Item 1. COVER PAGE

Form ADV Part 2A
First Citizens Asset Management, Inc.
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March 31, 2025

This Form ADV, Part 2 is the First Citizens Asset Management, Inc. brochure (the “Brochure”). This Brochure provides information about the qualifications and business practices of First Citizens Asset Management, Inc. (“FCAM”). If you have any questions about the contents of this Brochure, please contact us at 800-223-0205. 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.

Additional information about FCAM is also available on the SEC’s website at www.advisorinfo.sec.gov. You can view our firm’s information on this website by searching for “First Citizens Asset Management, Inc.” Our Firm’s SEC number is 801-79917 and our CRD number is 140777.

FCAM is an SEC registered investment adviser under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training.

Item 2. MATERIAL CHANGES

The last annual updating amendment to this brochure was dated March 30, 2024

The following is the material change to this brochure since March 2024:

Clarification around Investment Committee

Item 3. TABLE OF CONTENTS

Page

Item 4. ADVISORY BUSINESS

A. Description of Firm

FCAM is an SEC registered investment adviser under the Investment Advisers Act of 1940. FCAM is a corporation formed under the laws of the State of South Carolina and is wholly owned by First-Citizens Bank & Trust Company, which in turn is a wholly owned subsidiary of First Citizens BancShares, a publicly traded company. FCAM is a wholly owned subsidiary of First-Citizens Bank & Trust Company ("FCB"), which is a wholly owned subsidiary of First Citizens BancShares, Inc. a publicly traded company. FCAM has been in business since 2006.

B. Description of Services

FCAM's business is currently to (i) provide sub-advisory services (the "Sub-Advisory Services") to affiliated entities, First Citizens Investor Services, Inc. ("FCIS") and SVB Wealth LLC ("SVBW"), (ii) provide direct investment advisory services to individuals, corporations, and other business entities (the "Retail Services"), and (iii) investment advisory services to municipalities. FCIS is an affiliated broker-dealer, a member Financial Industry Regulatory Authority ("FINRA"), Securities Investor Protection, and an SEC registered investment advisory firm. SVBW is an affiliated SEC registered investment advisory firm. All entities are related and under common ownership of First Citizens BancShares, Inc.

1. Sub-Advisory Services

FCIS and SVBW clients (the "Clients") may gain indirect access to FCAM's portfolio management services through FCIS and SVBW and use of FCAM-created model portfolios that include specific securities and their asset allocations as part of an overall investment portfolio ("Model Portfolios"). FCIS and SVBW will determine which of FCAM's Model Portfolios apply to each Client.

FCAM provides investment advisory models and services with three different broad investment implementation frameworks: 1) global multi-asset class models using funds and exchange-traded products ("Funds"), 2) global multi-asset class models using exchange-traded products only ("ETF"), and 3) income-oriented models using funds and exchange-traded products ("Income-Oriented"). The models within each framework are described in further detail below.

1. The Funds models utilize a combination of funds and exchange-traded products to provide a globally diversified portfolio of stocks, bonds, and non-traditional asset classes with the potential to achieve an attractive risk-adjusted return over a full market cycle. The models are likely to incorporate funds and exchange-traded products that are both actively managed and passively managed (indexed) in nature.
2. The ETF models utilize exchange-traded products to provide a globally diversified portfolio of stocks, bonds, and non-traditional asset classes with the potential to achieve an attractive risk-adjusted return over a full market cycle. While some of the exchange-traded products in the models may be actively managed, they will primarily be passively managed (indexed) in nature.
3. The Income-Oriented models utilize a combination of funds and exchange-traded products to provide a globally diversified portfolio of stocks, bonds, and non-traditional asset classes with the potential to achieve an attractive risk-adjusted yield over a full market cycle. The models are likely to incorporate funds and exchange-traded products that are both actively managed and passively managed (indexed) in nature.

Model Portfolios constructed as part of FCAM's Sub-Advisory Program contain a wide range of asset classes seeking to create a diversified portfolio with a specific risk profile (e.g., aggressive, moderately aggressive, moderate, moderately conservative, and conservative). FCIS and SVBW (and not FCAM) work with its Clients to determine which model or models would be appropriate for them.

The Model Portfolios use dynamic asset allocation strategies paired with manager research to create and provide global multi-asset class models suitable for a range of risk profiles and investment objectives. Model Portfolio construction begins with the establishment of a deep universe of market exposures and the development of forward-looking capital market assumptions for each of these asset classes. The capital market assumptions are derived from macroeconomic data, fundamental market data, and interest rate dynamics. The asset classes are combined within a framework that seeks to control risk exposure at the asset class and portfolio levels, with the goal of maximizing return at any level of risk. Portfolio investments are selected based on the criteria described below and are combined with the objective of mitigating manager risk and retaining the potential for excess returns. The models are monitored on an ongoing basis with formal FCAM Board of Directors ("Board") reviews at least quarterly. The models may be updated when opportunities exist to enhance the expected risk-adjusted return.

FCAM manages the models on a discretionary basis, including selection of the specific funds and any other securities used in the models. As part of the decision-making process for the selection and monitoring of model investments, FCAM uses information from independent reporting sources. FCAM's decision to include or retain a fund in the model is guided by a combination of quantitative and qualitative criteria.

Quantitative Criteria

Quantitative criteria are evaluated in terms of a fund or outside manager's absolute performance and performance relative to its peer universe and performance benchmark, and may include (among other things):

- Rate of return;
- Standard deviation of returns;
- Risk-adjusted rate of return;
- Expense ratio; and
- Assets under management.

Qualitative Criteria

Qualitative criteria used in fund evaluations may include (among other things):

- Tenure and composition of portfolio management team;
- Length of fund's track record;
- Investment philosophy and process;
- Risk management process; and
- Financial, operational, and client servicing resources.

FCAM employees meet quarterly with the Board and on an as-needed basis, and periodically reviews the models and considers the addition of new investments to the models. When appropriate, FCAM considers adding or removing funds or outside managers. The removal of a fund or manager may be based upon the criteria described above or upon other information the Board deems material. The Board considers all relevant criteria; no one criterion is necessarily determinative.

2. Retail Services

FCAM's Retail Services are wrap fee services. ***It should be noted that FCAM does not offer wrap fee programs to new clients and will not accept any new wrap fee accounts. Existing clients may add additional funds to their account as needed.***

In General

In connection with the Retail Services, FCAM's business is to provide investment advisory services to individuals, corporations, and other business entities. FCAM consults with the client to obtain detailed financial information and other pertinent data to determine the appropriate investment guidelines, risk tolerance and other factors that will assist in ascertaining the suitability of the account. Asset management services are provided to clients on a limited discretionary or non-discretionary basis. The investment advisory services of FCAM are provided to clients through an appropriately licensed and qualified individual who is an investment adviser representative of FCAM (the "IAR"). You may obtain information about your IAR through the Brochure Supplement, which is a separate document that is provided along with this disclosure brochure. If you did not receive a Brochure Supplement for your IAR, please contact the Client Solutions Group at 800-229-0205.

