered by NBC Securities, Inc. (“NBCS”).

ITEM 4: GENERAL INFORMATION, ADVISORY SERVICES, ACCOUNT OPENING AND MAINTENANCE

NBCS is an Alabama corporation which provides an array of financial and investment services to clients. NBCS is dually-registered as a securities broker-dealer, member FINRA and SIPC, and as a registered investment advisor with the U.S. Securities and Exchange Commission and various state securities authorities. The terms “we”, “our”, “us” and “NBCS” refer to NBC Securities, Inc.

Advisory Services

NBCS offers financial and investment advisory services, including investment management, financial planning and general investment account services (“**Advisory Services**”) to clients (“you”, “your” or “Client”) under an investment advisory relationship. Upon the initiation of an investment advisory relationship with a Client, NBCS will review a Client's financial circumstances, prior investment experience, investment goals and objectives, investment restrictions, if any, risk tolerances, a risk profile, and gather other Client information through the use of the NBCS Client Profile (“**Client Profile**”). The firm also includes in its review, consideration as to the suitability and appropriateness of a fee-based investment account for a particular Client. The Client Profile information is maintained by NBCS and updated Client information is either provided by a Client or obtained by the NBCS affiliated financial advisor (“**Financial Advisor**”, “**NBCS FA**” or “**FA**”) on a periodic basis.

NBCS provides Advisory Services to Clients through several investment advisory programs (“**IA Program**” or “**Program**”) as a program sponsor:

1. Professional Asset Management Consulting Program (“**ProAM Program**”);
2. Advisors' Portfolio Services Program (“**APS Program**”); and
3. SSGA Strategic ETF Model Portfolio Program (“**SSGA Program**”)

NBCS also offers IA Programs sponsored by RBC Capital Markets (“**RBC CM**”) and offered by RBC Correspondent Services (“**RBC CS**”), a division of RBC CM, and other third-party sponsors. Third-party IA Programs include RBC Unified Portfolio, RBC Resource II, RBC Total Strategy, and RBC Advisor. IA Programs available through NBCS may be added or deleted by NBCS from time to time. Under an IA Program, a specified fee (“**Advisory Fee**”) is charged for Advisory Services. The Advisory Fee usually includes the cost associated with the execution of investment transactions, however exceptions may apply (See Item 5). The IA Programs offered by NBCS may include the Advisory Services of NBCS, RBC, a third-party independent sub-advisor or Investment Manager, and or an affiliated sub-advisor or Investment Manager. The sponsor or provider of the IA Program and any associated sub-advisors will provide a copy of their disclosure documents (ADV Part 2A) which will further describe the associated program, account services, account investment minimums, fees and risks of investment. These additional disclosure documents are available to a Client from the NBCS Financial Advisor.

NBCS considers the Advisory Services provided in an IA Program as giving continuous advice to a Client or making investments for a Client based on the individual needs of the Client and based on the information provided by the Client in the Client Profile. A Client participating in an IA Program may contact their NBCS FA at their convenience. The IA Programs are available to individuals, ERISA qualified accounts, trusts and estates, business accounts and other suitable investors.

A. ProAM Program

The ProAM Program is a fee-based IA Program sponsored by NBCS that gives a Financial Advisor the ability to provide professional account management from a group of participating Investment Managers (a “**ProAM Manager**” or “**Investment Manager**”) who meet NBCS' eligibility requirements for participation. NBCS performs periodic due-diligence reviews on the ProAM Managers participating in the ProAM Program.

In the ProAM Program, a Financial Advisor will assist the Client in identifying a ProAM Manager based on the Client's investment objectives, risk tolerance and risk profile as provided in the Client Profile and taking into consideration the,

investment style and philosophy, strategies and objectives of a ProAM Manager. Upon the selection of a ProAM Manager, an investment account (“**ProAM Account**”) will be opened for the Client and the assets within the ProAM Account will be managed by the ProAM Manager. A ProAM Manager has discretionary trading authority of the ProAM Account.

NBCS may recommend the services of multiple ProAM Managers to a Client. NBCS will provide a Client with periodic performance reports for the Account. NBCS may recommend a change in a ProAM Manager to a Client based on ProAM Manager’ performance data or other criteria or based upon a change in a Client’s investment objectives, risk tolerance, risk profile or financial circumstances. The transfer of a Client’s Account to a different ProAM Manager is at the Client’s discretion.

NBCS does not have discretionary trading authority for a ProAM Account unless NBCS Asset Management is appointed by the Client as ProAM Manager. NBCS Asset Management is a division of NBCS. See Items 5 and 10, below.

B. APS Program

The APS Program is a fee-based IA Program sponsored by NBCS in which a Client may receive Advisory Services and investment advice from a Financial Advisor for investing in various asset classes. This may be accomplished through no-load mutual funds, Advisor Class Mutual Fund Shares, equities and fixed income securities and other eligible securities. In the APS Program, a Financial Advisor will provide a Client with Advisory Services in an investment account (“**APS Account**”) based on the Client’s investment objectives, risk tolerance and risk profile as provided in the Client Profile.

In a “**Standard APS Account**”, the Client pays an asset-based fee for Advisory Services in addition to a transaction processing fee. The amount of the transaction fees are disclosed in the Client Profile. See Item 5, below.

Within the APS Program, a participating Client has the choice to select a fee option to the APS Account defined as “**APS-Plus Account**”. In an APS-Plus Account, the Client pays an asset-based fee for Advisory Services and receives a limited annual trade allotment with no transaction fee. The annual trade allotment is determined based on the account value. If the number of actual trades exceeds the annual trade allotment, then Client will pay a transaction fee for each trade over the annual allotted amount. The amount of the annual trade allotments and the amount of transaction fees, if applicable, are disclosed in the Client Profile. See Item 5, below.

In an APS Account, a Client may designate discretionary or non-discretionary trading authority to the NBCS FA. Discretionary trading authority must be specifically granted by the Client on the Client Profile.

Client understands that the APS Account is not for day trading or other frequent trading activity, including frequent option trading, and NBCS may, without limiting any other rights or remedies, restrict or terminate the APS Account if it determines that Client is engaging in such activity. NBCS may also elect to terminate an APS Account at any time if it determines the client’s transaction history is no longer suited for a fee-based investment advisory account. In addition, NBCS may restrict or terminate the APS Account if Client purchases for or transfers into the account ineligible securities without the prior consent of NBCS. Client is solely responsible for the use of trading privileges in the APS Account. Losses resulting from Client-initiated or Client-directed transactions, including, without limitation, losses resulting from the frequency of trading, are solely Client’s responsibility. NBCS reserves the right, in its sole discretion, to adjust the annual APS Program fee for changes in security type, trading activity, or Account size at any time with 30-days written notice.

C. Investnet Program

Investnet is an investment management firm founded in 1999 that provides investment management and investment advisory services through independent investment advisors (“Advisor(s)”) for use with Advisors’ clients (each a “Client”). Investnet also serves institutional clients such as pension or profit-sharing plans, trusts, estates, and corporations and provides advisory and research services directly to Advisors.

Utilizing the Investnet IA Program tools, a Financial Advisor will allocate the Client’s assets among the different options in the Investnet IA Program and determine the suitability of the asset allocation and investment options for each Client,

based on the Client's needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. Investnet uses a number of proprietary analytical tools and commercially available optimization software applications in developing its asset allocation strategies. Among the factors considered in designing these strategies are historical rates of risk and return for various asset classes, correlation across asset classes and risk premiums. For all Investnet IA Programs, Client directly owns the underlying securities, mutual funds or Exchange Traded Funds ("ETFs") in each of the Investnet IA Program's investment strategies. Mutual funds, ETFs, closed-end funds, unit investment trusts and real estate investment trusts exchange traded funds are collectively referred to throughout this document generally as a "Fund" or "Funds."

