Wrap Fee Program Brochure

FinTrust Investment Advisory Services, LLC

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This wrap fee brochure provides information about the qualifications and business practices of FinTrust Investment Advisory Services, LLC. If you have any questions about the contents of this Brochure, please contact us at (864) 288-2849. 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.

FinTrust Investment Advisory Services, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about FinTrust Investment Advisory Services, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since the last annual amendment dated March 18, 2015 there have been the following material changes to our Wrap Fee Program Brochure.

Item 4: Fees and Compensation. FinTrust Investment Advisory Services has added language disclosing the contingency fees related to securities class action recoveries charged by ISS under its expanded agreement.

Item 4: Required Minimum Distributions. FinTrust Investment Advisory Services has added language disclosing that it may provide clients with estimates for required minimum distribution calculations from retirement accounts, but does not provide tax advice.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting us, at the numbers above.

Additional information about FinTrust Investment Advisory Services, LLC is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website provides information about any persons affiliated with FinTrust Investment Advisory Services, LLC who are registered, or are required to be registered, as investment adviser representatives of FinTrust Investment Advisory Services, LLC.

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Item 4 – Services, Fees and Compensation

FinTrust Investment Advisory Services, LLC is an investment advisor registered with the Securities and Exchange Commission ("SEC") pursuant to the Investment Advisors Act of 1940. FinTrust Investment Advisory Services, LLC ("FTIAS" or the "firm") was established as a registered investment adviser in March of 2006. FinTrust Investment Advisors, LLC ("FTIA" or the "Holding Company") is a 100% owner of FTIAS. Centillion Partners, Inc. ("Centillion") and PBAG, LLC ("PBAG") each own 50% of the Holding Company; Allen Gillespie and Philip Brice each hold a 50% stake in Centillion Partners, Inc. In addition, Allen Gillespie and Philip Brice each own 50% of PBAG, LLC. Investment advisory representatives ("IARs") and other key personnel are eligible and participate in the firm's unit incentive plan. The value of the units is derived from the equity value of PBAG, LLC. Note that registration as an investment advisor with the SEC does not imply a certain level of skill or training.

As of December 31, 2015, FTIAS held $227,749,000 in discretionary assets under management and the firm held $88,063,000 in non-discretionary assets under management.

For its investment advisory clients, FTIAS services are made available to clients primarily through individuals associated with FTIAS as investment advisory representatives ("IARs"). For more information about the IAR providing advisory services, clients should refer to the Brochure Supplement for the IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure before or at the time client engages the FTIAS and the IAR. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or FTIAS at fintrust@fintrustadvisors.com or 864-288-2849.

Types of Advisory Services

FTIAS presently offers the following types of advisory services on a wrap fee basis:

I. FTIAS Investment Advisory (FTIAS-IA)
II. FTIAS Investment Consulting (FTIAS-IC)
III.FTIAS Retirement & Financial Planning

FTIAS offers its services on both a wrap fee and non-wrap fee basis. More information regarding FTIAS's Non-Wrap Fee services may be found in the Firm Brochure. For more information about FTIAS's advisory services and programs other than this Wrap-Fee Program, please contact your FTIAS investment advisor representative ("IAR") for a copy of a similar brochure that describes such service or program or go to www.adviserinfo.sec.gov.

FTIAS is related to FinTrust Brokerage Services, LLC ("FTBS"), a broker dealer registered with the Financial Industry Regulatory Authority ("FINRA"), and an IAR may also be registered with FTBS as a broker-dealer representative. Therefore, an IAR may be able to offer a client both investment advisory and brokerage services. Before engaging with an IAR, clients should take time to consider the differences between an advisory relationship and a brokerage relationship to determine which type of service best facilitates the client's investment needs and goals. Client should speak to the IAR to understand the different types of services available through FTIAS and FTBS.

Required Minimum Distributions: As part of its services, FTIAS may also provide clients with estimates for required minimum distributions from retirement accounts, however, FTIAS does not provide tax advice,

nor assume responsibility. It is recommended that the client review any RMD calculations with tax accountants, tax attorneys and other professional service providers.

Wrap Fee Program Sponsored by FinTrust Investment Advisory Services, LLC

FTIAS sponsors a Wrap-Fee Program, which is an investment advisory program (the "Program") in which the client pays a single fee for a variety of services, including but not limited to, investment advisory services, portfolio management, brokerage, custody, and other associated account fees. A client may choose to have FTIAS serve as a portfolio manager in the Program, a wrap-fee FTIAS-IA account. Alternatively, FTIAS may recommend the use of other investment advisers (referred to as "Sub-Advisers") to manage a portion of a client's assets in the Program, a wrap-fee FTIAS-IC account. FTIAS will receive compensation as a result of a client's participation in the program. This wrap fee brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services and fees offered by FTIAS, clients should refer to the FTIAS's complete Form ADV and Part 2A Brochure.