As part of the Retail Services, FCAM provides three different types of investment advisory programs: 1) Wrap Program, 2) Separately Managed Account (SMA) Program, and 3) Unified Managed Account (UMA) Program.

- Wrap Program bundles advisory, administrative, and transaction charges into one asset-based wrap fee. A portion of the wrap fee is allocated to the administrative fee, which covers administrative and supervisory services provided by FCAM as well as transaction, execution, clearing and custodial services as provided by a third-party clearing firm.
- Separately Managed Account (SMA) Program gives a third-party manager discretionary authority with respect to investment management of client accounts. The IAR will assist other investment adviser representatives and clients in selecting one or more managers based upon the client's risk tolerance, investment objectives, goals, and objectives. The client may use one Third-Party Manager per account.
- Unified Managed Account (UMA) Program gives the client the ability to use money managers using discretion and/or the client and the IAR together on a non-discretionary basis to create a portfolio. The client and the IAR will identify the client's investment goals and objectives as well as risk tolerance to determine the combination of portfolio management. The client may use multiple Third-Party Managers in one account. Under the FCAM UMA Program, FCAM provides certain discretionary advisory management services to state and local municipal entities, including investing proceeds of and/or funds used to satisfy obligations under municipal offerings within U.S. Government and agency securities.

FCAM Retail Programs

FCAM oversees clients' portfolios based upon the client's risk profile, investment horizon, financial goals, income (current and potential), tax bracket, portfolio size, net worth, and other aspects of your financial profile. Assets are allocated within a mix of securities including, but not limited to, equities, bonds, convertible bonds, government securities, municipal bonds, preferred stock, mutual funds, and exchange-traded funds. FCAM offers clients the ability to have access to third-party money managers. The FCAM Wrap Program offers "wrap accounts" that bundle advisory, administrative, and transaction charges into one asset-based wrap fee. A portion of the wrap fee is allocated to the administrative fee, which covers administrative and supervisory services provided by FCAM as well as transaction, execution, clearing and custodial services as provided by a third-party clearing firm. FCAM also receives a portion of the wrap fee for advisory services. Clients should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in their accounts, the value of services that are provided under these programs, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately. Under the FCAM Wrap Program, assets would be managed by FCAM generally in the same manner as assets managed by FCAM for clients not in the FCAM Wrap Program other than the requirements or restrictions of the program; however, the assets in the FCAM Wrap Program would be selected based on the client's particular investment needs and objectives.

In the FCAM SMA Program, clients may elect to utilize the investment skills of professional third-party money managers ("Third-Party Manager"). This program gives the Third-Party Manager discretionary authority with respect to investment management of client accounts. IARs assist clients in selecting one or more Third-Party Managers based upon the client's risk tolerance and investment objectives. Clients may impose reasonable restrictions upon the management of the account. Through the selected platform providers, FCAM can offer to clients a variety of Third-Party Managers. This allows the IAR to match the client's investment objectives and goals to the Third-Party Manager. The platform provider monitors the Third-Party Managers on an on-going basis for financial soundness and performance, and to ensure that the Third-Party Manager is adhering to their stated goals and investment objectives. The platform providers provide this information to FCAM to assist them in their decision-making. Additionally, the platform provider monitors the performance of other third-party money managers not included in the FCAM Wrap Program to determine whether any other managers should be included to better serve clients and provides this information to FCAM.

Through the FCAM UMA Program, clients may select a Third-Party Manager and/or the IAR to manage the account. The money manager the client selects will have discretion and the IAR will work with the clients on a non-discretionary basis. The client and IAR will work together to identify their investment goals and objectives, as well as risk tolerance to create an initial portfolio allocation designed to complement the client's financial situation and personal circumstances to determine a portfolio management. FCAM has developed specific asset allocation models consisting of various investment vehicles including equities, fixed income securities and alternative investments, which the IAR will evaluate to determine the best fit for a client. The IAR may deviate from the models at his/her discretion to meet a client's specific needs. The investment strategies utilized depend on the individual client's investment objectives and goals as provided to the IAR. Portfolios focus primarily on a long-term buy and hold approach as opposed to short-term trading. The IAR may periodically rebalance the client's account to maintain the initially agreed upon strategic and tactical asset allocation. However, no changes are made to the agreed-upon asset allocation nor are assets rebalanced without prior client review and consent.

Clients will receive periodic performance reports from FCAM. FCAM has discretion to hire or terminate any Third-Party Manager and assign or reassign Third-Party Managers. Termination of a Third-Party Manager does not terminate the program or your account with FCAM. The platform provider may have an attorney-in-fact for the account and may vote proxies according to its discretion. FCAM does not act in such a capacity or have such authority. It is the client's responsibility to notify FCAM if there have been any changes in their financial situation, investment objectives, or management restrictions. At least annually, FCAM will consult with clients to determine whether there have been any changes in their financial situation or investment objectives, and whether clients wish to impose any reasonable restrictions on the management of the account or reasonably modify any existing restrictions.

SMA/UMA Programs – Third-party Manager Selection and Monitoring

FCAM may select Third-Party Managers available in the SMA or UMA Programs primarily from information that was provided by those firms and/or was publicly available. Performance information used by FCAM is generally provided by the relevant third-party management firm; FCAM does not attempt to independently determine or verify the information's accuracy or its compliance with presentation standards. The third-party management firms may not calculate performance information on a uniform or consistent basis. FCAM from time-to-time considers additional third-party management firms for the SMA or UMA Programs. In this process, FCAM may obtain and rely upon certain information from independent sources, including a consultant.

In its selection and monitoring, FCAM analyzes the SMA/UMA Managers and candidate firms based upon a combination of quantitative and qualitative criteria.

Quantitative Criteria

Quantitative criteria are evaluated in terms of a Third-Party Manager's or a firm's absolute performance and performance relative to its peer universe and performance benchmark, and may include (among other things):

- Rate of return;
- Standard deviation of returns;
- Risk-adjusted rate of return;
- Implementation cost; and
- Assets under management.

Qualitative Criteria

Qualitative criteria used in Third-Party Manager or firm evaluations may include (among other things):

- Tenure and composition of portfolio management team;
- Length of product's track record;
- Investment philosophy and process;
- Risk management process; and
- Financial, operational, and client servicing resources.