For more information about the operation of the Investnet IA Program, please see the Investnet Program Agreement, Terms and Conditions and Disclosure Document Form ADV, Part 2A.

D. SSGA Program

The SSGA Strategic ETF Model Portfolio Program ("**SSGA Program**") is a fee-based IA Program made available to NBCS as an introducing-broker to RBC CS. The SSGA Program is a model portfolio program delivered by State Street Global Advisors ("**SSGA**") as the Model Provider. The SSGA Strategic ETF Model Portfolios (each a "**Model Portfolio**"), utilize SPDR ETFs as the underlying investments within the portfolios. The Model Portfolio construction process is performed and managed by SSGA. SSGA also manages the underlying ETFs within the model portfolios.

The SSGA Program seeks to provide investors a disciplined asset allocation program designed to align with a Client's overall investment strategy using a risk-based Model Portfolio. The more conservative portfolios are designed to focus on delivering current income, with some consideration to growth of capital. The more aggressive portfolios are predominately focused on growth of capital. In all instances, the portfolios are constructed to achieve market exposure across both equity and fixed income markets. SSGA uses long-term asset class return, risk and correlation forecasts to identify an asset allocation that efficiently balances these objectives.

In the SSGA Program, an Overlay Manager will manage the Account in accordance with the Model Portfolios provided by SSGA. NBCS, RBC CM and SSGA do not provide discretionary management services to the Account in the SSGA Program. The NBCS FA services relative to the SSGA Program include consulting with Client in assisting determination of the Client's Investment Guidelines and in identifying and selecting a SSGA Model Portfolio whose investment allocation and objectives may be compatible with the Client's Risk Profile.

For more information about the operation of the SSGA Program, please see the SSGA Program Agreement, Terms and Conditions and Disclosure Document Form ADV, Part 2A.

E. RBC Resource II

The RBC Resource II Program ("**Resource II**") is a fee-based IA Program offered by RBC CS and made available to NBCS as an introducing-broker to RBC CS. In the Resource II Program, Client will sign a Resource II Program Agreement in addition to the NBCS Client Agreement. In Resource II, RBC CS makes available Investment Managers or Model Providers who meet RBC's eligibility requirements for participation. Client does not sign a separate agreement with the Investment Manager or Model Provider.

Within Resource II, a Client Account is managed by one or more participating professional investment managers (a "**Resource II Manager**" or "**Investment Manager**"). An NBCS FA will consult with Client in identifying and selecting a Resource II Manager whose investment philosophy and objectives may be compatible with the Client's Risk Profile. NBCS may recommend the services of multiple Resource II Managers to a Client. A Resource II Manager has discretionary trading authority over the Account. NBCS does not have discretionary trading authority over an Account within Resource II.

Alternatively, through Resource II, RBC offers model portfolios managed by RBC CM acting as an overlay manager. As the overlay manager, RBC CM manages the Account in accordance with model portfolios provided by RBC CM or another

model portfolio provider (“**Model Provider**”). See the RII Program Agreement for more information about the overlay manager. The NBCS FA may provide Client with information on model portfolios representing different investment styles and strategies that may be compatible with Client’s Risk Profile.

In the IA Program Agreement, Client will select the Model Provider. The Model Provider selects securities by delivering a model portfolio (“**Model Portfolio**”) to RBC CM. In RBC CM capacity as the overlay manager, RBC CM will implement the Model Portfolio in the Account, subject to any written Investment Guidelines submitted by Client that are accepted by RBC CM. In certain instances, consistent with best execution obligations, RBC CM, as overlay manager, may choose to delegate trading responsibilities to the Model Provider and the Model Portfolio from RBC CM. This generally will result in additional transaction costs to Client. This delegation of trades only applies to Model Portfolio changes. Under this arrangement the Model Provider will be responsible for best execution. Where RBC SM does not act as the overlay manager, the Investment Manager you select will implement the investment decisions for the Account.

NBCS may recommend a change in a Resource II Manager to a Client based on Resource II Manager’s performance data or other criteria or based upon a change in a Client’s investment objectives, risk tolerance, risk profile or financial circumstances. The transfer of a Client’s Resource II Account to a different Resource II Manager is at the Client’s discretion.

For more information about the operation of the Resource II Program, please see the Resource II Program Agreement, Terms and Conditions and RBC Correspondent Services Advisory Programs Disclosure Document.

F. RBC Total Strategy

The RBC Total Strategy Account Program (“**TSA Program**”) is a fee-based IA Program sponsored by RBC CM and made available to NBCS as an introducing-broker to RBC CS. In the TSA Program, Client will sign a TSA Program Agreement with NBCS, in addition to the NBCS Client Agreement. In the TSA Program, an “**Overlay Manager**” will manage the Account on a discretionary basis according to a Client’s Investment Guidelines. NBCS does not provide any discretionary management services under the TSA Program.

The management of the Account may include tax overlay management services. Account assets may be invested in mutual funds, exchange traded products (“**ETPs**”), including exchange traded funds (ETFs), and exchange traded notes (ETNs) and or in accordance with one or more model portfolios (each, a “**Model Portfolio**”) provided by one or more investment managers (each, a “**Model Portfolio Provider**”) pursuant to a model portfolio agreement between RBC and the Model Portfolio Provider.

RBC CM advisory services in connection with Client’s participation in the TSA Program are limited to selecting and monitoring the Overlay Manager and Model Portfolio Providers and in acting as Model Portfolio Provider. NBCS’ advisory services in connection with Client’s participation in the TSA Program are limited to assisting Client in identifying an appropriate investment strategy designed to reflect Client’s investment needs and objectives, as set forth in the Investment Guidelines, and in recommending mutual funds, ETPs and or Model Portfolios to be used in implementing the Client investment strategy.

Client’s investment strategy will include a written investment allocation (“**Allocation**”) — that is, an assignment of a percentage of the overall value of the Account to mutual funds, ETPs and or Model Portfolios. Client may subsequently modify the Allocation by notifying the NBCS FA of the changes. Any such changes will be effective only upon confirmation by RBC CM and the Overlay Manager.

The Overlay Manager provides investment advisory services to Client pursuant to the investment advisory agreement between the Overlay Manager and RBC CM (“**Overlay Manager Agreement**”), the TSA Client Agreement and, if applicable, the Tax Overlay Management Services Enrollment Form and in accordance with Client’s Investment Guidelines. If Client’s Account is invested only in mutual funds or ETPs and is not invested in a strategy provided by a Model Portfolio Provider,

Client has sole discretion to accept or reject an investment strategy or any specific recommendation to purchase or redeem mutual fund or ETP shares; the Overlay Manager has limited discretionary authority with respect to the Account and will execute only transactions directed by Client, in accordance with the rebalancing frequency elected by Client and to manage cash flows. If Client's Account has an investment strategy utilizing Model Portfolio(s), the Overlay Manager will affect the securities transactions required to conform to revisions to Model Portfolio as soon as practicable after they are received from the Model Portfolio Provider, in accordance with any Client-specific mandates such as security restrictions or tax overlay management services. Client understands and acknowledges that delays may occur between the communication of Model Portfolio Provider's revisions to the Model Portfolio and the execution of securities transactions for the Account.

Client may choose between two rebalancing frequencies (quarterly or annually). The Overlay Manager will rebalance the Account at the time period selected by Client in the Client Agreement if the allocation to any investment at the time of rebalancing deviates from the Allocation by five percent (5%) or more. Client authorizes and directs the Overlay Manager to effect the trades necessary to rebalance the Account until all investments are within two percent (2%) of the Allocation. Alternatively, Client may elect not to have the Account rebalanced systematically, rather the Account will only be rebalanced upon Client request.