Through the Program, FTIAS provides investment supervisory and management services defined as providing continuous investment advice based on each client's individual needs. Upon execution of an Investment Advisory Agreement, FTIAS shall assist clients with the establishment of an individual account ("Account") for the client at an approved custodian. Clients must appoint FTIAS as the investment adviser on the Account. FTIAS will be granted trading authorization over each client's individual account in order to implement FTIAS's continuous investment advice. Implementation services are generally provided on a discretionary basis; however, clients may require such services to be provided on a non-discretionary basis.

Accounts in the Program are managed on the basis of each client's financial situation and investment objectives. Clients should notify FTIAS if their financial situation or investment objectives have changed, or if they want to impose and/or modify any reasonable restrictions on the management of their account. Periodically, FTIAS will contact clients to determine whether their financial situation or investment objectives have changed, or if they want to impose and/or modify any reasonable restrictions on the management of their Account. FTIAS will be reasonably available to consult with clients relative to the status of the Account. Clients will have the ability to impose reasonable restrictions on the management of the Account, including the ability to instruct FTIAS not to purchase certain securities.

Portfolio Management Strategy and Services

Assets managed by FTIAS and IARs through the Program are managed on an asset allocation and modern portfolio theory basis. FTIAS may recommend and will buy, sell, exchange, convert, and otherwise trade in any and all mutual funds, stocks, bonds, and other securities consistent with investment analysis, interpretations, and judgments designed to seek an investment return suitable to the investment objectives and goals of each individual client.

In order to determine a suitable course of action for an individual client, FTIAS will perform a review of the client's financial circumstances. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client's particular circumstances. Adviser will design, revise, and reallocate a client's custom portfolio. Investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors. FTIAS manages the client accounts on an individualized basis. Restrictions and guidelines imposed by the client may affect the composition and performance of

custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and the client should not expect that the performance of his/her custom portfolios will be identical to any other individual's portfolio performance).

Selection of Sub-Advisers

Depending on a client's individualized needs, FTIAS may utilize the services of Sub-Advisers when formulating asset allocation, industry and sector selection, and individual investment recommendations in constructing and maintaining custom portfolios. A portion of the client's assets will then be managed by FTIAS with the remaining portion managed among the recommended Sub-Advisers based upon the stated investment objectives of the client. The terms and conditions under which a client will engage a Sub-Adviser will be set forth in separate written agreements between the client and FTIAS and the client and the designated Sub-Adviser. Clients will generally not come in contact with Sub-Adviser and FTIAS will serve as the communication conduit between the client and Sub-Adviser.

The recommendation of a Sub-Adviser is contingent on the Sub-Adviser passing the due diligence requirements of FTIAS. FTIAS will not recommend the use of a Sub-Adviser unless the Sub-Adviser is registered or exempt from registration as an investment advisor in the client's home state. FTIAS evaluates Sub-Advisers based on extensive information provided by the Sub-Adviser, including descriptions of its investment process, asset allocation strategies, sample portfolios, and the Sub-Adviser's Form ADV Disclosure Brochure. FTIAS also analyzes performance, risk characteristics, and management style.

The recommendation of a Sub-Adviser by FTIAS may be done on a discretionary or non-discretionary basis with the specific terms outlined in the Investment Advisory Agreement. When a client authorizes FTIAS to have the ability to select a Sub-Adviser on a discretionary basis, FTIAS will have the authority to select and terminate Sub-Advisers without the client's specific approval.

When a Sub-Adviser is selected to manage a portion of the client's assets in the Program, a sub-account, along with the required paperwork, will be established through the approved custodian. FTIAS and the Sub-Adviser(s) selected by FTIAS, and agreed upon by the client when necessary, will manage their portion of the client assets as divided in the underlying sub-accounts.

FTIAS shall provide information received from the client to the Sub-Advisers selected, including the client's financial and personal profile as well as any applicable client questionnaires and/or investment policy statements, or other similar documents. Sub-Advisers are granted investment discretion by the client to exercise discretionary trading authority for the day to day management of client accounts. A copy of the Sub-Advisers Form ADV Disclosure Brochure will be provided to the client.

FTIAS uses industry standards to measure the performance of its portfolio managers; however, it does not use a third party auditor to review and verify the performance of its portfolio managers.