FCAM meets quarterly with the Board and on an as-needed basis, and periodically reviews the Third-Party Managers. When appropriate, FCAM 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 FCAM and the Board deems material. FCAM and the Board considers all relevant criteria; no one criterion is necessarily determinative. In its review process, FCAM and the Board places emphasis on a Third-Party Manager's long-term overall performance.

3. Investment Advisory Services to Municipalities

As part of the FCAM UMA Program, FCAM provides certain discretionary advisory management services to state and local municipal entities, including investing proceeds of and/or funds used to satisfy obligations under municipal offerings within U.S. Government and agency securities. Such advisory services are offered pursuant to the exemption pursuant to Exchange Act Section 15B(e)(4)(C), which exempts from the definition of municipal adviser any investment adviser registered under the Advisers Act, or persons associated with such investment advisers who are providing investment advice pursuant to an advisory agreement within the scope of the Advisers Act.

C. Amount of Client Assets Managed

As of December 31, 2024, FCAM managed client assets:

$	167,013,742	on a discretionary basis, and
$	0	on a non-discretionary basis.
$	167,013,742	Total

Item 5. FEES AND COMPENSATION

The Program fees charged by FCAM (the “Fee” or “Fees”) are generally asset-based, expressed as an annual percentage of the assets in the account. The Fees may 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, the trade execution, and services provided by the platform provider associated with a particular service. The Fees vary by service and are set forth below.

A. Sub-Advisory Services

FCIS and SVBW will generally compensate FCAM directly out of fees that it receives from Clients. FCAM will generally receive a fee in the range of 0.04% to .50% of the assets under management in the Client account. Fees will be deducted directly from the client’s account and may be negotiable.

B. Retail Services

For Retail Services, clients are billed the Fee in advance based upon the assets under management on either a monthly or quarterly basis, depending upon the program chosen. The timing of such billing is determined, in part, by the particular investment program chosen by the IAR along with the client. Details of Fees, as well as the timing of such Fees, will be discussed and disclosed in the client agreement prior to opening an account.

FCAM WRAP Program Fee Schedule

Account Size	Maximum Fee
$50,000 - $100,000	2.00%
$100,001 - $200,000	1.75%
$200,001 - $500,000	1.25%
$500,001 AND ABOVE	1.00%

FCAM SMA Program Fee Schedule

Account Size	Maximum Fee
$50,000 - $100,000	2.00%
$100,001 - $200,000	1.75%
$200,001 - $500,000	1.25%
$500,001 AND ABOVE	1.00%

FCAM UMA Program Schedule

Market Value	Maximum Annual Fee	
	Equity & Balanced	Fixed Income
$100,000 - $249,999	2.75%	1.85%
$250,000 - $499,999	2.75%	1.80%
$500,000 - $999,999	2.00%	1.50%

$1,000,000 - $1,999,999	2.00%	1.25%
$2,000,000 - $4,999,999	1.50%	1.00%
Amounts Over $5,000,000	1.00%	0.85%

These Fees may be negotiated depending upon circumstances including, but not limited to, account composition and complexity, other client, employee, or family relationships, which may result in different Fees being charged for client accounts similar in composition and objectives. The Fee Schedule is assessed for each account, and FCAM does not aggregate other accounts for the client (Householding) when determining the Fee.

Note that mutual funds, including exchange traded funds and similar investment products, in which client assets are invested by FCAM or by others, impose separate investment management fees and other operating expenses, described in the fund's prospectus, for which the client will be charged separately from the fee paid to FCAM for its services.

FCAM utilizes money market funds as temporary investment vehicles for clients as permitted by law and subject to applicable restrictions. The use of money market funds in "sweep" arrangements, for temporary investment purposes or otherwise, may result in FCAM earning advisory, distribution or other fees described herein. The fees earned by FCAM may vary depending on the money market funds utilized.

Either party may terminate their advisory contract upon written notice. Upon such notice, FCAM 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. FCAM will refund any un-earned portion of its Fee.

The client will grant FCAM the authority to receive monthly and quarterly Fee payments directly from the client's account held by an independent custodian. The client provides, in writing, limited authorization to withdraw the contractually agreed upon fees from the account. The custodian of the account is made aware of the limitation of FCAM's access to the account. The custodian sends the client a statement, at least quarterly, indicating all the amounts disbursed from the account including the amount of Fees paid directly to FCAM, which the client should verify for accuracy as to our Fee calculation. The custodian of the account holds all customer assets. FCAM does not physically hold or handle customer funds or securities.

Clients may be able to purchase shares of mutual funds outside of the FCAM programs directly from mutual fund issuers, their principal underwriters, or a distributor without purchasing the services of the Wrap Fee Program or paying the Fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable Fee. However, FCAM clients may not then receive the benefit of the IAR's investment advice related to such outside investments. If you elect to have your IAR, in his or her separate capacity as a registered representative of a licensed broker-dealer (if applicable), implement the recommendations of FCAM with respect to such outside investments, your IAR at his or her discretion may waive or reduce the Fee charged by the amount of the commissions received as a registered representative. Any reduction of the investment advisory fee will not exceed 100% of the commission received as a registered representative. Note that with or without such waiver or reduction of the investment advisory fees, this practice may present a conflict of interest because it gives the IAR an incentive to recommend investment products based on the compensation received, rather than on a client's needs.

Administrative fees normally applicable to retirement accounts and qualified plans sponsored by the custodian (except for 401(k) plan set-up fees, retirement account and qualified plan termination fees, and fees such as electronic fund/wire transfer fees identified in the custodian's documents related to retirement accounts and qualified plans) are waived for accounts in the FCAM Retail Programs. Some Third-party Managers may assess additional charges and/or fees for certain products or services that they provide; if the product(s) or service(s) are selected by the FCIS Client, the account will pay those amounts. Fees such as 12(b)-1 fees received by FCIS or SVBW are rebated to the FCAM client's retirement or plan account.

As described elsewhere in this Brochure, FCAM receives 12b-1 (distribution) fees for the sale of certain mutual funds purchased by advisory clients. Client assets are sometimes invested in shares of registered funds (such as mutual funds) that offer several classes of shares with different fees. Some share classes charge 12b-1 (distribution) fees, shareholder services fees or administrative fees and pay these fees to FCAM. Distribution payments, or 12b-1 fees, compensate FCAM for selling registered fund shares. Shareholder services and administrative fees compensate FCAM for customer account services and administration such as account and trade detail recordkeeping, customer statement preparation and delivery, tax reporting, and other services that the registered mutual fund otherwise would have provided. Distribution, shareholder services and administrative fees are deducted from the mutual fund's assets and indirectly paid by the fund's shareholders. Registered funds often offer one or more share classes that do not charge 12b-1 or shareholder services fees. Clients may be able to invest in lower-cost share classes directly.

