

# **People's Securities, Inc.**<sup>®</sup>

A subsidiary of **People's United Bank**<sup>®</sup>

## PEOPLE'S SECURITIES, INC. DISCLOSURE BROCHURE

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**ITEM 1: COVER PAGE**

This Brochure provides information about the qualifications and business practices of People's Securities, Inc. ("PSI") regarding services offered through its financial advisers ("PSI FAs"). If you have any questions about the contents of this Brochure, please contact us at 646-971-2505 or [psi.compliance.dept@peoples.com](mailto:psi.compliance.dept@peoples.com). 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.

Additional information about People’s Securities, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). References herein to People’s Securities, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply any level of skill or training.

**ITEM 2: MATERIAL CHANGES**

As this is an interim amendment to the Brochure, material changes since PSI’s last annual amendment, dated March 29, 2019, have not been provided. Material changes contained in this Brochure will be detailed in PSI’s next annual amendment and will then be distributed to all existing advisory clients in April 2020.

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#### ITEM 4: ADVISORY BUSINESS

- A. People's Securities, Inc. ("PSI"), is an investment adviser, insurance agency and also a registered broker-dealer and member of FINRA and SIPC. The firm offers retail brokerage, insurance (life & health), and investment advisory services. PSI is a wholly-owned subsidiary of People's United Bank, N.A. ("People's United"), which is owned by People's United Financial Inc., a publicly reporting company. PSI is registered with several states as a life and health insurance agency. PSI is capable of selling life and health insurance to customers. Many of PSI's management, employees and investment adviser representatives are appointed with insurance carriers to sell insurance products. The firm primarily sells life insurance, various annuity products and long term care insurance to individual customers.

PSI has been continuously registered with the SEC as a broker-dealer since June 1983, and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). As a FINRA member and an SEC-registered broker-dealer, PSI is engaged in the purchase and sale of securities to public customers such as individuals, pension and profit sharing plans, and corporate, trust, estate and retirement accounts. However, PSI does not act as broker-dealer or custodian for any advisory account for which it provides services as an investment adviser.

- B. PSI offers investment advisory services through one or more programs to its investment advisory clients. PSI does not act as broker-dealer or custodian for any advisory account for which it provides services as an investment adviser.

PSI Financial Advisors ("FAs") provide investment advisory services to clients through the following programs: the Managed Account Solution Program ("MAS Program"), Gerstein Fisher Managed Solutions ("GFMS"), SEI Asset Allocation Program ("SEI AAP"), SEI Managed Account Solution ("SEI MAS"), Morningstar® Managed Portfolios<sup>sm</sup> Programs ("MS Programs"), and People's Funds Advisory Program ("PFA Program"). Gerstein Fisher is a division of People's United Advisors, Inc., while the other programs offered are unaffiliated. Through the above referenced programs, PSI offers standardized portfolios that primarily contain open-end mutual funds, exchange traded funds, equities. Neither PSI nor any of its associated persons exercises discretion regarding specific transactions in these portfolios. Rather, PSI delegates its responsibility for selecting particular securities transactions in these portfolios to one or more managers which provide these services. These programs are more fully described below and are collectively called PSI's Managed Advisory Portfolio Programs.

All or a portion of a client's assets may be allocated to one or more of the following Managed Advisory Portfolio Programs.

##### ***Managed Account Solutions Program ("MAS Program")***

Investnet Asset Management, Inc. ("Investnet"), an SEC-registered investment advisor that is not affiliated with PSI, is the sponsor for the MAS Program and provides the technology platform for all accounts on the MAS Program. In the MAS Program, PSI does not exercise investment discretion. Any applicable sub-adviser(s), which may include Investnet or its subsidiary Portfolio Management Consultants ("PMC"), generally exercise investment discretion over client account(s). Please refer to Investnet's Form ADV Part 2A – Appendix 1 for more information.

In the MAS Program, PSI is able to present a selection of various investment strategies for client review and approval. If a client approves the investment strategy, PSI will invest the client's assets accordingly. Once invested, Investnet sub-managers are granted the authority to manage the account on a discretionary basis.