Tax overlay management services are available as an option for Accounts utilizing model portfolios. If tax overlay management services are elected, the portion of the fee paid by Client as the management fee on the Account will increase. The Overlay Manager will develop a tax strategy for the Account based on the information and instructions provided by Client in the Tax Overlay Management Services Enrollment Form. Tax overlay management services in an investment account offer benefits and limitations, as described further in the TSA Program Agreement. The tax strategy developed for the Client by the Overlay Manager is provided solely in connection with Client's Account and the Overlay Manager does not provide general tax planning services

For more information about the operation of the TSA Program, please see the RBC Total Strategy Account Program Agreement, Terms and Conditions and RBC Correspondent Services Advisory Programs Disclosure Document.

G. RBC Advisor

The RBC Advisor Program is a fee-based IA Program sponsored by RBC CM and made available to NBCS as an introducing-broker to RBC CS. RBC Advisor is a customized investment advisory program through which a Client may receive non-discretionary advice from an NBCS FA to invest in eligible securities in various asset classes. This may be accomplished through no-load mutual funds, load-waived mutual funds, equities and fixed income securities and other eligible securities. In the RBC Advisor Program, an NBCS FA will provide a Client with Advisory Services in an investment account ("**Advisor Account**") based on the Client's Investment Guidelines as provided in the Client Profile.

Under the RBC Advisor Program, Client has sole discretion whether to use margin, accept or reject an investment strategy or any specific recommendation to purchase, sell or redeem securities. The NBCS FA responsibility in connection with Client's participation in the RBC Advisor Program is to consult with Client, based on the Investment Guidelines, as to which investment strategy would be compatible with Client's investment objectives and needs and as to which investments would be compatible with the strategy selected by Client. NBCS and RBC CM have no discretionary authority with respect to the Advisor Account and will execute only transactions directed by Client.

Client understands that the Advisor Account is not for day trading or other frequent trading activity, including frequent option trading, and NBCS or RBC may, without limiting any other rights or remedies, restrict or terminate the Advisor Account if it determines that Client is engaging in such activity. In addition, NBCS or RBC CS may restrict or terminate the account if Client purchases for or transfers into the account ineligible securities without the prior consent of RBC CS. Client is solely responsible for the use of trading privileges in the Advisor Account. Losses resulting from Client-initiated or Client-directed transactions, including, without limitation, losses resulting from the frequency of trading, are solely Client's responsibility.

In an Advisor Account, the Client pays an asset-based fee for both Advisory Services and transaction processing. NBCS and RBC CS reserve the right, in their sole discretion, to adjust the annual IA Program fee for changes in security type, trading activity, or Account size at any time without notice.

For more information about the operation of the RBC Advisor Program, please see the RBC Advisor Program Agreement, Terms and Conditions and RBC Correspondent Services Advisory Programs Disclosure Document.

H. RBC Unified Portfolio

RBC Unified Portfolio is a unified managed account “UMA” program through which your Account is professionally managed by RBC CM as Overlay Manager or a third-party Overlay Manager, Envestnet. The Overlay Manager manages the Account through investments in mutual funds, ETPs, and/or in accordance with one or more model portfolios provided by Model Providers or RBC CM, all in a single Account. Your Financial Advisor may provide you with information on mutual funds, ETPs, and/or model portfolios representing different investment styles and strategies that may be compatible with your Risk Profile. The management of your account may include tax overlay management services and/or personal conviction overlay screens. If you elect either or both of these additional services, your account will be managed by Envestnet, otherwise, RBC CM will act as Overlay Manager.

For more information about the operation of the RBC Unified Portfolio Program, please see the RBC Unified Portfolio Program Agreement, Terms and Conditions and RBC Correspondent Services Advisory Programs Disclosure Document.

I. Financial Planning

NBCS FA may provide financial planning services (“FP Services”) to customers for a fee. The NBCS FA may provide a Client with one or more of the following FP Services: (i) assistance in the development of an investment plan; (ii) wealth accumulation strategies; (iii) wealth protection strategies; (iv) converting wealth to income (i.e. retirement income planning); (v) wealth transfer (i.e. charitable planning, gifting strategies, business succession etc.); (vi) advanced planning strategies as requested by the client.

FP Services are available to individual and corporate clients. Where provided to a corporate client, the FP Services are provided at the individual level to employees of the corporate client. An NBCS FA will work closely with the Client to analyze and define the Client's financial objectives and needs. Using applicable documents provided by the Client which may include tax returns, financial statements, wills, trust documents, estimated social security statements, insurance summaries, account statements and other relevant documents, the NBCS FA will typically prepare a written executive summary and financial plan (“**FP Services Plan**”) which addresses the Client's financial objectives and needs.

For the FP Services the Client will pay a fee (“**FP Services Fee**”) that is a negotiated flat fee or a percentage of assets under management or a combination of both. The amount of any negotiated FP Services Fee is based upon the nature and complexity of the Client's individual situation, needs and other relevant factors, such as the level of services provided by the NBCS FA, and are discussed and agreed upon prior to performing the FP Services.

Depending upon the total assets involved, strategies required, and complexity of overall plan structure, the FP Services Fee may typically range from a minimum of \$100 to a maximum of \$10,000. Some clients may pay a higher or lower FP Services Fee. Advisory fees are not charged for insurance analysis. In all cases, the FP Services Fee is negotiated and agreed upon with the Client prior to the delivery of any financial plan. The FP Services Fee expressly does not cover any fees due to any trustee, custodian, investment manager or sponsor with respect to any account, any brokerage commissions with respect to transactions, or any other fees, costs or expenses for the implementation of the FP Services Plan.

The Client may choose to implement all, or a portion of the FP Services Plan with NBCS, but is not obligated to do so. Should the Client choose to implement any or all of any investment strategies recommended as part of the FP Services with NBCS, one or more Accounts would need to be established and would be subject to separate fees or commissions associated with that specific investment program as disclosed within the Client agreement.

Account Opening and Maintenance

Opening a Program Account

You must sign an advisory agreement with NBCS and/or RBC CM prior to enrollment in the IA Programs. If you sign an RBC Advisory Master Services Agreement (the “Master Agreement”), you are granting NBCS and RBC CM the authority to effect certain investment advisory transactions or make updates to your RBC Unified Portfolio account(s) with verbal instruction to your Financial Advisor, including, but not limited to:

- Program enrollment;
- Establishing account fees;
- Program changes;
- Risk Profile;
- Investment Manager or Allocation Changes, if applicable;
- Changes to your IA Program Fees;
- Rebalancing frequency;
- Adding/removing account restrictions; and
- Advisory IA Program termination

NBCS or RBC CM will provide to you in writing changes made to your IA Program Account(s). In certain circumstances, NBCS or RBC CM may require you to sign a separate Client Agreement or additional documentation relating to your IA Program Account(s). Alternatively, for Advisor, Resource II and Total Strategy Account Programs, you will sign a separate client agreement (the “Single Program Agreement”) that contains terms and conditions that may differ from the Master Agreement. The Single Program Agreement and the Master Agreement are collectively referred to herein as the Client Agreements.

Account Preferences

When you open an IA Program Account, you will select account preferences (“Preferences”). Except as described herein, preferences elected in the Master Agreement will be applied to all existing and future accounts subject to the Master Agreement. Where applicable, Preferences selected by you in the Master Agreement will supersede any and all elections made in existing or future Single Program Agreements as well. At your discretion, you may make changes to update existing Preferences upon written notice to NBCS who will, in turn, notify RBC CM. Preferences that you must select include:

- Proxy Voting; and
- Frequency of Trade Confirmation

In certain circumstances, based on the IA Program or Investment Manager selected by you, your Preferences will not be available. You should speak with your Financial Advisor to determine availability.