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

Performance-based fees are fees based on a share of capital gain on or capital appreciation of the assets within the client's account. FCAM is not compensated based on a share of capital gains or capital appreciation of the models.

Item 7. TYPES OF CLIENTS

A. Sub-Advisory Services Clients

FCAM provides sub-advisory services to FCIS and SVBW and indirectly provides investment advice to individual persons, trusts and other clients of FCIS. FCAM does not enter direct advisory relationships with FCIS or SVBW Clients.

B. Retail Services Clients

FCAM's Retail Services clients include individual persons, trusts, estates, charitable organizations, municipalities and other governmental entities, and corporations or similar business entities. Clients are required to execute a written agreement with FCAM specifying the advisory services desired to establish a client arrangement with FCAM. Generally, FCAM's minimum account size for Retail Services clients is $50,000 for the Wrap Program and $100,000 for the SMA and UMA Programs, although these minimums may be waived based on considerations such as the account's relationship to established clients and other factors. FCAM is not currently accepting new Retail Services clients.

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

A. Methods of Analysis and Investment Strategies

Proprietary Investment Strategies FCAM uses fundamental, quantitative, and technical analysis in evaluating securities. Fundamental analysis involves looking at economic, financial, and other qualitative and quantitative factors to measure a security's value. We use various financial databases to screen publicly traded companies to identify a smaller universe of candidates that meet our criteria for growth, value, quality, and income (dividends). We rely on tools such as Bloomberg Professional and FactSet. We also use commercially available technology, financial periodicals and other publications, SEC filings, and financial statements to assist with our analysis. In certain instances, we also use outside consultants to provide expertise in particular areas or for more in-depth analysis, these views and analyses received from broker-dealers ("sell-side research") are also considered as part of FCAM's evaluation process.

Our investment selection process for fixed-income securities is based on the specific client's/strategy's goal for liquidity, our portfolio manager's outlook, and our view of the environments for interest rates and corporate and/or municipal credit.

Investment Managers Our investment team employs a due diligence review process to select Third-Party Managers and one or more of their strategies to make available to our clients. This initial review includes quantitative and qualitative assessments of each Third-Party Manager and strategy. FCAM monitors Third-Party Managers' performance and adherence to their stated investment process and regularly assesses whether risks are being responsibly managed.

This process is also applied to the selection of mutual funds, ETFs, and limited partnership structures.

FCAM's investment advisory platform provides access to the following:

Third Party Managers - FCAM may engage any U.S. registered investment adviser as an Investment Manager to manage a client's assets on behalf of a client and at the client's expense.

Mutual Funds and ETFs - FCAM's investment team evaluates, selects and monitors mutual funds and ETFs across multiple asset classes and investment styles through a qualitative and quantitative analysis process.

Donor Advised Funds - Depending on a client's interest in charitable giving through donor-advised funds, FCAM will allocate, or recommendation the allocation of, a portion of the client's assets to a donor advised fund, in accordance with FCAM's arrangements with each pertinent foundation.

Derivative Investments - FCAM will evaluate, select and monitor investments in derivative instruments for qualified clients. These include sophisticated option-based strategies.

Proprietary Strategies - Our proprietary strategies include multi-asset, equity and fixed-income strategies described under "Proprietary Separate Account Strategies" below.

Proprietary Separate Account Strategies

Equity FCAM offers a number of proprietary US-based equity strategies: large cap value, large cap core, mid cap core, and small cap core.

Fixed Income FCAM's fixed-income strategies include taxable, tax- exempt, short duration, intermediate-term, US government, US investment grade credit or a combination of both. Fixed-income strategies can be customized to meet a client's unique parameters specific to tax status and state of residence, target duration, credit quality, and cash flow needs.

Material Risks

Investing in securities involves risk of loss that clients should be prepared to bear. Investment performance cannot be predicted or guaranteed, and the value of a client's assets will fluctuate due to market conditions and other factors. Investments are subject to various risks, including, but not limited to, economic, political, market, currency, liquidity, and cybersecurity risks, and will not necessarily be profitable. Past performance of investments is not indicative of future performance.

Depending on the type of service being provided, FCAM and affiliated investment adviser representatives can recommend different types of securities, including, but not limited to, mutual funds, ETFs, equities, fixed income securities, options, and other investment vehicles. Described below are some risks associated with investing and with some types of investments that FCAM and affiliated advisors can recommend depending on the type of service provided. For a more complete summary of material risk factors and conflicts of interest associated with the strategies of Third-Party Managers, please refer to the applicable Third-Party Manager's Form ADV Part 2A. Clients should also review the offering materials and prospectuses produced by issuers and sponsors of investment products and other disclosure available for each relevant investment, security, or transaction to understand associated risks and costs.

Market/Volatility Risk. There is a risk that the value of the assets in which a client account is invested decreases (potentially significantly) in response to various factors, including inflation (or expectations for inflation), deflation (or expectations for deflation), market instability, regulatory events, changes in interest rates, regional or global pandemics, and national and international political and economic events due to increasingly interconnected global economies and financial markets.

Regulatory Risk. There have been legislative, tax, and regulatory changes and proposed changes that may apply to the activities of FCAM that may require legal, tax and regulatory changes, including requirements to provide additional information pertaining to a client account to the Internal Revenue Service or other taxing authorities. Regulatory changes and restrictions imposed by regulators, self-regulatory organizations and exchanges vary from country to country and may affect the value of client investments and their ability to pursue their investment strategies. Any such rules, regulations and other changes, and any uncertainty in respect of their implementation, may result in increased costs, reduced profit margins and reduced investment and trading opportunities, all of which would negatively impact performance.

Data and Information Risk. Although FCAM obtains data and information from third party sources that it considers to be reliable, FCAM does not warrant or guarantee the accuracy and/or completeness of any data or information provided by these sources. FCAM does not make any express or implied warranties of any kind with respect to such data. FCAM shall not have any liability for any errors or omissions in connection with any data provided by third party sources.

Equity Risk. Common and preferred stocks represent equity ownership in a company. Stock markets are volatile. The price of equity securities will fluctuate and can decline and reduce the value of an equity's investment portfolio. The value of equity securities purchased could decline if the financial condition of the companies in which FCAM invests declines or if overall market and economic conditions deteriorate. They may decline due to factors that affect a particular industry or industries, such as labor shortages or an increase in production costs and competitive conditions within an industry, or due to general market conditions that are not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or generally adverse investor sentiment.