All accounts in the MAS Program are held in custody at National Financial Services LLC ("NFS"), a registered broker-dealer operating as a brokerage clearing firm not affiliated with PSI to provide transaction execution, clearance, settlement, custody and related services in connection with the MAS Program.

PSI offers the Fund Strategist Portfolio Sub-program ("FSP") under the MAS Program. FSP is a discretionary asset allocation program that offers clients diversified model portfolios generally using ETFs and/or mutual

funds. Each FSP model portfolio seeks to achieve a specific investment objective while striving to maintain a level of risk that is appropriate for PSI's client's profile. The FSP model portfolios are designed and actively managed by Envestnet and/or Sub-managers that provide their model portfolios to Envestnet. Some FSP model providers may use mutual funds that invest in alternative investments, leveraged and/or inverse ETFs in the portfolios as appropriate, and in a manner that is consistent with the client's investor profile and investment strategy. The use of such securities can result in higher volatility and involves significant risks. Clients are provided with an initial allocation recommendation that corresponds to their investor profile. After a client approves, Envestnet manages the account on a discretionary basis in a manner consistent with the Sub-manager's management of the model portfolio. Should the risk associated with the client's risk tolerance change over time, the PSI FA may recommend a different model or discuss potential change to the client's investor profile.

### ***Gerstein Fisher Managed Solutions ("GFMS")***

Gerstein Fisher believes that often, a simpler financial product, with focused options, helps clients center on making clear choices and smarter investment decisions. Gerstein Fisher Managed Solutions ("GFMS") is designed with this in mind.

In consultation with a PSI FA and the use of GFMS' risk tolerance questionnaire, the client and FA will agree on an investment model constructed by Gerstein Fisher, the investment manager and sponsor of GFMS. The investment strategies in GFMS primarily contain a diversified portfolio of mutual funds, exchange traded funds or both (collectively, "Funds").

Clients inform their FA who in-turn advise Gerstein Fisher of the clients' financial circumstances, investment objectives and risk tolerances. GFMS then recommends a portfolio of Funds based on the information provided (the "Portfolio"). Clients are free to accept GFMS' Portfolio or reject the recommendation and not participate in GFMS.

GFMS will not support client requests to buy or sell an individual investment, whether such investment is part of, or outside of the Portfolio. When clients deposit to or withdraw money from their account, they are requesting that GFMS purchase or sell shares of available Funds within their account, in quantities that correspond to their Portfolio allocation. Similarly, when clients and/or their FA request an adjustment in strategy, GFMS will buy and sell shares of the Funds to reach the desired allocation required for the strategy adjustment. GFMS "rebalances" client portfolios so that, in the face of fluctuating market prices, each client's portfolio remains controlled to within a narrow range within the Portfolio.

After the initial consultation, the FA may meet with the client on a periodic basis, typically annually, to discuss the client's investments in GFMS or more frequently upon client request.

For further GFMS details, please see the GFMS Form ADV 2A – Appendix 1. FAs provide this brochure to clients prior to or concurrent with their enrollment in GFMS. Clients are advised to read it carefully before investing.

The above referenced securities portfolio may contain Affiliated Mutual Funds as defined and described below, and investment models of Gerstein Fisher ("Gerstein Fisher Models") which will typically contain Affiliated Mutual Funds.

### ***SEI Investments Management Corporation ("SIMC") SEI Asset Allocation Program ("SEI AAP")***

SIMC is an investment advisor registered under the Investment Advisers Act of 1940 ("Advisers Act") with the SEC. It is an indirect wholly-owned subsidiary of SEI Investments Company ("SEI"), a publicly traded diversified financial services firm (NASDAQ: SEIC). SIMC is located at 100 Cider Mill Road, Oaks, PA 19456. SIMC's Form ADV Part 2A is given to clients and prospective clients and contains specific details about SIMC and its

investment advisory qualifications and services. For additional information about SIMC, please see SIMC's Form ADV Part 2A.