- 1. Proxy Voting.** In the Agreements, you may elect to vote proxies for securities held in your Account(s) or designate a third-party agent to vote on your behalf. To the extent you designate an Investment Manager and/or an Overlay Manager to vote proxies on your behalf, your designation is only valid if accepted by that designee. In addition, to the extent your designation cannot be implemented for one or more Programs (because it is not available as an option in such IA Program), you or another third-party agent as designated by you will be responsible for voting such proxies. *See ITEM 18: Voting Client Securities.* If you, NBCS or RBC CM terminate an IA Program Account, RBC CM will revert proxy voting authority to you or another third party selected by you.
- 2. Frequency of Trade Confirmations.** You will also be asked to elect whether you wish to receive trade confirmations on a Daily or Monthly basis. Clients of some Programs may not be eligible to receive monthly trade confirmations. If you are enrolled in the Advisor Program, you can only receive trade confirmations on a trade-by-trade daily basis. At any time, you may request a copy of the trade confirmation from transactions that appear on the monthly

transaction summary statement, as well as any subsequent transaction, or previous transaction effected through RBC CM at no additional cost. If you or NBCS or RBC CM terminate a Program account, RBC CM will revert the frequency of trade confirmations to daily.

Eligibility and Classification of Certain Investments

NBCS and/or RBC CM may restrict the purchase of or holding of certain investments in Program Accounts. If a Program Account is funded with investments deemed to be ineligible or unacceptable for the Program (“Non-Program Assets”), generally those assets will be liquidated by us, moved to another account where such assets are eligible, or in the case of mutual funds, converted to an equivalent eligible share class of the same mutual fund without notice to you. Your account may incur certain transaction charges as a result. In identifying and selecting mutual funds eligible for recommendation in Advisory Programs, we may use many sources of information and analysis about funds, including data provided by independent third parties. RBC CM often makes the lowest expense ratio share class offered by the fund company available in the Programs, but in some cases, because of availability, eligibility requirements or other factors, may choose to offer a higher cost share class. Lower cost share classes may be available to you elsewhere if you meet the eligibility requirements. Where RBC CM offers a share class lower in cost than the designated eligible share class for the Programs, in certain circumstances, RBC CM may grant exceptions for institutional clients to purchase the lower cost share class option. In certain circumstances, and when RBC CM determines that it is in your best interest to do so, RBC CM may convert your mutual fund positions to a lower cost share class offered by RBC CM of the same fund, without notice to you, where such share class is available and such conversion is permissible. Thus, a broad array of funds are available for evaluation by you, Investment Managers and Financial Advisors in the context of implementing an investment strategy. In accordance with regulations, RBC CM will deliver a mutual fund’s current prospectus to you only when you purchase the mutual fund or ETP shares through us. In situations where you purchase mutual fund shares or ETPs through another financial institution, you must rely on the firm through which the shares were purchased for delivery of a current prospectus. Certain securities, such as annuities that are not designated as eligible and not held by RBC CM may appear on your periodic activity statements for informational purposes only. These assets are not considered to be advisory assets covered under the Client Agreement and are not subject to the Program Fee.

Other Considerations for IA Program Accounts

Cash Balances

If selected by you, cash in an IA Program Account will be automatically invested or deposited the next business day (as applicable) by RBC CM. This automatic process is referred to as a “Cash Sweep Option”. Cash Sweep Option investments will be made in shares in a money market fund managed by RBC Global Asset Management (U.S.) Inc. (“RBC GAM-US”), an affiliate, in RBC CM’s Credit Interest Program, RBC Insured Deposits, RBC Cash Plus or an unaffiliated money market fund. Cash held in retirement accounts will be invested into a money market fund unaffiliated with RBC CM. Cash swept into RBC Insured Deposits will be eligible for insurance by the Federal Deposit Insurance Corporation (“FDIC”) up to applicable limits. RBC Insured Deposits balances in excess of the FDIC insurance coverage will be automatically invested into an unaffiliated money market fund. You should review the ***RBC CM Insured Deposits Terms & Conditions*** for details regarding our Cash Sweep Option and the Credit Interest Program. The Credit Interest Program, RBC Insured Deposits and the RBC Cash Plus are described in more detail in the ***RBC Correspondent Services Advisory Programs Disclosure Document***.

Item 9: Other Financial Industry Activities and Affiliations. Cash balances held in an IA Program account will be subject to Program Fees.

RBC CM and NBCS receive financial benefits in connection with the various Cash Sweep Options. These financial benefits are in addition to the Advisory Fees paid by Clients in an IA Program. RBC CM earns a spread between the interest earned from the investment of Credit Interest Program assets and the rate paid to Credit Interest Program account holders. RBC CM earns a spread between the interest rate paid for deposits by participating banks in the RBC Insured Deposits Program and the rate paid to RBC Insured Deposits account holders. A portion of the spread earned by RBC CM for the Cash Sweep Options is paid to NBCS (“Credit Balance Fee Income”). Because we do not waive IA Program fees, to the extent the assets

of a Client in an IA Program are invested in a Cash Sweep Option, a conflict of interest exists as the Credit Balance Fee Income that NBCS receives is essentially duplicate income on such investments. NBCS uses the Credit Balance Fee Income to offset certain expenses of sponsoring and offering the IA programs. The Financial Advisor does not receive any portion of the duplicate income earned by NBCS from the Cash Sweep Option as direct compensation.

ITEM 5: FEES AND COMPENSATION

IA Program Advisory Fees are based upon an annual percentage of the Client's assets under management. Advisory Fees will generally range from .50% to 2.50% annually based on the Investment Manager selected by Client, the total market value of assets in the Client's overall investment portfolio and the complexity of Advisory Services. Advisory Fees are negotiable between NBCS and the Client and are set forth in the Client Profile. Minimum NBCS Program Fees may be applied per Account and may vary by IA Program. Minimum Program Fees are disclosed in the Client Profile.

The Advisory Fee typically includes the fees for the Advisory Services of NBCS, the IA Program sponsor, Investment Manager, and Overlay Manager, if applicable. The Advisory Fee, subject to the exceptions listed below, also covers charges applicable to securities transactions effected for the Account by the Investment Manager through NBCS and RBC. The Advisory Fee does not cover, and Client will be additionally responsible and charged for: outside brokerage commissions, margin interest, custody fees, including annual IRA custodial fees, and certain other expenses for additional Account services, as described in the IA Program agreement.

In addition, NBCS and an NBCS FA, in their separate capacities as registered representatives, may receive commission on the recommendation and sale of other financial products, such as insurance and variable insurance products, to investment advisory Clients. As a result, NBCS and the NBCS FA may receive additional compensation from usual and customary insurance commissions or referral fees. However, the Client has the option not to purchase the recommended products and can purchase products through other unaffiliated brokers or agents.

Investment Managers establish their own management fee ("**Investment Manager Fee**") that generally ranges from 0.25% to 1.00% of assets under management. The Investment Manager Fee is included in the total Advisory Fee and is be paid by NBCS to the Investment Manager. Investment Managers may direct certain securities transactions to brokers other than NBCS or RBC for execution and in such instances the Client may incur an additional commission or other execution, settlement or transaction charge.

NBCS receives additional compensation when NBCS Asset Management is selected as Investment Manager for a ProAM Account. NBCS will benefit financially from the portion of the Advisory Fee paid to NBCS Asset Management as the Investment Manager Fee. The Investment Manager Fee received by NBCS Asset Management generally ranges from .25% to .50% of assets under management. See item 10, below.

In the APS Program, a Standard APS Account pays an Advisory Fee plus a transaction processing fee ("**APS Transaction Fee**"). The APS Transaction Fee is \$14.95 per transaction. Certain mutual funds and exchange trade funds ("**ETFs**") participating in the RBC No Transaction Fee program ("**NTF Fund**") may be executed in an APS Account and will not incur an APS Transaction Fee. Option trades incur an additional \$1.50 per contract processing fee. The APS Transaction Fee is used by NBCS to cover the cost of processing transactions in the APS Account. The NBCS Financial Advisor does not receive any portion of the APS Transaction Fee. A Portion of the APS Account Advisory Fee is retained by NBCS to cover the costs and services associated with sponsoring and offering the IA Program and a portion of the Advisory Fee is shared with the NBCS Financial Advisor for providing Advisory Services.