Clients in the Wrap Fee Program ("Program") pay a single annualized fee, based upon a percentage of the market value of all Program assets, for participation in the Program. The Program may cost clients more or less than purchasing such services separately. The maximum fee charged for the Program shall not exceed 2.5% annually. The Program Fee includes FTIAS's management fee, the management fee for each selected Sub-Advisor, if any, trading costs, and annual custodial fees. The maximum fee retained by Sub-Advisors in the Program shall not exceed 1.00% of the assets under management. Transaction fees relating to the execution of securities transactions within the Account are paid by FTIAS. This does not cover commission costs for trades affected by other broker-dealers, markups or markdowns for principal trades of fixed income securities by the approved custodian, or other fees described below.

FTIAS, in its sole discretion, may negotiate fees with individual clients based on the client's individual financial situation, complexity, and assets under management. The specific fee charged to each client for the Program will be outlined in, or attached to, the Investment Advisory Agreement ("IAA"). Some clients may pay a fixed percentage fee while other clients may pay a fee based on a tiered schedule. The wrap fee may also vary by custodian.

Program fees are billed on a quarterly (calendar) basis. The first bill shall be calculated and pro-rated according to the date ("inception date") of executing the Agreement for Investment Management Services and shall be payable at the end of the calendar quarter in which the initial meeting between FTIAS and the client takes place. The inception bill shall be based upon a percentage of assets in the client's Account as of the inception date. This fee portion shall be referred to as the "inception fee".

At the same time the inception fee is calculated, FTIAS will also calculate, in advance, the next quarter's fee based upon a percentage of assets contained in the client's Account as of the last business day of that calendar quarter. This fee amount will be calculated by assessing one quarter (1/4) of the total annual percentage charged against the assets in the client's Account. A prorated inception fee shall be charged for the initial partial quarter in which the account is opened. Thereafter, each quarterly fee shall be calculated, in advance, based upon the dollar amount of assets in the client's Account as of the last business day of the previous calendar quarter.

Program Fees are automatically deducted from the client's Account. Clients must provide the approved custodian with authorization to have fees deducted directly from the Account and paid to FTIAS. The authorization shall remain valid until a written revocation of the authorization is received by the approved custodian. Adviser shall submit instructions to custodian to deduct the calculated fee. It is FTIAS and the client's responsibility to verify the accuracy of FTIAS's fee calculation. The custodian will not determine whether the fee has been properly calculated.

Account statements sent at least quarterly by custodian will indicate all amounts disbursed from the Account and the total amount of the Program Fee paid directly to FTIAS. Upon FTIAS's receipt of the Program Fee, FTIAS shall compensate the custodian and Sub-Advisers their portion of the total fee.

Other Fees

Clients shall be assessed other fees by parties independent from FTIAS and Sub-Advisers. Clients may incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level such as mutual fund short-term redemption fees and other marketing/administrative fees. While brokerage commission and transaction fees are wrapped into the Program fee, clients shall be separately responsible for Securities and Exchange Commission and exchange fees, transfer taxes, odd lot differentials, margin interest, and any other similar costs or charges to the extent applicable regarding the custody and administrative services provided through the approved custodian. Client may also be pay contingency fees related to securities class action lawsuit and litigation recoveries.

Cash balances in the account may be invested in money market instruments, including mutual funds that have agreements to pay compensation to FTIAS or custodians. A client will pay a proportionate share of all money market fund expenses, including management fees. Occasionally, open or closed end mutual funds may be used that generate fees payable to FTIAS or the clearing agent. Exchange Traded Funds (ETFs) and similar funds may have internal fees that are included in the investment results.

Other Fee Disclosures
The Program may cost a client more or less than purchasing the services separately. Factors bearing on the relative cost of the Program that would be relevant when considering the alternative of purchasing the services offered in the Program separately include the trading activity in a client's account and the corresponding brokerage commissions that would be charged for execution of trades, and the fees charged for investment advisory services under the Program.

The cost of non-wrapped investment advisory services may be lower than investment advisory services provided under the wrap program. Because FTIAS may receive more compensation from a client from the client's participation in the Program than if the client received advisory services and brokerage services separately, FTIAS may have a financial incentive to recommend the Program to clients over other types of advisory services. FTIAS may give advice to others that may be different from the advice given to Program clients. A non-wrapped pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity.

The person recommending the program to the client receives compensation as a result of the client's participation in the program. The amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services. This person may therefore have a financial incentive to recommend the Program over other programs or services.

General Advisory Fees Disclosure
Certain FTIAS personnel are also Registered Representatives of FinTrust Brokerage Services, a registered broker-dealer. In that capacity, they may be paid commissions, brokerage fees, 12b-1 fees or other fees or payments for their brokerage clients, which may include clients who are also clients of FTIAS. These arrangements pose a conflict of interest for those individuals to the extent they have a financial incentive to recommend such sales or other transactions to the client based on the compensation received, rather than on the client's needs. However, FTIAS and its personnel are constrained by fiduciary principles to act in the client's best interest. In addition, periodic reviews, as detailed in Item 13, are done to ensure that investments are suitable for a client's objectives and risk tolerance. Clients have the option to purchase investment products recommended by FTIAS through another broker or agent. Therefore, Client hereby acknowledges that Client is under no obligation to implement brokerage service transactions through FTBS, and may implement FTIAS's recommendations through other brokers, dealers, or agents.