SEI AAP are mutual fund portfolios. Asset allocation is the central theme of the SEI investment philosophy and the dominant factor in determining total strategy return. Under the SEI AAP, SIMC does not have a direct investment advisory relationship with either PSI or PSI's clients. Instead, PSI serves as the investment advisor for its clients, and is responsible for analyzing, among other things, the client's current financial situation, risk tolerance, time horizon, and asset class preference.

As part of the SEI AAP, SIMC develops various asset allocation models, each of which seeks to achieve particular investment goals, and are comprised of SEI Funds (for which SIMC serves as advisor). The models are not tailored to accommodate the needs or objectives of specific individuals, but rather the SEI AAP is designed to enable PSI clients to be matched by the PSI FA with an asset allocation model that is consistent with such client's investment goals and objectives. PSI may use tools made available by SIMC, including SIMC's proprietary Proposal Tool, to develop the appropriate asset allocation strategy for the client(s), and SIMC may also provide PSI with administrative assistance in developing such proposals. However, it is PSI's responsibility to ensure the suitability of any proposed investment, and SIMC is not providing investment advice to PSI or its clients with respect to such proposals.

Within the SEI AAP, SIMC may periodically adjust the target allocations among the Funds in a model or may add or subtract SEI Funds from a model. SIMC also may create new models within the SEI AAP. PSI determines whether to follow SIMC's adjusted model for their clients invested in the current model, and is solely responsible for determining the suitability of the asset allocation model strategy (and SEI Funds) for its clients.

#### **SEI Managed Account Solutions ("SEI MAS")**

PSI may offer SEI MAS to clients, which is a wrap fee program. Under SEI MAS, PSI can invest client's assets in one or more ETF portfolios. SIMC manages SEI MAS through its manager of manager's structure, which means that SIMC retains one or more sub-advisors to manage the client(s) portfolios on day-to-day basis, monitors the sub-advisors and, as necessary, replaces sub-advisors.

As part of SEI MAS, SIMC develops various investment strategies, each of which seeks to achieve particular investment goals. SEI MAS strategies are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable PSI clients to be matched by the PSI FA with a SEI MAS strategy that is consistent with such client's investment goals and objectives.

PSI and its client(s) will select the Investment Style into which the client's assets will be invested. In SEI MAS, PSI FA's are responsible for determining the initial and on-going suitability to invest the client's assets in the portfolio and strategy selected by the PSI FA based on, among other things, the client's investment goals, risks, tolerance, limitations and financial circumstances. PSI may use tools made available by SIMC, including SEI's proprietary Proposal Tool, to develop the appropriate asset allocation strategy for the client. As part of the services, SEI may provide PSI with administrative assistance in developing end client proposals.

#### ***Morningstar® Managed Portfolios<sup>sm</sup> Programs ("MS Programs")***

The MS Programs are discretionary investment advisory programs offered by Morningstar Investment Services LLC ("MIS"). MIS is a federally registered investment adviser and subsidiary of Morningstar Investment Management, LLC ("Morningstar Investment Management"). MIS provides discretionary investment management services to a client in accordance with the terms of an Investment Management Agreement that will be executed by the client and MIS. This Investment Management Agreement is separate from the

agreement that the client executes with PSI, and grants discretionary trading authority to MIS. MIS will determine what transactions MIS will execute in the client's account and the frequency with which MIS will execute account transactions. MIS may also delegate certain duties to PSI, which include having each client complete a questionnaire and other applicable account opening documents pertaining to suitability, contacting the client at least annually to obtain any changes in their financial status and acting as a liaison between MIS and the client. MIS is located at 22 West Washington Street, Chicago, IL 60602. MIS' Form ADV Part 2A – Appendix 1 is given to clients and prospective clients and contains specific details about MIS and its investment advisory qualifications and services. For additional information about MIS, please see MIS's Form ADV Part 2A – Appendix 1.

Within the account opening documents, clients will be presented with target allocations for the investment model proposed. Actual investment allocations may vary substantially from the target investment model allocations presented to clients as MIS maintains wide allocation ranges for each portfolio.