In an APS-Plus Account, a Client pays the Advisory Fee plus an additional fee ranging from an annual 0 to 20 basis points, computed on the market value of the APS Account assets, and the Client receives a limited annual trade allotment with no transaction fee. The annual trade allotment is based on the account value. If the number of actual trades exceeds the annual trade allotment, then Client may pay a transaction fee of \$8.00 per trade for each trade over the annual allotted amount. Factors included by NBCS in determining whether to charge the Client for over-allotment trade fees include whether the NBCS FA has discretionary trading authority for the Account. The annual trade allotments provided for APS-Plus Accounts are as follows:

Account Market Value	Annual Trade Allotment
First \$250,000	25
Amount over \$250,000 to \$1,000,000	50
Amount over \$1,000,000 to \$5,000,000	100
Amount over \$5,000,000	200

Advisory Fees for the ProAM Program, APS Program, RBC Resource II, RBC Total Strategy and RBC Advisor are calculated as a percentage of the account value. Advisory Fees are generally payable in advance on a quarterly basis and calculated based on RBC's valuation of the underlying assets in the Account as of the last business day of the preceding calendar quarter or alternative quarter as elected. Where permitted, Client may elect to be billed on an alternative quarterly cycle. The Client can elect to be invoiced directly for the amount of the Advisory Fees, authorize NBCS to deduct the Advisory Fees from the Account, or direct NBCS to deduct the Advisory Fees from another Client Account.

Advisory Fees for SSGA Program are calculated and payable quarterly in arrears and are calculated as a percentage of the value of the assets in the Account, which will be determined according to the Valuation Methodology (as defined in the SSGA Program agreement), as of the last business day of the preceding quarter. There are four billing periods (each, a "**Fee Period**") throughout a calendar year, coinciding with the calendar quarters ending March, June, September and December. A portion of the SSGA Program Advisory Fee is paid to the Overlay Manager and to RBC for investment management, account services and transaction execution and clearance services. NBCS retains the balance of the Advisory Fee for advisory services provided to the Client and the Account and will pay a portion of the Advisory Fee to the FA identified in the Client Agreement for providing the Advisory Services.

Advisory Fees are prorated for any billing period that is less than a complete calendar quarter, or alternative quarter as selected, and the fee is adjusted proportionately based on the value of cash or securities added to or withdrawn from the account between billing periods. If a client account is terminated prior to the last day of the calendar quarter, or alternative quarter as elected, then a pro rata portion of the fees paid by the Client, based on the days remaining in the quarter, will be refunded to the Client.

Advisory clients may terminate an advisory relationship within five (5) business days of signing an advisory agreement without penalty or thereafter upon receipt of written notice by either party. Upon termination of an advisory relationship, any unearned, paid fees will be refunded to the client on a prorated basis.

Most of the IA Programs require a minimum initial investment amount. The ProAM Program and Resource II Program minimums are typically \$100,000. Certain ProAM Managers and RBC Resource II Managers may impose additional minimum accounts sizes ranging as high as \$10 million. Clients should review the disclosure documents of Investment Managers for additional information. The APS Program and RBC Advisor Program minimums range for \$5,000 to \$50,000. Certain mutual fund and ETF managed model portfolio accounts require a minimum investment of \$25,000. NBCS will only offer the IA Programs if appropriate to a Client's needs and financial situation. The Advisory Fee and account minimums are typically negotiable.

The Advisory Fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Rule 205-3 of the Investment Advisers Act of 1940).

The Advisory Fee is separate and in addition to the fees and expenses charged by any mutual funds or ETFs in which Client assets may be invested. Information about any mutual fund or ETF fees and expenses may be found in the prospectus for

each respective security. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of NBCS. In that case, the client would not receive the services provided by NBCS which are designed, among other things, to assist the Client in determining which mutual fund or ETF are the most appropriate to each Client's financial condition and objectives. Accordingly, the Client should review both the fees charged by the funds and the fees charged by NBCS to fully understand the total amount of fees and to thereby evaluate the advisory services for which the client is paying.

Additional Information Regarding Advisory Fees

NBCS considers it appropriate and necessary for the IA Programs described in this brochure to use the brokerage and execution services of NBCS and or RBC. Certain of the IA Programs require the use of RBC for all trade execution. In directing the use of RBC, Clients should recognize that NBCS may not be able to obtain best execution for all transactions.

In a prospective client's consideration of the IA Programs described in this Brochure, a prospective client should be aware that the IA Program may cost a client more or less than purchasing the actual services separately from other advisers or broker-dealers. The factors that should be considered by a prospective client include the size of a client's portfolio, the nature of the investments to be managed, commission costs, custodial expenses, if any, the anticipated level of trading activity and the amount of advisory fees only for managing the client portfolio.

As the advisory fees and commissions charged may be negotiable, those fees and charges may vary among Clients based upon a number of factors, including the anticipated level of account activity, the size of the Client's account, the types of investments, and the nature of related services provided, among other things.

As explained above, the fee paid to NBCS may be more than what NBCS would receive if the Client paid separately for investment advice, brokerage and other services. Therefore, NBCS and its representatives have a financial incentive to recommend an IA Program over purchasing these services separately. Also, see Item 12.

When Class A share positions, as well as other share classes that pay a 12b-1 fee are held in or transferred into any IA program accounts, NBCS will convert those shares into an Advisory Share class where one is available to use through a selling agreement provided the mutual fund company permits the conversion to be processed on a tax-free exchange basis for non-qualified accounts. For qualified accounts, share will be converted into an Advisory Share class where one is available to use through a selling agreement. In cases where these non-advisory shares are subject to short term redemption fees or deferred sales charges, the share class conversion will not occur. Instead, those non-advisory shares will be transferred to a like titled NBCS brokerage account. If you do not have a NBCS brokerage account, a new brokerage account will be opened for you in the same ownership as the intended IA Program account. The NBCS Client Terms and Conditions and other important client disclosures will govern this NBCS Brokerage account including any applicable fees charged, transaction fees, and the mandatory pre-dispute arbitration agreement.

NBCS will convert mutual fund shares back to Non-Advisory shares upon request by the mutual fund company if you close your IA Program account or if we determine your IA Program account is no longer appropriate.

Without notice to you, NBCS may convert mutual funds in your Program Account to a lower cost share class offered by RBC CM or make changes to your investment model or allocation in the event a lower expense share class is available at RBC CM.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In some cases, NBCS has entered into performance fee arrangements with qualified Clients. Such fees are subject to individualized negotiation with each such Client. NBCS will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring Clients' assets for the calculation of performance-based fees, NBCS shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for NBCS to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. NBCS

has procedures designed and implemented to ensure that all Clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among Clients.

ITEM 7: TYPES OF CLIENTS

NBCS may provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, private investment funds, trust programs, sovereign funds, and other U.S. institutions.

NBCS advisory accounts typically require a \$50,000 minimum investment for equity and fixed income accounts. Investment Managers may impose additional minimum accounts sizes ranging as high as \$10 million. Clients should review the disclosure documents of sub-advisers for additional information. Mutual fund accounts typically require a minimum investment of \$25,000, although they may be higher or lower. NBCS will only offer Advisory Services if appropriate to the Client's needs and financial situation.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK and TAX CONSIDERATIONS

NBCS' own investment management services generally cover exchange-listed, over-the-counter and foreign securities, warrants, fixed income securities, investment company securities including variable life insurance, variable annuities, and mutual funds, U.S. Treasuries, and options contracts on securities.

The firm utilizes a number of investment strategies in implementing the investment services provided to clients which may include long and short term purchases, trading, margin transactions and option strategies. Some strategies involve higher degrees of risk and will only be used when appropriate to the individual needs of the client.