Terminating an Account
The Agreement for Investment Management Services shall continue in effect until terminated by either party by giving to the other party written notice, and any prepaid, unearned fees will be promptly refunded upon written request, determined on a pro-rata basis. There will be no termination fee; however, accounts may be subject to a modest cost of reimbursement of fees related to transferring the account. If a client terminates his participation in the Program within five business days of inception, the client will receive a full refund of the Fee. Otherwise, the client will receive a pro rata refund of any prepaid fees.

FTIAS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 5 – Account Requirements and Types of Clients

Account Requirements

As a condition for opening a Separate Account, the account assets must be in the custody of an independent custodian with whom FTIAS has an electronic interface capability. The minimum for investment in an FTIAS Investment Advisory account is typically $100,000, but the minimum amount may vary under certain circumstances. For FTIAS Investment Consulting Accounts, please refer to the re

Types of Clients

FTIAS provides portfolio management services to individuals, corporations and business entities, retirement and profit-sharing plans, charitable institutions, foundations, endowments, estates, and trusts.

Item 6 – Portfolio Manager Selection and Evaluation

In the Program, FTIAS and its IARs are responsible for the overall investment advice and management services offered to clients, and the client selects the IAR who manages the account. FTIAS generally requires that individuals involved in determining or giving investment advice have at least two years financial planning, advisory, brokerage-related, or other applicable business experience. Each IAR is also generally required to possess a FINRA Series 6, 7, 63, 65, or 6 license (to the extent required). For more information about the IAR managing the account, client should refer to the Brochure Supplement for the IAR, which client should have received along with this Brochure at the time client opened the account.

FTIAS and IAR offers advisory services and portfolio management services based on the individual objectives of each specific client portfolio and may or may not represent the overall objectives of the clients' total investment assets. FTIAS-IA accounts are designed to provide discretionary management by an IAR of the firm. As a result, FTIAS recommends and employs various investment strategies. FTIAS and its IARs assist each FTIAS-IA account client in formulating investment objectives and manage the account within established guidelines regarding, among other matters, diversification and designation of securities that may be purchased.

As part of this service, each client portfolio is tailored to their particular investment needs and circumstances. This includes discretionary investment management in accounts ("Separate Accounts") based on the client's investment needs and a risk strategy (from conservative to aggressive), which is selected in conjunction with the client and incorporated into the account agreement. The available risk strategies correlate to asset allocation models developed by FTIAS based on target allocations for various asset classes and sub-classes. FTIAS selects investments in the client's account that are consistent with the selected risk strategy and that pass a series of quantitative and qualitative filters. Depending on the specific engagement, the types of securities that the IAR may purchase and sell include, but are not limited to, mutual funds, ETFs, equities, options, and fixed income securities. Separate Accounts are periodically rebalanced toward their asset allocation targets.

Registered Investment Advisers ("Sub-Advisors") that are selected for use by clients under the FTIAS-IC program need to meet several quantitative and qualitative criteria. Among the criteria that may be considered are the manager's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level and the general investment process. Each client must have a profile that matches the advisors stated objectives.

The recommendation of a Sub-Advisor by Adviser may be done on a discretionary or non-discretionary basis with the specific terms outlined in the Advisory Contract. When a client authorizes the Adviser to have the ability to select a Sub-Advisor on a discretionary basis, the Adviser will have the authority to select and terminate Sub-Advisers without the client's specific approval.

The terms and conditions under which client shall engage a Sub-Advisor shall be set forth in separate written agreements between the client and Adviser and the client and the designated Sub-Advisor. Clients shall generally not come in contact with Sub-Advisor and the Adviser shall serve as the communication conduit between the client and Sub-Advisor. Adviser shall provide information received from the client to the Sub-Advisors selected, including the client's financial and personal profile as well as any applicable client questionnaires and/or investment policy statements, or other similar documents. Sub-Advisors are granted investment discretion by the client to exercise discretionary trading authority for the day to day management of client accounts. A copy of the Sub-Advisors Form ADV or similar disclosure brochure will be provided to the client.

The firm may at any time terminate the relationship with a Sub-Advisor that manages clients' assets. Factors involved in the termination of a Sub-Advisor may include a failure to adhere to management style or clients' objectives, a material change in the professional staff of the Sub-Advisor, unexplained poor performance, and dispersions of client account performance or the firm's decision to no longer include the advisor as one of its preferred program managers.