Pursuant to an agreement between PSI and MIS, an SEC registered investment advisor, PSI may offer participation in one or more of the following MS Programs to clients:

- Morningstar® Managed Portfolios<sup>sm</sup> Program – Mutual Fund Strategies (“MS Program – Mutual Funds”)
- Morningstar® Managed Portfolios<sup>sm</sup> Program ETF Strategy (“MS Program – ETF”); and
- Morningstar® Managed Portfolios<sup>sm</sup> Program Select Equity Portfolios (“MS Program – Select Equity”).

#### 1) MS Program – Mutual Funds

The mutual fund portfolios give investors access to a wide array of mutual funds, each constructed with MIS' asset allocation expertise and objective research.

To give investors a range of investing options, MIS offers a suite of portfolios. Each portfolio adheres to a distinct strategic asset allocation, which dictates the asset mix. The different portfolios allow MIS to provide targeted solutions for different risk/reward profiles.

Investment professionals of Morningstar Investment Management provide portfolio construction and ongoing monitoring and maintenance of the portfolios in the Morningstar Managed Portfolios Program. Their analysis forms the basis for the strategic asset allocation that is used in each Asset Allocation portfolio.

#### 2) MS Program – ETF

MIS' ETF portfolio is comprised entirely of ETFs; Each ETF portfolio confers the following benefits: disciplined asset allocation, objective research, access to a wide array of ETFs, and proactive portfolio management. MIS offers a suite of managed ETF portfolios to suit a variety of investor needs. Each of these portfolios follows a distinct strategic asset allocation, which dictates the mix of stocks, bonds, and other asset classes. Making different asset allocation models available allows MIS to offer solutions to clients with different risk/reward profiles.

Investment professionals of Morningstar Investment Management create the portfolios on an asset class level. Though each managed ETF portfolio maintains a consistent asset allocation, MIS' investment team uses a “core and explore” approach to shift the mix of assets based on market conditions.

Serving as the anchors of its ETF portfolios, each “core” position tracks an asset class represented in its strategic allocation, ensuring that each portfolio remains true to its risk/reward profile. By contrast, MIS' “explore” positions express MIS' investment team's tactical view. For instance, if MIS' team identifies a market segment that looks attractive on a fundamental basis, it might establish an “explore” position in an ETF that targets that area.

### 3) MS Program – Select Equity

The portfolios in the Select Equity program combine the active portfolio management of MIS with the extensive equity research of Morningstar, Inc. MIS's goal is to help portfolios achieve an optimal balance of risk and reward, while remaining mindful of the tax and cost implications of trading.

The MIS' Select Equity Portfolios utilize Morningstar's research. The nearly 100 equity analysts at Morningstar conduct extensive research on industry dynamics, a firm's competitive position, and the defensibility of any advantages that the business might boast, all in an effort to estimate a firm's intrinsic worth per share. Each portfolio is relatively focused, with 20 to 30 holdings being the norm.

#### ***People's Funds Advisory Program ("PFA Program")***

The PFA Program is closed to new clients. This description and subsequent material regarding this program is included to address existing investors in the PFA Program.

PSI may recommend that all or a portion of certain clients' investible assets are allocated to the PFA Program. Using a questionnaire that is designed to elicit the client's investment objectives, attitude toward risk and financial and tax circumstances, PSI will recommend a portfolio for the client consisting of various mutual funds managed by selected mutual fund managers.

Retirement Rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) rollover the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

- Conflict of Interest. If PSI FAs recommend that a client rollover their retirement plan assets into any of the account programs referenced above, , such a recommendation creates a conflict of interest if PSI FAs will earn an advisory fee on the rolled over assets. No client is under any obligation to rollover retirement plan assets to an account managed by PSI FAs. PSI's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

Client Obligations. In performing its services, PSI FAs will not verify any information received from the client or from the client's other professionals, and are expressly authorized to rely thereon. It is the client's responsibility to promptly notify PSI FAs if there is ever any change in financial situation or investment objectives for the purpose of reviewing/evaluating/revising PSI FAs previous recommendations and/or services.