NBCS utilizes a number of sources of financial information in the firm's analysis of securities including financial publications and analyses, research reports, corporate rating services, annual reports, prospectuses, SEC filings, company press releases, and on-line services and information available on the Internet. Various methods of analysis are utilized including technical and fundamental analysis, as well as charting and cyclical analysis.

For more information on the securities analysis methods, sources of information and investment strategies of third party and affiliated investment advisers participating as sub-advisers in the ProAM Program, clients should review the sub-advisers' disclosure documents.

Risk of Investments

All investments involve varying degrees of risk. Prior to Program enrollment, you are advised and should understand that:

- market conditions, interest rates, and other investment related risks may cause losses in your account;
- past performance of Investment Managers, Model Providers, Overlay Managers or securities selected by you is not a guarantee of future results;
- the risk parameters or comparative index selections provided for accounts are guidelines only — the selected risk parameters may be exceeded and index comparisons may outperform your account;
- benchmarks are selected by NBCS, RBC CM or your Financial Advisor and are intended to be an accurate comparison to the performance of your account. However, your account performance may not correspond directly to the selected benchmark, which may be more or less volatile than your actual portfolio;
- certain securities in your account may be considered to be a complex product. Complex products may be used by Investment Managers, Model Providers, RBC CM, Financial Advisors or selected by you and may present additional risk due to the intricacy of these products and the possibility that the product will not perform as anticipated. For further information on complex products, please consult your Financial Advisor;
- certain securities and mutual fund share classes may be deemed ineligible for the IA Programs. If you have a systematic buy or sell transaction established for a security or mutual fund share class deemed ineligible for the program selected, the transaction may be rejected resulting in your trade(s) not being fulfilled;

- the value of the assets in your account is subject to a variety of factors, such as the liquidity and volatility of the securities markets; and
- all trading in your account is at your risk.

You are encouraged to consult with your Financial Advisor if you have questions pertaining to the risks described herein.

Risks Relating to Extension of Credit and Collateral

Certain Program accounts may be eligible for margin or other types of securities-based lending as part of RBC CM's brokerage services. The extension of credit may be obtained through an affiliated or unaffiliated loan program, such as, RBC Express Credit (margin), RBC Premier Line of Credit (pledge) and RBC Credit Access Line (collectively referred to as "Lending Programs"). Prior to enrollment in such Lending Programs, you should carefully review that Lending Program's disclosure document and understand the risks associated with leveraging your Account. In particular, you must carefully consider:

- Whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly greater than if you decide not to invest with borrowed funds (i.e., not to use leverage). You may lose more than your original investment;
- You will pay RBC CM and NBCS interest on the outstanding loan balance; thus the use of leverage will increase your costs of investing;
- Leveraging your account may increase your risks and make your investment objectives more difficult to realize;
- Since the Advisory Fee is calculated as a percentage of assets under management, the use of margin to purchase securities in a managed account generally will increase the amount (but not the percentage of) the wrap fee that you pay to us. This will result in additional compensation to RBC CM and NBCS;
- RBC CM, or a third-party lender in the case of a pledged account, can force the sale of Program assets to satisfy collateral requirements without notice to you;
- Neither RBC CM, its affiliates nor NBCS will act as an investment advisor to you with respect to the liquidations of securities held in the Program account to meet collateral requirements;
- These liquidations will be executed in RBC CM's capacity as broker-dealer and creditor and may, as permitted by law, result in executions on a principal basis in your Account; and
- Under these circumstances, RBC CM cannot guarantee a favorable price on the sale of Program assets or that the liquidations align with your investment strategy.

The costs associated with Lending Programs is not included in the Program Fee and, as such, will result in additional compensation to RBC CM, its affiliates and NBCS.

Risks Relating to Money Market Funds

An investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, there is no assurance that will occur, and it is possible to lose money if the fund value per share falls. Moreover, in some circumstances, money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. If this happens, the fund's holdings are liquidated and distributed to the fund's shareholders. This liquidation process is likely to take a month or more. During that time, these funds would not be available to you to support purchases, withdrawals and, if applicable, check writing or ATM debits from your account.

Risks Relating to Differing Classes of Securities

Different classes of securities have different rights as creditor if the issuer files for bankruptcy or reorganization. For example, bondholders' rights generally are more favorable than shareholders' rights in a bankruptcy or reorganization.

Risks Relating to Foreign Securities

Investments in foreign securities may involve certain risks that are greater than those associated with investments in securities of U.S. issuers. These include risks of adverse changes in foreign economic, political, and regulatory conditions; changes in currency exchange rates and currency controls; differing securities market structures; and higher transaction costs. Exchange rate risk between the U.S. dollar and foreign currencies may cause the value of investments to decline. Investments in emerging markets may have these and other risks, including increased risk of volatility and political instability.

Tax Considerations

The payment of the fees described under *Fees and Compensation* may produce income tax results different from those resulting from the payment of brokerage commissions or other transactional charges on a per trade basis. We do not offer advice with respect to these matters and you should seek the counsel of a qualified tax advisor, accountant and/or other professional in this respect. If you are not a tax-exempt entity, the sale, redemption or exchange of investments may result in taxable gains or losses. Further, it is your responsibility to ensure that the payment method selected, and subsequent treatment of the related expenses, complies with applicable tax laws and other regulations. In addition, careful consideration should be made prior to purchasing or selecting strategies that may utilize investments with tax advantages in certain qualified accounts. This may result in no additional tax benefits at the expense of performance.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Advisor or the integrity of Advisor's management. NBCS has no firm level matters or events it believes are material to warrant disclosure. Individual FA disciplinary information, conflicts of interest, and educational and business background are included in Brochure Supplement ADV Part 2B ("**FA Brochure**"). The FA Brochure must be delivered to Client either before or at the time that the FA begins to provide investment advice to a Client.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

NBCS is a registered broker-dealer, member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). NBCS is also an investment advisor registered under the Investment Advisers Act of 1940, as amended, and is registered with the U.S. Securities and Exchange Commission. NBCS is also dually-registered with various state regulatory organizations.

NBCS is an Alabama corporation and is a wholly-owned subsidiary of NBCS Holdings, LP. All of the partnership units of NBCS Holdings, LP are owned by certain of the principal executive officers, directors, Financial Advisors and employees of NBCS.

Certain of the principal executive officers, directors, Financial Advisors and other employees of NBCS are also registered representatives of NBCS. An NBCS registered representative is able to receive separate, yet customary commissions and other compensation resulting from executing securities transactions on behalf of Clients within brokerage account relationships, including the implementation of financial planning recommendations. Clients are under no obligation to use NBCS registered representatives for the implementation of financial planning recommendations and may choose another broker-dealer or investment advisor for any and all financial services recommended. NBCS registered

representatives may receive separate and typical compensation for the execution of securities transactions in a Client brokerage account. While a Financial Advisor endeavors at all times to put the interest of the Clients first as part of the NBCS FA fiduciary duty, Client should be aware that the potential receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

NBCS's principal executive officers and associated persons spend as much as 80% of their time on the brokerage business of NBCS.

NBCS Asset Management is a division of NBC Securities, Inc. NBCS Asset Management offers proprietary portfolio management services as an Investment Manager in the ProAM Program. NBCS maintains a financial networking arrangement with CenterState Banks of Florida (“CSB”). Joseph Keating is a Portfolio Manager for NBCS Asset Management and is also an employee and Chief Investment Officer for CSB. Pierre Allard is a Portfolio Manager for NBCS Asset Management and is also an employee of CSB. A portion of the Investment Manager Fees received by NBCS for NBCS Asset Management as an Investment Manager are shared with CSB under the financial networking arrangement as compensation for Mr. Keating and Mr. Allard acting as Portfolio Managers for NBCS Asset Management.

The headquarters of NBCS Asset Management, NBCS and NBCS Holdings, LP are all located at 1927 First Avenue North, Birmingham, AL 35203.