Clients are advised and should understand that:

- An advisor's past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely affect any advisor's objectives and strategies, and could cause a loss in a client's account(s); and
- Client risk parameters or comparative index selections provided to the firm are guidelines only - there is no guarantee that they will be met or not be exceeded.

All accounts are managed by the selected independent Sub-Advisors. Information collected by FTIAS regarding selected managers is believed to be reliable and accurate but the firm does not independently review or verify it on all occasions. All performance reporting will be the responsibility of the respective Sub-Advisors. Such performance reports will be provided directly to the clients and the firm. The firm does not audit or verify that these results are calculated on a uniform or consistent basis as provided by an advisor directly to the firm or through the consulting service utilized by the advisor.

GNI Capital, Inc. is a related investment advisor under common control. FinTrust does not apply the same selection and review criteria to GNI Capital as it does to unaffiliated Sub-Advisors. GNI Capital, Inc. manages long-short portfolios separate account portfolios, which the firm believes is unique to the industry, and maintains a research department separate from FTIAS, and therefore GNI's and FTIAS's recommendations may conflict or occur ahead of one another. This practice is expected to have little impact on clients, as advice in each case is tailored to the specific needs, objectives, and time frames of the client. Because GNI Capital, Inc. is under common ownership with FTIAS, FTIAS will have an indirect financial benefit if IARs recommend and select a GNI Capital managed portfolio, instead of a portfolio designed by an unaffiliated Sub-Advisor, because FTIAS's parent will benefit financially from the fees paid to GNI Capital. FTIAS and its IARs are constrained by fiduciary principals to act in the best interest of a

client, however, clients should be aware of the potentially conflicting interests in evaluating the advice and services the client receives when utilizing GNI Capital for Sub-Advisory services.

FTIAS acts as portfolio manager in FTIAS Investment Advisory (FTIAS-IA) and FTIAS Retirement & Financial Planning (FTIAS-RPS) accounts. A Sub-Advisor would be selected to act as portfolio manager in FTIAS Investment Consulting (FTIAS-IC) accounts. These accounts are also offered on a non-wrap fee basis. The way we manage wrap fee program accounts does not materially differ from the way we manage other accounts.

The Wrap Account Fee may cost the client more than a non-wrap advisory fee; the wrap fee includes advisory, execution, custodial and reporting services on eligible assets. When we manage accounts in a wrap fee program, a portion of the wrap fee collected is paid to FTIAS and the IAR for advisory and portfolio management services. In a non-wrap fee program, a client is charged separately for each transaction. If the client plans to follow a buy and hold strategy, the client should consider opening a non-wrap fee account rather than a wrap fee program account. Additional fees may apply as discussed in Item 4. Additional details regarding the accounts for which we may act as portfolio manager are described below.

FTIAS Investment Advisory and Fees (FTIAS-IA)

FTIAS, through its IARs, offers advisory services and portfolio management services based on the individual objectives of each specific client portfolio and may or may not represent the overall objectives of the clients' total investment assets. FTIAS-IA accounts are designed to provide discretionary management by an IAR of the firm. As a result, FTIAS recommends and employs various investment strategies. FTIAS assists each FTIAS-IA account client in formulating investment objectives and manages the account within established guidelines regarding, among other matters, diversification and designation of securities that may be purchased.

As part of this service, each client portfolio is tailored to their particular investment needs and circumstances. This includes discretionary investment management in accounts ("Separate Accounts") based on the client's investment needs and a risk strategy (from conservative to aggressive), which is selected in conjunction with the client and incorporated into the account agreement. The available risk strategies correlate to asset allocation models developed by FTIAS based on target allocations for various asset classes and sub-classes. FTIAS selects investments in the client's account that are consistent with the selected risk strategy and that pass a series of quantitative and qualitative filters. Depending on the specific engagement, the types of securities that the IAR may purchase and sell include, but are not limited to, mutual funds, ETFs, equities, options, and fixed income securities. Separate Accounts are periodically rebalanced toward their asset allocation targets.

FTIAS Retirement Plan Services (FTIAS-RPS)

FTIAS provides both fiduciary and non-fiduciary services as a consultant relative to plan sponsors, named fiduciaries, plan trustees, and plan committees relative to employee benefit plans, including but not limited to, 401(k) plans, profit-sharing plans, money purchase pension plans and similar plans) offered by sponsoring companies to their employees. In providing services to a plan and/or its participants, FTIAS's status is that of an investment adviser registered under the Investment Advisors Act of 1940, and is not subject to any disqualifications under section 411 of ERISA. In performing fiduciary services, FTIAS may act either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA, and/or as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA.