- C. PSI FAs provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, PSI FAs will ascertain each client's investment objective(s). Thereafter, PSI FAs will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). **Please Note:** The client may, at any time, impose reasonable restrictions, in writing, on the management of its account.

## ITEM 5: FEES AND COMPENSATION

### A. *Managed Account Solutions Program*

The fees for the MAS Program are generally based on “Assets Under Management.” This means that the account is charged a fee based on the account balance as of a certain date. Accounts will be charged a quarterly fee which consists of the Platform/Custody Fee, Management Fee and the Advisor Fee (collectively the “Program Fee”). The Platform/Custody Fee includes fees paid to NFS for clearing and custody services, and Investnet. The Management Fee is paid to the Sub-manager. The Program Fee is charged in advance (or pre-paid) each quarter. Investnet calculates the Program Fee at the beginning of each quarter by applying the fee schedule on the Statement of Investment Selection (“SIS”) to the fair market value of the account, as determined by Investnet, on the last business day of the prior calendar quarter. For new accounts, the account will be billed when it is opened for the remaining days in the quarter. For accounts that are terminating management, we will automatically credit back any pre-paid fees for the portion of the quarter remaining after management has terminated. In the event a deposit or withdrawal of \$10,000 or more on a single day in one investment account occurs, we will calculate the fee owned or refund due and adjust the normal fee charged at the end of the calendar quarter.

If the account does not have sufficient cash balances to pay the Program Fee or other expenses, securities positions in the account may be liquidated to pay the Program Fee without client consent. Clients may incur transaction costs and there may be tax consequences when securities positions in the account are liquidated to pay the Program Fee or other expense. The clients are solely responsible for any resulting tax liabilities and we encourage you to consult with your tax professional regarding these types of events.

<b>Market Value of Assets</b>	<b>Platform/ Custody Fee</b>	<b>Management Fee*</b>	<b>Advisor Fee</b>	<b>Total Program Fee</b>
First \$250,000	0.23% - 0.32%	0.02% - 0.10%	1.10%	1.35% - 1.52%
Next \$250,000	0.22%	0.02% - 0.10%	1.10%	1.34% - 1.42%
Next \$500,000	0.19%	0.02% - 0.10%	1.05%	1.26% - 1.34%
Next \$1,000,000	0.17%	0.02% - 0.10%	1.00%	1.19% - 1.27%
Next \$3,000,000	0.16%	0.02% - 0.10%	0.90%	1.08% - 1.16%
All assets over \$5,000,000	0.15%	0.02% - 0.10%	0.90%	1.07% - 1.15%

The Total Program Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund’s prospectus and are embedded in the securities purchased on every client’s behalf. These fees are generally composed of a management fee and other fund expenses. The Program Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed away from NFS, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in Investnet’s disclosure document that would apply separately.

A Minimum Annual Account Fee of \$275 - \$325 applies to the Platform/Custody Fee and is assessed quarterly to cover the costs associated with any applicable clearing, custody, and platform-related services that may not be adequately covered by the Program Fee. The Minimum Annual Account Fee will be provided in the Statement of Investment Selection (“SIS”) when establishing an account.

The minimum account size to open a MAS Program account is \$10,000 - \$25,000 depending on the investment selection.

\*The Management Fee varies depending on the type of investment model utilized in the client account. The total Program Fee will be provided in the Statement of Investment Selection (“SIS”) when the client is establishing an account.

**B. Gerstein Fisher Managed Solutions**

A wrap fee program is a common alternative to a typical advisory fee structure that provides clients with advisory and brokerage services for one inclusive bundled fee. GFMS is a wrap fee program and as such, GFMS charges clients a single bundled fee (“Wrap Fee”) that covers the investment advisory services it provides, as well as the brokerage and custodial services provided by a custodian.

The Wrap Fee is an annual fee that shall be prorated and paid quarterly, in arrears, based upon the market value of account assets on the last business day of the previous quarter. The Wrap Fee is not charged on the basis of a share of capital gains or capital appreciation of any portion of the assets of a client. The Wrap Fee is generally not negotiable.