ITEM 11: CODE OF ETHICS

NBCS' Code of Ethics, summarized below, is also available separately at the request of a client or prospective client. NBC Securities, Inc. is committed towards ensuring that in our capacity as an investment adviser as well as a broker dealer we:

- Work in the best interests of our clients and not allow personal interests of those of the organization to take precedence over the interest of our clients;
- Act with due skill, care, and diligence in conducting our business and all transactions and trading activities;
- Protect client information at all times;
- Respect the intellectual property rights of others;
- Prevent and/or fully disclose any perceived or real conflicts of interest;
- Preserve honesty, integrity, and trust in all communications with clients, employees, and shareholders.
- Prevent the use or dissemination of insider information and unsubstantiated rumors
- Adopt procedures to supervise the activities our its representatives

The NBCS Code of Ethics applies to all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. All supervised persons acknowledge the terms of the NBCS Code of Ethics annually, or as amended.

NBCS anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which NBCS has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NBCS, its affiliates and/or clients, directly or indirectly, have a position of interest. NBCS' employees and persons associated with NBCS are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of NBCS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for NBCS' clients. NBCS and its associated persons may recommend or buy and sell securities for their own accounts or for the accounts of other clients which differ from the securities recommended to other clients or actions taken in providing advisory services to other clients. It is the expressed policy of NBCS that no person employed by NBCS may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations, may represent a conflict of interest, NBCS has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer or employee of NBCS shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of NBCS shall prefer his or her own interest to that of the advisory client.
2. All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
3. NBCS emphasizes the unrestricted right of the client to decline to implement any advice rendered by NBCS.
4. NBCS requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to termination.

The NBCS Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of NBCS will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of NBCS' clients. In addition, the NBCS Code of Ethics requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored on a quarterly basis under the Code of Ethics, and to reasonably prevent conflicts of interest between NBCS and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with NBCS' obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. NBCS will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed trade orders will be allocated as specified in the initial trade order. Partially filled trade orders will be allocated on a pro rata basis. Any exceptions will be explained on the trade order.

It is NBCS' policy that the firm will not affect any principal or agency cross securities transactions for client accounts. NBCS will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

NBCS' clients or prospective clients may request a copy of the NBCS Code of Ethics by contacting Scott Wilkins, Director of Compliance, at (205) 521-9390.

ITEM 12: CERTAIN POTENTIAL CONFLICTS OF INTEREST

NBCS, in its capacity as a dually-registered securities broker-dealer and investment adviser, is routinely engaged in various securities transactions and trading activities for various clients and customers which could create conflicts of interest among its other clients and customers. As a full-service broker/dealer, on an ongoing basis and as permitted by applicable

law, NBCS may, when appropriate:

- Act as principal, buy securities from or sell securities to a Client;
- Act as broker or agent, effect securities transactions for compensation for a Client;
- Act as broker or agent for any person other than a Client, effect transactions in which Client securities are sold to or bought from a brokerage Client;
- Recommend to Clients that they buy or sell securities or investment products in which NBCS or a related person has some financial interest; or buy or sell for itself securities that it also recommends to Clients.

NBCS may from time to time incur trade errors. In these instances, NBCS may profit from the error or may incur a loss. Regardless, the client transaction will not be affected.

NBCS has adopted and enforces internal policies and procedures with respect to conflicts of interest between NBCS and its Clients. Pursuant to these policies and procedures, NBCS, when engaging in the activities enumerated above, treats Client orders fairly and does not give its own orders preference over Client orders. Where required by applicable law or exchange rules, NBCS obtains the consent of affected Clients in advance of any transactions in which NBCS will be engaging in the activities referenced above. When NBCS engages in the activities referenced above, all statements and/or confirmations of such transactions contain the disclosures required by applicable law and exchange rules. Securities activities are monitored quarterly to detect and prevent NBCS employees from trading ahead of its Client Accounts.

Within an applicable IA Program, it is the duty of the Investment Manager to seek the best net price and execution on securities trades for Client Accounts. In the event that NBCS sells a security to or buys a security from a Client from its inventory accounts, NBCS will use all reasonable efforts to assure that the Client obtains the best net price and execution on the purchase or sale based on prevailing inter-dealer market prices. In some circumstances, the change in market price may result in a financial benefit to NBCS. NBCS and its affiliates may give advice and take action in performing their duties to the Client that differ from advice given, or the timing and nature of action taken, with respect to IA Program Clients. In the course of their respective investment banking activities or otherwise, NBCS and its affiliates may from time to time acquire material non-public or other information about corporations or other entities or their securities. NBCS and its affiliates are not obligated and may not be permitted to divulge any such information to or for the benefit of IA Program Clients, or otherwise act on the basis of any such information in providing services to Clients. NBCS, its related persons and affiliates may purchase for their own accounts securities that are recommended to IA Program Clients.

It is contemplated that Investment Managers in the ProAM Program will affect substantially all portfolio trades for ProAM Program Accounts with or through NBCS or RBC. This arrangement could create an incentive for NBCS to recommend Investment Managers with lower portfolio turnover rates. This arrangement may also create a financial incentive for Investment Managers to refrain from searching as actively among other securities broker-dealers for best execution.

From NBCS's perspective, depending on the fee level and the portfolio turnover rate in an account, the bundled compensation arrangement under the IA Program may provide more total compensation to NBCS than the combined compensation from the Client in an unbundled arrangement (that is, if NBCS were paid separately for investment advisory services, brokerage and other Account services). Therefore, NBCS might have a financial incentive to recommend this IA Program over other suitable NBCS services and programs or to effect fewer portfolio transactions than it would affect under an alternative fee arrangement. Further, although NBCS is required to compare its own trading and execution capabilities with that of other brokers-dealers, the fee arrangement under the IA Program may create an incentive for NBCS to refrain from searching as actively among other securities brokers and dealers for best execution. In addition, a portion of the IA Program Advisory Fees are paid to NBCS FAs. This compensation may be more than a FA would receive if a Client participated in another available IA Program or paid separately for investment advice, brokerage and other Account services. Therefore, FAs may have a financial incentive to recommend an IA Program over other available services and investment programs.

NBCS Asset Management, a division of NBC Securities, Inc., may act as Investment Manager in the ProAM Program. If a client selects NBCS Asset Management as Investment Manager it should be considered the same as selecting NBCS as Investment Manager. In such cases, NBCS will receive additional compensation under the terms of the ProAM Program as Investment Manager. The participation of NBCS as Investment Manager in the ProAM Program creates an incentive

for NBCS to recommend itself over a potentially more qualified and suitable non-affiliated Investment Manager.

NBCS receives payments from mutual fund companies, Investment Managers, and ETF companies. The firm uses this money for general marketing and educational programs, to offset compliance and product management costs, and to support client education, NBCS FA education, and other internal programs and educational seminars. In return for the payments, fund companies and Investment Managers are given access to NBCS branch offices for the purpose of educating its employees and informing them about the available products. NBCS does not receive any extra commission for selling funds from these companies, nor does NBCS receive additional compensation by using a specific Investment Manager in one of NBCS' IA Programs, except as noted above relative to NBCS Asset Management. Each FA individually evaluates the mutual fund and Investment Manager, and then works with the client to choose the appropriate investment for the client's individual financial needs. Mutual fund companies may make payments, which may be based on assets and/or sales volume, to NBCS via the fund's distributor, investment advisor, or other entity. These payments are generally made from the management fees they earn.

Certain Financial Advisors own partnership units in NBCS Holdings, LP, NBCS parent company, meaning they have an ownership interest in NBCS (an "NBCS Owner FA"). Therefore, an NBCS Owner FA has an incentive to recommend that you purchase certain securities, products and services that generate more revenue for NBCS. The NBCS Owner FA also may have an incentive to recommend that you engage in such purchase and sale transactions more frequently as such transactions may increase the revenue of NBCS. The increase in NBCS's revenue may increase the resulting net income of NBCS and, thereby, the value of the NBCS Owner FA's ownership interest in NBCS.