As part of these services, FTIAS will typically advise the plan committee on matters related to the plan. These consulting services, some of which are discussed below, may be provided separately or in combination with one another, and may involve the coordination of multiple vendors and/or third party advisors to the plan, depending on the needs of the sponsor. The specific details of any engagement to provide consulting services are agreed upon in writing prior to commencement of the engagement and FTIAS may consult on a variety of plan matters, including but not limited to:

- Plan governance issues, policies and procedures, board resolutions, committee charters, and the development or review of an Investment Policy Statement;
- Plan service provider reviews, evaluations and searches;
- Investment options: searches, recommendations, monitoring and review;
- Employee education by providing general information on the funds available under the plan and other general investment information aimed at helping participants make better choices for themselves from among the alternatives available under the plan;
- Fee Benchmarking;
- Fiduciary file development and record keeping;

FTIAS may also provide other information aimed at assisting the plan committee in fulfilling its obligations to the plan, for example, information on pending or recent legislative changes that may impact the plan, plan participants and beneficiaries.

Performance-Based Fees and Side-by-Side Management

FTIAS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. In order to manage the risks associated with investing, our investment process seeks to combine financial planning principals and processes with modern portfolio theory investment principals and processes.

The client process begins with the development of an understanding of the client, using financial planning principals. Advisors use any information provided by the client regarding financial goals, resources, attitudes, age, experiences, investment time horizon and cash flow needs to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets.

The investment process begins with the development of risk, return, and correlation expectations for a variety of asset classes or risk premia. A risk premium is the minimum amount of money by which the expected return on a risky asset must exceed the known return on a risk-free asset in order to induce an investor to own it rather than the risk free asset. The estimates for risks, returns, and correlations are developed from an analysis of historical data, Monte Carlo analysis, fundamental and scenario analysis. The data is combined in order to develop a range of asset allocation models.

The client information is then combined with investment information in order to develop a recommendation and investment plan tailored to the client's individual needs within the asset allocation parameters.

The next step in the process involves implementation within client portfolios. Advisors may use a variety of security types and methods including but not limited to mutual funds, exchange traded funds, closed end funds, individual equities, individual fixed income securities, and options. Advisors may also use a variety of security analysis methods including fundamental analysis, technical analysis, charting or cyclical analysis. Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. Some of the primary risks of investing are summarized below:

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Credit Risk:** The risk of loss of principal stemming from a borrower's failure to repay a loan.
- **Market Risk**: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Alternative Strategy Mutual Fund**: Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involved special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential liquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record of performance history.

- **Closed-End Funds**: Client should be aware that closed-end funds may not be readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- **Exchange-Traded Funds (ETFs)**: ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETFs shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publically-traded companies. ETFS shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.
- **Exchange-Traded Notes (ETNs)**: An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.
- **Leverage and Inverse ETFs, ETNs and Mutual Funds**: Leveraged ETFs, ETNs, and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs, and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of funds expenses and other factors. This is referred to as tracking error. Continual resetting of returns within the product may add to the underlying costs and increase tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs, and mutual funds.

- **Options**: Certain types of option trading are permitted in order to generate income or hedge a security held in FTIAS-IA accounts; namely, the selling (writing) of covered call options or the purchasing of put options. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the IA account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold.
- **High-Yield Debt**: High yield debt is issued by companies or municipalities that do not qualify for "investment grade" ratings by one or more rating agencies. The below investment grade designation is based on the rating agency's opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk credit risk than investment grade debt. There is the risk that the potential deterioration of an issuer's financial health and subsequent downgrade in its rating will results in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond's market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.

Voting Client Securities

FTIAS will vote proxies on securities held in the Account in accordance with the terms of the client's Investment Advisory Agreement. Pursuant to its proxy voting policies and procedures, FTIAS takes steps to see that proxies are voted on securities held in client accounts where authority to vote proxies has not been expressly reserved to the client in the advisory agreement or other documentation. It is FTIAS's aim to see that proxies are voted in the best interest of its clients. To that end, FTIAS has retained an outside service company to provide proxy research and proxy voting services for FTIAS and its clients. Absent unusual circumstances, FTIAS relies on this company in recommending how to vote and in ensuring that proxies are voted in a manner consistent with the guidelines described in the company's U.S. Proxy Voting Guidelines (the "Guidelines"). To the extent the Guidelines do not address a proxy issue, the company will vote that proxy in the best interest of FTIAS's client.

Material conflicts of interest could arise between FTIAS and its clients in voting proxies on behalf of client accounts. However, FTIAS aims to mitigate or eliminate any such conflicts by using the services of the outside company, an independent proxy voting service, to analyze and make recommendations on how to vote client proxies.

Upon request, clients may also obtain from us a copy of how we voted, if applicable, our proxy voting policies, and a copy of the Guidelines.