Please see below for the fees schedule.

<b>Assets Under Management</b>	<b>Wrap Fee</b>
Initial \$500,000	1.10%
Next \$500,000	1.05%
Next \$1,000,000	1.00%
All assets over \$2,000,000	0.90%

The Wrap Fee is paid to PSI and is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund’s prospectus and are embedded in the securities purchased on every client’s behalf. These fees are generally composed of a management fee and other fund expenses. There are additional fees assessed by the custodian that the client will typically incur such as termination fees, wire fees and other fees that are incidental to the management of the account.

Clients participating in GFMS appoint Fidelity Brokerage Services, LLC (“Fidelity”) as their broker-dealer and custodian for the program and accordingly agree to direct brokerage in their accounts through Fidelity. Clients should understand that directing brokerage through Fidelity may result in transactions in a client’s account receiving less favorable execution than could be obtained using a broker-dealer other than Fidelity. Fidelity has the discretion to negotiate with and select trading partners. Fidelity procedures are intended to comply with applicable requirements concerning best execution, although there can be no assurance that best execution will be obtained.

GFMS is offered to individual clients. Individual, joint, IRA and Roth IRA accounts are currently available. The minimum account size to open a GFMS account is \$25,000.

### ***SEI Asset Allocation Program***

PSI's advisory fee for providing services to those client assets that are allocated into the SEI AAP shall generally be in accordance with the following annual fee schedule:

<b>Assets Under Management</b>	<b>PSI Advisory Fee</b>
Initial \$500,000	1.10%
Next \$500,000	1.05%
Next \$1,000,000	1.00%
All assets over \$2,000,000	0.90%

PSI's advisory fee is debited from the client's account by SIMC on behalf of the client. SIMC does not receive any portion of PSI's advisory fee. SIMC will debit the client's account on a quarterly basis for those fees, as well as any additional charges that may be imposed by SIMC. Those fees will be disclosed to the client pursuant to the terms of the agreement between SIMC and the client. The charges to the client's account will be on an arrears basis and will be remitted quarterly net of any applicable account and performance reporting charges not charged to the client. Upon written notification, the agreement between the parties may be terminated by either PSI or the client. In the event the relationship between PSI and the client is terminated, prorated fees will be charged based on the market value on the date notice of termination is received.

SIMC serves as transfer agent and custodian of all client assets under the SEI Asset Allocation Program, for which SIMC receives compensation in the form of an administrative charge (the amount of which is disclosed on the administrative charge schedule attached to or contained in the SEI account agreement that each SEI Asset Allocation Program participating client is required to sign). SIMC is the broker and custodian for the SEI Asset Allocation Program based on the terms thereof.

The PSI Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. The PSI Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in SEI's disclosure document that would apply separately.

The minimum account size for participating in this program through People's Securities is \$25,000. SEI may charge an additional maintenance fee for accounts valued below \$25,000.

### ***SEI Managed Account Solutions***

For each client participating in the SEI MAS program, PSI will receive compensation that is equal to a portion of the fee that is imposed on the client. In addition, a program fee is paid to SIMC for its advisory services, the trade execution provided by SIMC's affiliate SEI Investments Distribution Co. ("SIDCO"), custody and related services provided by SEI Private Trust Company ("SPTC"), and the advisory services of portfolio managers. SIMC's fees are a percentage of the daily market value of the assets invested in the relevant portfolio.

The SIMC fees do not cover execution charges (such as commissions, commission equivalents, mark-ups, mark-downs or spreads) on transactions SIMC places with broker-dealers other than SIDCO or its affiliates.

The fee is calculated and paid to SIMC quarterly in arrears. SIMC will deduct the Total Fee directly from the Client's custody account.

### SEI MAS ETF Strategy Fees

For each client participating in the SEI MAS ETF program, PSI will receive compensation that is equal to a portion of the fee that SIMC imposes on the client. SIMC will receive compensation for their investment advisory services under each of the ETF Strategies as a percentage of assets allocated using them.