Fixed Income Risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of such securities tends to decrease. Conversely, as interest rates fall, the market value of such securities tends to increase. This risk will typically be greater for securities based on longer-term interest rates than for securities based on shorter-term interest rates. Fixed income securities may experience a decline in income when interest rates decrease. During periods of falling interest rates, an issuer may be able to repay principal prior to the security's maturity (i.e., prepayment), causing the vehicle to have to reinvest in securities with a lower yield, resulting in a decline in the vehicle's income. Additionally, fixed income securities may be subject to liquidity risk, whereby a security is difficult to purchase or sell or becomes difficult to sell after being purchased. This risk has been especially pronounced in recent times due to disruptions in the global debt markets and is elevated for high-yield fixed income securities (sometimes called "junk" bonds).

Risks of Mutual Funds and ETFs. Mutual fund and ETF shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains if they sell securities for a profit that cannot be offset by a corresponding loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Non-U.S. Securities International investments involve special risks not typically associated with trading in investments relating to markets and/or issuers solely in the U.S. Depending on the particular countries and investments involved and on the nature of the particular transactions executed outside of the U.S., these special risks may include: changes in exchange rates and exchange control regulations; downgrades in sovereign credit ratings; devaluations or non- convertibility of non-U.S. currencies; failures or disruptions in central banks, banking systems, markets or financial exchanges; changes in monetary policies, interest rates or interest rate policies; political, social and economic instability; adverse diplomatic developments; investment and repatriation restrictions; the nationalization and/or expropriation of assets; government intervention in the private sector; default by public issuers on their financial obligations (and limited recourse in connection with such defaults); the imposition of non-U.S. taxes; discrimination against foreign investors; less liquid markets; less information; higher transaction costs; less information regarding legal and regulatory risks; less uniform accounting and auditing standards; greater price volatility; less reliable clearance and settlement procedures; and/or less government supervision of exchanges, brokers, market intermediaries, issuers and other markets and market participants, than is generally the case in the United States.

Event Risk An adverse event affecting a particular company or that company's industry could depress the price of a client's investments in that company's stocks or bonds.

The company, government or other entity that issued bonds in a client's portfolio could become less able to, or fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency.

Adverse events affecting a particular country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.

Liquidity Risk Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions. Certain investments are inherently illiquid and therefore involve additional risks.

Domestic and/or Foreign Political Risk Events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security.

Inflation Risk Nations around the globe may be more, or less, prone to inflation than the U.S. economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting its underlying health.

Derivative Instruments Investing and engaging in derivative instruments and transactions, including commodity funds and commodity ETFs, may involve different types of risk and possibly greater levels of risk. These risks include, but are not limited to the following:

- Possible Leverage A derivative instrument or transaction may disproportionately increase an account's exposure to the market for the assets underlying the derivative position and the sensitivity of an account's portfolio to changes in market prices for those assets. Leverage will tend to magnify both the positive impact of successful investment decisions and the negative impact of unsuccessful investment decisions on an account's performance.
- Counterparty Credit Risk The market value of a derivative position may correlate imperfectly with the market price of the asset underlying the derivative position. If a derivative position is being used to hedge against changes in the value of assets in an account, a lack of price correlation between the derivative position and the hedged asset may result in an account's assets being incompletely hedged or not completely offsetting price changes in the derivative position.
- Lack of Correlation. The market value of a derivative position may correlate imperfectly with the market price of the asset underlying the derivative position. If a derivative position is being used to hedge against changes in the value of assets in an account, a lack of price correlation between the derivative position and the hedged asset may result in an account's assets being incompletely hedged or not completely offsetting price changes in the derivative position.
- Illiquidity. Over-the-counter derivative contracts are usually subject to restrictions on transfer, and there is generally no liquid market for these contracts. Although it is often possible to negotiate the termination of an over-the-counter contract or enter an offsetting contract, a counterparty may be unable or unwilling to terminate a contract with an account, especially during times of market instability or disruption. The markets for many exchange-traded futures and other instruments are quite liquid during normal market conditions, but this liquidity may disappear during times of market instability or disruption.
- Less Accurate Valuation The absence of a liquid market for over-the-counter derivatives increases the likelihood that FCAM will be unable to correctly value these interests.

Cybersecurity Risk Due to the increased use of technology in our business and the financial services industry in general, FCAM is subject to cybersecurity risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data or causing operational disruption, including denial-of-service attacks on websites. Cybersecurity failures or breaches with respect to FCAM or of its third-party vendors can cause disruptions to FCAM, potentially resulting in financial losses to clients and/or violations of applicable privacy and other laws that adversely affect clients.

Margin Accounts Some of our investment strategies require that clients maintain a margin account. Clients who purchase securities may pay for them in full (a “cash account”) or may borrow part of the purchase price from the broker-dealer that holds his/her account (a “margin account”). Clients generally use margin to leverage their investments and increase their purchasing power. At the same time, clients who trade securities on margin incur the potential for higher losses. We will discuss the risks of using margin with each client to determine if it is appropriate for their portfolio but, in general, would like for clients to know about some of the major risks of trading on margin.

- Clients can lose more funds than deposited in a marginaccount.
- The broker-dealer holding the client account can force the sale ofsecurities in the account.
- The broker-dealer can sell client securities without contactingtthe client.
- Clients are not entitled to an extension of time on a margin call.

Rebalancing of Portfolio FCAM may periodically rebalance client portfolios. Rebalancing involves trading securities - buying some and selling others. In rebalancing a client’s portfolio, the client may experience some additional transaction costs and tax implications due to this rebalancing. The client may suffer lower returns if the assets sold have higher returns in the future than those being purchased.

Balancing the Interests of Multiple Client Accounts FCAM may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to client’s investments and the performance resulting from such decisions may differ from client to client.

Allocating Investment Opportunities Because each client portfolio is individually managed, FCAM will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients, particularly if different clients have materially different amounts of capital under management by FCAM, different objectives, or different amounts of investable cash available. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

Client investments may also be subject to other risks specific to certain securities, which are further described in the underlying prospectus or other disclosure statement from the issuer of those securities. Clients should carefully review all available disclosures for any securities. Additionally, despite FCAM’s affiliation with FCB, client assets managed by FCAM are not bank deposits and are not insured or guaranteed by the FDIC or any other government agency entity or person and may lose value.

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. FCAM elected to participate in this initiative and, based on information that FCAM provided, the SEC issued an Order Instituting Administrative and Cease and Desist Proceedings against FCAM on March 11, 2019 (the “Order”). The SEC determined that for the period January 1, 2014, through July 20, 2018, FCAM purchased, recommended, or held for advisory client’s mutual fund share classes that paid 12b-1 fees to FCAM (or its affiliated broker-dealer) instead of lower-cost share classes for the same funds for which the clients were eligible. The SEC determined that FCAM did not adequately disclose this conflict of interest, and that the failure to do so constituted breaches of FCAM’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 FCAM and ordered FCAM to cease-and-desist from any future violations of Sections 206(2) and 207 of the Investment Advisers Act of 1940, and to pay $54,820.40 in disgorgement and $7,598.04 in prejudgment interest to FCAM'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 FCAM to complete certain remedial undertakings. FCAM 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-5123.pdf.