Item 7 – Client Information Provided to Portfolio Managers

Client Information Provided to Portfolio Managers

FTIAS is both your registered investment adviser and your portfolio manager when it does not utilize outside portfolio managers (also known as Sub-Advisers) for the referenced Programs. Your portfolio manager will have the same access to your information as FTIAS. Your information includes, among other things, income, net worth, risk tolerance, and investment objectives. Your portfolio manager uses this information to determine the appropriate asset allocation and to manage your investments. When you update your information with FTIAS, your portfolio manager will have immediate access to the same updated information. In cases where a Sub-Adviser is used to manage your portfolio, FTIAS will send your

information to the Sub-Adviser. When you update your information with us, we will send the updated information to the Sub-Adviser.

Item 8 – Client Contact with Portfolio Managers

You may communicate directly with FTIAS's portfolio managers. Consultations beyond normal business practices may require additional negotiated fees. If you wish to communicate with a Sub-Adviser, you should first consult FTIAS. FTIAS will generally communicate with the Sub-Adviser on your behalf.

Item 9 – Additional Information

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 FTIAS or the integrity of FTIAS's management. FTIAS has no disciplinary information to report.

Other Financial Industry Activities and Affiliations

FTIAS is under common control with GNI Capital, Inc. ("GNI"), which is also registered as a Registered Investment Adviser. FTIAS and GNI Capital, Inc. share certain personnel and on occasion serve the same clients.

FinTrust Brokerage Services (FTBS) is a registered broker/dealer and member of FINRA. FTBS is also under common control with FTIAS. Principals and advisors of FTIAS may be registered representatives of FTBS. FTBS also provides institutional clients like mutual funds, banks, hedge funds and insurance companies research and trade execution services. FTIAS may utilize or recommend certain of the funds managed by the institutional clients of FTBS which may create a conflict of interest. However, FTIAS and its personnel are constrained by fiduciary principles to act in the client's best interest. In addition, periodic reviews are done to ensure that investments are suitable for a client's objectives and risk tolerance and that investments continue to meet FTIAS's investment criteria. Client is under no obligation to implement brokerage service transactions through FTBS, and may implement FTIAS's recommendations through other brokers, dealers, or agents. Clients may also place reasonable restrictions on an FTIAS-IA managed account. FTBS also publishes equity research, which may limit or restrict FTIAS's ability to trade in certain securities while the firm may be in possession of material non-public information.

When applicable, Investment Advisor Representatives may recommend broker/dealer transactions for advisory clients. All related compensation is separate from advisory services. On average individual Investment Advisor Representatives and the principals of FTIAS spend 15%-25% of their time on other such activities. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. IARs will not participate in any profits resulting from such errors.

FTIAS recommends that clients establish brokerage accounts with National Financial Services, Inc. ("NFS") or Charles Schwab & Co., Inc. ("Schwab"), both FINRA registered broker-dealers, to maintain custody of clients' assets and to effect trades for their accounts. Although FTIAS may recommend that clients establish accounts at NFS or Schwab, it is the client's decision to custody assets at NFS or Schwab. FTIAS is independently owned and operated and not affiliated with NFS or Schwab.

Code of Ethics

FTIAS has adopted a Code of Ethics pursuant to SEC rule 204A-1 for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics

includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at FTIAS must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of FTIAS may buy or sell securities that are recommended to clients. FTIAS's employees and persons associated with FTIAS are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of FTIAS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for FTIAS's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of FTIAS 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 not materially interfere with the best interest of FTIAS's clients. In addition, the Code requires pre-approval of many transactions. 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. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between FTIAS and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with FTIAS's 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. FTIAS 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 orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

FTIAS's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Allen Gillespie at our main number.

Brokerage Practices

For FTIAS managed accounts, the firm generally introduces accounts to Schwab and NFS, through FTBS a correspondent or introducing broker dealer. NFS and Schwab generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through NFS or Schwab or that settle into NFS or Schwab accounts. NFS and Schwab also make available to FTIAS and FTBS other products and services that benefit FTBS and FTIAS but may not benefit its clients' accounts. Some of these other products and services assist FTIAS in managing and administering clients' accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of FTIAS's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of FTIAS's accounts, including accounts not maintained at NFS or Schwab.

Examples of other services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, they may make available, arrange and/or pay for these types of services rendered to FTIAS by independent third parties or may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to FTIAS.

The foregoing arrangements with NFS and Schwab pose a conflict of interest to the extent they create an incentive for FTIAS to suggest that clients maintain their assets in accounts at NFS or Schwab on the basis of products and services that may become available to FTIAS as a result, rather than solely on the basis of the nature, cost or quality of custody and brokerage services provided by NFS and Schwab to clients. However, FTIAS is constrained by fiduciary principles to act in its clients' best interests and will suggest NFS and Schwab to clients only when it is appropriate to do so. In addition, FTIAS maintains an awareness of the services provided to clients by NFS and Schwab in an effort to ensure that clients are well served.