NBCS receives compensation ("Credit Balance Fee Income") from RBC CS or other Cash Sweep Option providers related to cash balance assets within an IA Program that are included in the Cash Sweep Options. This Credit Balance Fee Income is in addition to the Advisory Fees NBCS receives and creates a conflict of interest as a potential financial incentive for an NBCS Owner FA to recommend maintaining higher Cash Sweep Option balances in certain IA Programs rather than investing in other products in which NBCS does not receive additional compensation, thereby increasing the total revenue and net income of NBCS and, ultimately, that of NBCS Holdings, LP. We mitigate this conflict of interest in that the Financial Advisor does not receive any direct compensation from NBCS on Credit Balance Fee Income and by periodically monitoring and reviewing Accounts for large cash balances and for Accounts that have a high ratio of cash balance to total Account balance.

When utilizing no-load mutual funds within an account, Clients will be paying the IA Program Fee on those shares, which could otherwise be purchased outside of the IA Program at no additional cost. Additionally, by investing in mutual funds within an IA Program account, management fees and other fees charged by a mutual fund company are not included as a part of the IA Program fees, and could result in higher costs to the Client.

Mutual funds may provide for the payment of certain Rule 12b-1 and other similar asset-based charges ("**12b-1**" fee). Typically, all or a portion of the 12b-1 fee is paid by a mutual fund company to NBCS, as outlined in the applicable prospectus, potentially creating an incentive, and thus a conflict of interest, for NBCS or your NBCS FA to recommend a mutual fund that will pay a 12b-1 fee as opposed to one that does not. We address this conflict of interest by (1) only offering Advisor share class Mutual Fund positions for new purchase in an IA Program, and (2) crediting any 12b-1 fees that we receive related to a mutual fund held in an advisory account back to the Client Account in all IA Program Accounts.

Many mutual fund companies offer advisory, institutional or other share classes that do not have a sales load or assess 12b-1 fees. Many mutual funds offer multiple classes of shares which are available based on various eligibility requirements as dictated by the fund company. RBC CM or NBCS will decide which share classes to offer in IA Programs based on such eligibility requirements, the availability of share classes under the distribution agreements available to NBCS through RBC CM, and other considerations. In most cases, we recommend the lowest expense ratio share class offered by the fund company and available through RBC CM in an IA Program, but in some cases, may choose to recommend a higher-cost share class. It should be noted that, in certain instances, certain share classes may not be available to us through RBC CM and there may be a cheaper alternative available to you should you qualify for it and purchase it elsewhere. NBCS has a potential conflict of interest in choosing higher expense ratio share classes where we

receive 12b-1 fees or other payments from the mutual fund. We address this conflict of interest by crediting any 12b-1 fees that we receive related to a mutual fund held in an advisory account back to the Client Account in all IA Program Accounts.

NBCS offers a number of IA Programs for which it receives compensation that may vary depending on which IA Program a Financial Advisor recommends. Therefore, an NBCS FA may be incented to recommend an IA Program that pays more compensation to NBCS and the FA over a lower paying IA Program.

An officer or an employee of NBCS may serve on the board of directors of the company whose securities it recommends to Clients.

ITEM 13: BROKERAGE PRACTICES

NBCS has the authority to select broker-dealers to execute portfolio transactions on the Client's behalf for the Client Account and to select the markets in which such transactions will be executed. Consistent with NBCS' duty to the client to seek and obtain best execution on securities transactions, most securities transactions will be effected with and through the RBC for most IA Program Accounts. NBCS considers it appropriate and necessary for the IA Programs described in this brochure to use the brokerage and execution services of RBC. In directing the use of RBC for most all IA Program transactions, Clients should recognize that NBCS may not be able to obtain best execution for all transactions. Soft dollar benefits are not limited to those Clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular Clients or groups of Clients. Soft dollar benefits are not proportionally allocated to any Accounts that may generate different amounts of the soft dollar benefits.

ITEM 14: REVIEW OF ACCOUNTS

ProAM Program and APS Program Accounts are reviewed by one or more members of the NBCS Investment Committee on at least an annual basis. The designated supervising principal or his/her designee also utilizes certain system and technology tools to reviews all transactions within Client Accounts on a daily basis.

APS Program Accounts are continuously managed by the NBCS FA assigned to the Account. APS Program Accounts are reviewed as necessary, and at least annually, in response to such variables as market and economic conditions, political circumstances, and the individual needs of the Client.

ITEM 15: CLIENT REFERRALS AND OTHER COMPENSATION

A portion of the fees or commission charged for the Advisory Services described herein may be paid to an FA in connection with the introduction of the Accounts as well as for providing Client-related services within the IA Program. NBCS may, in its sole discretion, advance a portion of the first year's estimated Program Fee to the FA.

NBCS may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. NBCS is aware of the special considerations promulgated under Section 206 (4)-3 of the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all written instruments will be maintained by NBCS and all applicable Federal and/or State laws will be observed. This compensation is generally in the form of a percentage of the fees described herein.

ITEM 16: CUSTODY

RBC CM is the clearing-broker for NBCS, as introducing-broker or correspondent broker. As clearing-broker, RBC CM is the custodian for Client assets and Accounts in the IA Programs. Clients will receive at least quarterly Account statements from RBC CM. NBCS urges each Client to carefully review such statements and compare such official custodial records to the Account performance reports that NBCS may provide. Performance reports may vary from custodial Account statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

ITEM 17: INVESTMENT DISCRETION

In certain circumstances, subject to the approval of NBCS management, NBCS will permit an FA to maintain trading discretion as to the identity and amount of securities to be purchased or sold (“**Discretionary Trading Authority**”). In such cases, NBCS usually receives Discretionary Trading Authority from the Client at the outset of an advisory relationship. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client Account. A Client must sign the NBCS’s Client Profile and Agreement and specifically authorize Discretionary Trading Authority in order to grant an FA with actual Discretionary Trading Authority.

When selecting securities, and determining amounts to be invested, NBCS follows the investment policies, limitations and restrictions of the Client for which it advises. For registered investment companies, NBCS’ authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment Managers in an IA Program have Discretionary Trading Authority and do not consult with NBCS, or with a Client prior to placing an investment transaction in an Account. Please refer to the IA Program agreement and Investment Manager ADV Part 2A Disclosure Document.

All Client investment guidelines and any investment restrictions must be provided to NBCS in writing.

ITEM 18: VOTING CLIENT SECURITIES

NBCS shall not vote proxies on behalf of the Account. Except as provided below, NBCS will forward all proxy solicitation and related materials, including annual and interim reports and any other issuer mailings that are received with respect to the securities in an Account, to Client to vote. To the extent that instructions regarding the voting of proxies are not received, and as permitted by law, NBCS will comply with the rules of Financial Industry Regulatory Authority (“FINRA”), the New York Stock Exchange, Inc. and the SEC relating to such matters.

Unless required by applicable law, NBCS and the Investment Manager will not be obligated to render any advice to or take any action on behalf of Client with respect to legal proceedings, including bankruptcies or class actions, involving securities held or previously held in an Account or involving the issuers of such securities. The sole obligation of NBCS and each Investment with respect to any such legal proceeding is to forward to Client, or Client’s designee, within a reasonable period of time, any materials or other information with respect to such legal proceeding received from the issuer or third parties.

Client may designate in the Client Agreement to have the selected Investment Manager receive proxy solicitations and to vote proxies on Client’s behalf, subject to acceptance of these instructions by the Investment Manager. Alternatively, Client may give written instructions to NBCS to direct all proxy solicitations to an independent third-party selected by Client to vote on Client’s behalf. Identification and selection of an independent third-party and payment of any additional costs associated with the voting of proxies shall be the express responsibility of Client

ITEM 19: FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about a registered investments adviser’s financial condition. NBCS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.