On the same day that FCAM settled, the SEC settled with 78 other investment advisers for similar conduct. To ensure that this conduct is not repeated, among other things, since September 30, 2014, FCAM has been crediting all 12b-1 fees back to advisory accounts.

Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Affiliations Material to Both Sub-Advisory and Retail Services

1. First-Citizens Bank & Trust Company

FCAM is a wholly owned subsidiary of FCB. A client referred to FCAM by FCB should be aware of the following about the securities generally recommended and/or purchased/sold on behalf of a client by FCAM. Such securities:

- Are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other federal or state deposit guarantee fund or other government agency.
- Not endorsed or guaranteed by FCB or its affiliates.
- Are not deposits or obligations of the depository institutions and are not guaranteed by the depository institutions; and,
- Are subject to investment risks, including possible loss of principal invested.

Certain employees of FCB will act as dual employees and investment advisory representatives of FCAM and will be involved in the creation and management of Model Portfolios for FCAM.

Michael Wilson is the President of FCAM and is also Director of the Wealth Management Group of FCB. In this capacity, he is responsible for various departments, including FCB's trust department, private banking department and FCIS.

2. First Citizens Investor Services

Certain IARs are also registered representatives of the FCIS broker-dealer. In this capacity, they may execute transactions in securities such as mutual funds, equities, bonds, options, annuities, and other investment products to clients of FCIS, who are clients of FCAM, on an agency basis and receive normal and customary commissions because of securities transactions. They spend approximately 75% of their time on these activities on behalf of FCIS. These IARs may also be licensed, registered, or approved through insurance companies and through FCIS to offer insurance products such as life insurance, long-term care insurance, whole life insurance, and term life insurance and receive normal and customary commissions from such purchases. These insurance products may be offered to clients of FCIS who clients of FCAM are also. They spend 5% of their time on these activities on behalf of FCIS.

However, FCAM's primary business is as an investment adviser. The dually registered IARs spend the remainder of their time in this capacity on behalf of FCAM. As stated, IARs may receive compensation for the non-advisory services described above that they may provide on behalf of FCIS or SVBW. Such compensation to the IARs would be in addition to, and separate from, the advisory and other fees that FCAM may receive for its services.

The foregoing compensation arrangements may create a conflict of interest to the IAR since the IAR has an incentive to recommend those investment or insurance products described above based on the commissions received rather than the client's investment needs.

Clients are free to implement recommendations received from FCAM or from FCIS and SVBW through any firm of their choosing. Clients are under no obligation to purchase or sell securities through FCIS or any other company affiliated with FCAM. However, if FCIS clients participate in any of the FCAM Wrap Fee Programs, their securities transactions will be executed through FCIS, which creates a conflict of interest. FCAM has a material arrangement with FCIS for the provision of such execution services as well as administrative support, investment and research tools, and other investment-related services. In addition, under the rules and regulations of FINRA, FCIS as an affiliated broker-dealer has the obligation to perform certain supervisory functions regarding certain aspects of the advisory activities of IARs who are also registered representatives of FCIS. FCAM may pay FCIS a portion of the advisory fees it receives for its services in this regard.

FCAM strives to serve the best interests of its clients. However, FCAM does not warrant or represent that commissions for transactions implemented through FCIS will be lower than commission costs incurred if clients were to use another brokerage firm although FCAM believes the overall level of services and support provided to clients by FCAM outweighs the potentially lower transaction cost available through other unaffiliated brokerage arrangements. FCAM does not reduce its investment advisory fees by the amount of any commissions or similar fees received by the FCAM Investment Advisor Representatives in their capacity as registered representatives of FCIS.

B. Affiliations Material to Sub-Advisory Services

FCAM is affiliated with FCIS and SVBW, which engage FCAM as a sub-adviser. FCIS and SVBW will have discretionary authority to hire or terminate FCAM as a sub-adviser. This creates a conflict of interest because these affiliated parties have an incentive to retain each other (including for FCAM to retain FCIS to perform brokerage services), and to recommend clients to each other, to keep as much work "in-house" as possible. You are under no obligation to utilize our affiliate's sponsored investment advisory platform or to select us as a sub-adviser.

Prior to effecting any such transactions, you are required to enter into a new brokerage account agreement with FCIS. The commissions charged by FCIS may be higher than those charged by other broker dealers.

Affiliations Material to Retail Services:

1. Affiliation with FCIS

As discussed in the sections on Advisory Business and Fees and Compensation above, FCAM has a material arrangement with an affiliated brokerage firm, FCIS. The management, certain support staff and certain IARs are also registered representatives of FCIS, a securities broker-dealer. You may work with your IAR in his or her separate capacity as a registered representative of FCIS. When acting in his or her separate capacity as a registered representative of FCIS, your IAR may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and annuity and life products to you. As such, your IAR may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-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 FCIS. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use FCIS and can select any broker/dealer you wish to implement securities transactions. If you select your IAR to implement securities transactions, in his or her separate capacity as a registered representative of FCIS, he or she must use FCIS. Prior to effecting any such transactions, you are required to enter into a new account agreement with FCIS. The commissions charged by FCIS may be higher than those charged by other broker dealers.

C. Other Affiliations

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

FCAM 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 Investor Services Inc., a Broker/Dealer, Registered Investment Adviser and Insurance Agency
- Neuse Title Services, an Insurance Agency

Financial Planning

FCAM may prepare and provide clients with a written financial plan designed to help them achieve their individual financial goals and investment objectives. The preparation of such a plan may necessitate that the client provides FCAM with personal data such as family records, budgeting, personal liability, estate information and additional financial goals. The financial plan may include (among other things) any or all the following as requested and/or directed by the client: asset protection, tax planning, business succession, strategies for exercising stock options, cash flow, education planning, estate planning and wealth transfer, charitable gifting, long-term care and disability planning, retirement planning, insurance planning, asset allocation comparisons, and risk management. Implementation of financial plan recommendations is entirely at the client’s discretion. You should be aware that there are important topics that may not be included or covered when your IAR develops his or her analysis and recommendations under a written financial plan. FCAM does not charge a fee for financial planning services provided to FCAM clients.