Advisors may suggest broker/dealer services to clients. Factors for such recommendation would be when transaction compensation is seen as a benefit to the client. For Broker/Dealer services, the Adviser or its associated persons may receive compensation for such transactions, where such compensation is separate and distinct from Adviser's compensation related to its investment advisory services. Commissions paid to the Advisor for broker/dealer services may be higher or lower than those obtainable from other brokers in return for those products and services. From time to time, associated persons of Adviser may recommend that clients buy or sell securities or investment products that the Adviser also owns. In such circumstances, Adviser shall adhere to the Code of Ethics.

Certain FTIAS personnel are also Registered Representatives of FinTrust Brokerage Services, a registered broker-dealer. In that capacity, they may be paid commissions, brokerage fees, 12b-1 fees or other fees or payments for their brokerage clients, which may include clients who are also clients of FTIAS. These arrangements pose a conflict of interest for those individuals to the extent they have a financial incentive to recommend such sales or other transactions to the client. In addition, those FTIAS personnel may receive, in their capacity as registered representatives, 12b-1 fees paid out by mutual funds in which ERISA plan assets are invested, in the case of certain ERISA plans for which retirement plan consulting services are provided. This poses a conflict of interest to the extent those personnel have a financial incentive to recommend as investment alternatives to be offered under the plan funds that pay out 12b-1 fees. To address this, ERISA plan clients where 12b-1 fees are paid out to FTIAS personnel as registered representatives, any fees owing to FTIAS for retirement plan consulting services are waived or offset on a dollar-for-dollar basis to the extent of the 12b-1 fees paid.

For FTIAS client accounts maintained in its custody, NFS and Schwab generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through NFS or Schwab or that settle into NFS or Schwab accounts. NFS and Schwab also make available to FTIAS other products and services that benefit FTIAS but may not benefit its clients' accounts. Some of these other products and services assist FTIAS in managing and administering clients' accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of FTIAS's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many

of these services generally may be used to service all or a substantial number of FTIAS's accounts, including accounts not maintained at NFS or Schwab.

Review of Accounts

Accounts are assigned to Investment Advisors who are responsible for performing periodic reviews and consulting with the respective client. Ongoing reviews of markets, sectors and individual securities are conducted by the respective advisors in their capacity as portfolio managers. Periodically, the members of the FTIAS investment committee meet to review portfolio holdings and suggest to the other members any changes that may need to be made. In depth quantitative reviews of mutual funds are performed not less than quarterly. If existing fund holdings fail certain quantitative criteria, a more in-depth qualitative review will be conducted.

Following Advisor reviews, reports are prepared to assist principals in supervising and monitoring the accounts. Factors that are considered include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings. Client agrees to inform the firm in writing of any material changes to the information included in the questionnaire or any other change in the client's financial circumstances that might affect the manner in which client's assets should be invested. Client may contact the firm during normal business hours to consult with the firm concerning the management of the client's account(s).

At least quarterly, clients receive from the account custodian statements that detail account positions, transactions and values. Additionally, clients receive periodic reports that detail account value and performance.

Client Referrals and Other Compensation

FTIAS, in some instances, may compensate third-party solicitors for client referrals. The solicitor's agreements entered into by FTIAS comply with rule 206(4)-3 promulgated under the Investment Advisors Act of 1940. A FTIAS client who is solicited will receive an additional disclosure document specifically describing the arrangement and the compensation paid to the solicitor. Solicitors' fees will be based on FTIA's normal fee schedule; you will not be charged any additional fees or expenses as a result of the referral.

Custody

Clients should receive statements at least quarterly from NFS or Schwab, the qualified custodian that holds and maintains your investment assets. FTIAS urges you to carefully review such statements and compare the official custodial records to the account statements that we may provide you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Investment Discretion

FTIAS usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients must authorize such discretion in the advisory agreement. When selecting securities and determining amounts, FTIAS observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to FTIAS in writing.

Financial Information

Registered Investment Advisers are required to provide you with certain financial information or disclosures about FTIAS's financial condition. FTIAS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

Privacy Policy

We collect nonpublic personal information about you from the following sources: Information we receive on applications or other forms and information about your transactions with our affiliates, others, or us. We do not disclose any non-public information about our current or former customers to any non-affiliated 3rd parties, except as permitted by law or in order to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information. Private client information will not be disclosed for any purposes of marketing and/or solicitation of business.

Upon instruction from you we will share information with parties you authorize.