FCAM does not provide tax, accounting, or legal advice. Should a client choose to implement the recommendations contained in the financial plan, FCAM suggests the client work closely with his/her attorney, accountant, insurance agent, and/or registered representative, some of whom may also be affiliates of FCAM.

Certain IAR may also function as clients’ insurance agent and/or registered representative in addition to providing investment advisory services. As part of the initial and continuing implementation of a financial plan on a client’s behalf, FCAM and certain of its employees will receive commissions from the purchase or sale by a client of certain investment products such as annuities, real estate investment trusts and certain insurance products. Please refer to the sections on Fees and Compensation and on Other Financial Activities and Affiliations below for additional important information.

Clients should understand that they remain responsible for notifying FCAM of changes in their financial circumstances, investment objectives or investment restrictions. In addition, FCAM will not independently verify any information received from clients or clients’ other professional advisors but will instead rely on the accuracy and completeness of the information provided in performing services for clients.

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

A. Code of Ethics

FCAM has adopted a written Code of Ethics under which certain employees are generally restricted from effecting certain transactions in securities for their personal accounts to seek to avoid conflicts of interest with transactions being effected in client accounts. However, FCAM employees may buy or sell the same mutual funds and ETFs that FCAM uses in the Model Portfolios. This presents a conflict of interest between FCAM's employees' own financial interest and the best interest of its clients.

- To prevent conflicts of interest, FCAM has developed written supervisory procedures that include personal investment and trading policies for our representatives, employees, and their immediate family members (collectively, related persons):
- Related persons cannot prefer their own interests to that of the client.
- Related persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Related persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained because of their employment unless that information is also available to the investing public upon reasonable inquiry.
- Related persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Related persons are discouraged from conducting frequent personal trading.
- Related persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of FCAM.

Any related person not observing these policies is subject to sanctions up to and including termination.

FCAM will provide a copy of its Code of Ethics to any client or prospective client upon request.

B. Conflicts of Interest

Third-Party Incentives - FCIS and SVBW could receive third-party payments with respect to mutual funds. Mutual funds pay FCIS and SVBW the following types of third-party payments:

- 12b-1 distribution fees; and/or
- 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 between different fund families, different funds, and different share classes. FCAM generally receives less compensation when 12b-1 fees are reduced or waived completely, or when there is no fee. To reduce client costs, minimize the conflicts of interest presented by mutual fund 12b-1 fees, and conform treatment of different types of FCAM client accounts, as of March 11, 2016, FCAM 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.

FCAM has a conflict of interest in recommending these funds or share classes, both in making investment decisions considering 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 FCAM'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 FCAM.

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

- Through advisory account credits;
- Through disclosure in this Brochure;
- Through internal policies and procedures that require investment advice to be appropriate for advisory clients;
- By ensuring that Investment Adviser Representatives are not directly compensated for recommendations to purchase share classes of registered funds that pay such fees to FCAM;
- By restricting Investment Adviser Representatives" recommendations to funds and share classes on FCAM's approved list; and
- By systematically evaluating when a lower fee share class of a registered fund on FCAM's approved list is available.

While FCAM clients should not assume that they will be invested in the lowest cost share class, FCAM does strive to invest client funds in the lowest cost available share class. Nevertheless, FCAM will still receive 12b-1 fees and/or service fees on certain shares either because the lowest cost share class still provides these fees, or from assets that were transferred into a client's account. If FCAM does receive 12b-1 fees or shareholder service fees, the fee will be credited back to the client's account.

Third-party providers, including, investment managers and ETF wholesalers, 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 and may cause the FCAM employees to recommend those product partners that provide these noncash incentives. The noncash incentives are monitored and reviewed periodically by a supervisor to ensure alignment with policies.

<u>Training and Marketing Incentives</u> - Third-party providers such as investment managers and ETF wholesalers may reimburse and/or pay certain expenses to FCAM, including expenses related to training, marketing, and educational efforts. These incentives create a conflict and may cause FCAM to recommend those product partners that provide marketing and educational opportunities and to whom the IAR has greater access.

C. Retail

<u>Discounting</u> - The IAR can discount the fees the client pays on certain investments or programs. These discounts create a conflict of interest between the client's interests and FCAM's because FCAM's compensation is negatively impacted when fees are discounted.

<u>Distributions</u> - Compensation and incentives may cause a conflict between the client's interests and FCIS and SVBW or FCAM when the IAR provides recommendations for distributions from any of the client's IRAs. When the client makes a distribution from a brokerage IRA, certain commissions or sales charges may be generated. For example, if the client has both a transaction-based IRA and an advisory program IRA, the IAR has an incentive to advise the client to take a distribution from the transaction-based IRA and not the client's advisory program IRA, because this distribution would generate additional transactional revenue and would not affect the amount of the client's asset-based fee in the client's advisory program IRA.

<u>Performance Standards and Incentive Compensation for the IAR</u> - The IAR's performance can be measured in various ways and performance measurements are positively impacted by the assets under care. These positive impacts in performance measures can lead to increased compensation. This incentive creates a conflict between the client's interests and those of the IARs when recommending that

the client rollover or transfer the client's assets to FCAM, keep the client's assets at FCAM, and engage in transactions within the client's account.

Licensing of IARs - Not all IARs are licensed to offer both brokerage and investment advisory products and services. Some IARs may only be licensed 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 compensation payable with respect to these products, this could be seen as creating a conflict for the IAR.

Rollovers - When the client invests with FCIS or SVBW because of a recommendation to rollover or transfer the client's assets from an employer-sponsored plan, another brokerage firm or investment adviser, FCIS or SVBW and FCAM receive compensation. This compensation creates a potential conflict between the client's interests and FCIS, SVBW and FCAM because their compensation is based, in part, on the assets placed with FCIS, SVBW and FCAM. In addition, in a rollover from an employer-sponsored plan, a conflict exists because the compensation received by FCIS or SVBW and FCAM and the IARs will generally be greater than if the assets were left in the plan.

Item 12. BROKERAGE PRACTICES

A. Sub-Advisory Services

Accounts established through FCIS and SVBW, will be held and cleared through a qualified custodian and broker-dealer selected by FCIS and SVBW. Physical custody of funds and securities is maintained by a qualified custodian, not by FCIS, SVBW, or FCAM.

Please refer to the section on Fees and Compensation above for important information concerning FCAM's use of an affiliated brokerage firm, FCIS, to execute transactions on behalf of its Clients. FCAM strives to serve the best interest of its Clients. However, FCAM does not warrant or represent that commissions for transactions implemented through FCIS will be lower than commission costs incurred if Clients were to use another brokerage firm although FCAM believes that the overall level of services and support provided to Clients by FCAM outweighs the potentially lower transaction cost available through other unaffiliated brokerage arrangements.

Under the FCAM Sub-Advisory Program, FCIS and SVBW has discretionary authority to hire/fire FCAM as a sub-adviser. This creates a conflict of interest because FCAM has an incentive to engage its affiliates. You are under no obligation to utilize our affiliate's sponsored investment advisory platform or engage us as a sub-adviser. Please refer to the sections above on Advisory Business and on Fees and Compensation for important information on this arrangement. This creates a conflict of interest on our part by requiring that you execute transactions through the affiliated brokerage firm, and we may be unable to achieve the best execution of your transactions, which means that the execution costs you pay may be higher than they might be otherwise.

B. Retail Services

Please refer to the section on Fees and Compensation above for important information concerning FCAM's use of an affiliated brokerage firm, FCIS, to execute transactions on behalf of FCIS clients. FCAM strives to serve the best interest of its clients.

FCAM reviews the brokerage practices of FCIS, and the reasonableness of compensation or other remuneration paid to FCIS to seek best execution of its clients' transactions monthly.

FCAM will require FCIS clients execute transactions through its affiliated brokerage firm, FCIS. Not all investment advisory firms require their clients to do this. Please refer to the sections above on Advisory Business and on Fees and Compensation for important information on this arrangement. This creates a conflict of interest on our part by requiring that you execute transactions through the affiliated brokerage firm, and we may be unable to achieve the best execution of your transactions, which means that the execution costs you pay may be higher than could otherwise be.

C. Aggregation of Purchase or Sale of Securities

Transactions implemented by FCAM for client accounts are generally affected independently, unless FCAM decides to purchase or sell the same securities for several clients at approximately the same time. This consolidation of orders is referred to as “aggregating orders” or “block trading” and is used by firms or sub-advisors if it is believed such action may prove favorable for the client. Under this procedure, transactions will be averaged as to price and will be 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 FCAM determines to aggregate client orders for the purchase or sale of securities, FCAM will do so in accordance with the parameters within SEC No-Action Letter, SMC Capital Inc. FCAM does not receive any additional compensation or remuneration from aggregating orders.

Item 13. REVIEW OF ACCOUNTS

FCAM reviews accounts as follows:

A. Sub-Advisory Services

FCAM continually monitors the Model Portfolios and updates them as it deems appropriate, generally quarterly. FCIS and SVBW (and not FCAM) monitors the FCIS Clients’ risk profiles to confirm that they are utilizing the appropriate Model Portfolio for each such Client.

B. Retail Services

Through FCAM’s Investment Adviser Representative, FCAM makes a best effort to review each client account and third-party money managers on at least an annual basis. Additional reviews may be triggered by events such as client deposits or withdrawals, significant changes in the value of the account, client requests for substitutions of SMA/UMA Managers or investment criteria, and updates in client information. In performing each review, FCAM looks to address any issues of concern. FCAM does not monitor each transaction effected by SMA/UMA Managers for consistency with the client’s investment objectives or conformance with the SMA/UMA Manager’s stated strategies or philosophy. Client should understand that FCAM’s limited review of a SMA/UMA Manager’s transactions within a Manager Account is not a substitute for his/her continuing review of the SMA/UMA Manager’s investments and performance. Performance reports are available on-demand or generated quarterly. These reports are for information only and do not replace the monthly or quarterly statement generated by the custodian.

Item 14. CLIENT REFERRALS AND OTHER COMPENSATION

FCAM does not use third-party solicitors for client referrals. Please refer to the sections on Fees and Compensation, Conflicts, and Brokerage Practices above for information on other economic benefits FCAM may receive for providing services.

Item 15. CUSTODY

FCAM will not hold client accounts, handle physical certificates, or deposit client funds; FCAM has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the way the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from FCAM. When clients have questions about their account statements, they should contact FCAM or the qualified custodian preparing the statement.

FCIS designates the custodian for the FCIS Clients' funds and securities. Currently, Pershing, located at One Pershing Plaza, Jersey City, NJ 07399, maintains custody of the assets of FCIS and FCAM clients. Pershing provides execution, clearance, and administrative services for assets in its custody. All orders for purchases and sales of securities held or to be kept in custody by Pershing are placed through Pershing. As to those assets, Pershing maintains relevant books and records for FCAM, including books and records pertaining to individual client accounts. Client should carefully review each confirmation and/or statement and promptly notify his/her IAR of any discrepancies in or concerns relevant to the investment subaccounts. Custody, as it applies to advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an advisor can access or control client funds or securities, the advisor is deemed to have custody and must ensure proper procedures are implemented.

SVBW clients may execute transactions through an unaffiliated selection of custodying and clearing firms that is provided at the time of account opening.

FCB, an affiliate of FCAM, has custody of FCAM client assets in those instances wherein an FCAM Advisory account is pledged to FCB as collateral for a bank loan. Under such circumstances, and as per a properly executed control agreement, FCB would have the ability to direct FCAM 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 FCAM and FCIS are not operationally independent from First Citizens Bank.

Item 16. INVESTMENT DISCRETION

A. Sub-Advisory Services

FCAM will have the power and authority to manage the Model Portfolios as described in Item 4. The allocations in the Model Portfolios may automatically be used in FCIS Client accounts over which FCIS has discretion.

B. Retail Services

- "Wrap Program" - FCAM has investment discretion over the Wrap Program portfolios and may modify any Wrap Program account holdings at any time. FCAM exercises that discretion through its the Board.

- "SMA Program" - FCAM has the discretion to hire and fire the SMA Managers. The SMA Managers exercise discretion, directing the investment and reinvestment of client assets held in the account.
- "UMA Program" - FCAM has investment discretion to hire and fire the UMA Managers. The UMA Managers exercise discretion, directing the investment and reinvestment of client assets held in the account. The IAR may not exercise discretion. The IAR and client on a non-discretionary basis will determine investments and reinvestments. The investments and reinvestments of assets are based upon Client's Investor Profile, Investment Policy Statement and any other relevant information provided by Client, including any reasonable restrictions imposed by Client.

Item 17. VOTING CLIENT SECURITIES (PROXY VOTING)

FCAM will not vote proxies or advise client on proxies (or similar solicitations concerning corporate actions) for the securities held in an account managed by FCAM. As between client and FCAM, the client retains the right and responsibility to vote proxies and to review related materials on securities held in the account, or to delegate that function to some other person or entity. As to securities in the account over which FCAM has discretionary authority, the custodian will forward to the client any information received relevant to proxies, voting or other corporate actions.

Item 18. FINANCIAL INFORMATION

FCAM does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance. FCAM is not subject to a financial condition reasonably likely to impair its ability to meet contractual commitments. FCAM has not been the subject of a bankruptcy petition at any time.