Market Value of Assets	SEI Fee	PSI Advisory Fee	Total Fee (SEI Fee + PSI Fee)
First \$1,000,000	0.30%	1.00%	1.30%
Next \$4,000,000	0.25%	0.50%	0.75%
Over \$5,000,000	0.20%	0.50%	0.70%

*\*Fee breakpoint levels are determined based on a Client's total account assets invested in the SEI ETF Strategies listed above. SIMC may, in its sole discretion, waive one or more of these fees, in whole or part based on SEI's relationship with the firm. SIMC may end any such fee waiver at any time, after which time affected accounts will be assessed the applicable fees. Client will also pay PSI's Advisory Fee as indicated above.*

SEI charges an additional Tax Management fee of 0.10% in addition to the SEI Fee described above if Tax Management is requested.

The PSI Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. The PSI Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in SEI's disclosure document that would apply separately.

The minimum account size for participating in the SEI MAS ETF Strategy through PSI is \$25,000.

**Morningstar® Managed Portfolios<sup>sm</sup> Programs** For each client participating in the MS Programs, PSI will receive compensation that is equal to a portion of the fee that MIS imposes on the client. MIS will receive compensation for their investment advisory services under each of the MS Programs as a percentage of assets allocated using those Programs.

- (1) **MS Program – Mutual Funds.** The minimum initial investment for the MS Program – Mutual Funds is \$50,000. At MIS' sole discretion, an initial or subsequent investment of less than this amount may be allowed.

**Program Fees.** The annual fee consists of two parts (collectively the "MS Program – Mutual Funds Program Fee"), the fee imposed by MIS and the fee imposed by PSI. The MS Program – Mutual Funds Program Fee schedule is\*:

Market Value of Assets	MIS Fee Percentage Fee†	PSI Advisory Fee	Total Fee (MIS Fee + PSI)
First \$500,000.00	0.40%	1.10%	1.50%
Next \$500,000.00	0.35%	1.05%	1.40%
Next \$1,000,000.00	0.30%	1.00%	1.30%
All assets over \$2,000,000.00	0.20%	0.90%	1.10%

\* The Portfolios' underlying mutual funds incur their own internal expenses such as shareholding servicing, and 12b-1 fees.

*Supplemental Fee Information*

When securities can be traded in more than one marketplace, the broker-dealer for the MS Program account will use its discretion in selecting the market in which such orders are entered. Please be aware that the broker-dealer may receive remuneration, compensation or other consideration for directing orders to particular broker/dealers or market centers for execution (i.e., payment for order flow) and that MIS does not participate in such arrangements.

The client may also incur certain charges by the broker-dealer or its affiliates related to retirement plan accounts such as IRAs. These charges are in addition to the above mentioned MS Program – Focused Annual Program Fee and brokerage fees.

The PSI Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and are embedded in the securities purchased on every client's behalf. These fees are generally composed of a management fee and other fund expenses. The PSI Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in MIS's disclosure document that would apply separately.

**MS Program – Exchange Traded Funds**

- (2) **MS Program – ETF.** The minimum initial investment for the MS Program – ETF is \$25,000. At MIS' sole discretion, an initial or subsequent investment of less than this amount may be allowed.

**Program Fees.** The annual MS Program – ETF fee consists of two parts (collectively the "MS Program – ETF Annual Program Fee"), the fee imposed by MIS and the fee imposed by PSI. The standard fee schedule for the MS Program – ETF Strategy is\*\*:

<b>Market Value of Assets</b>	<b>MIS Fee Percentage Fee</b>	<b>PSI Advisory Fee</b>	<b>Total Fee (MIS Fee + PSI)</b>
First \$1,000,000.00	0.30%	1.00%	1.30%
Next \$4,000,000.00	0.25%	0.50%	0.75%
All assets over \$5,000,000.00	0.20%	0.50%	0.70%

\*\*Does not include fees/commissions associated with executing transactions nor the internal exchange traded funds. Additionally, this fee covers costs associated with middle-office trading infrastructure and client accounting and reporting.

*Supplemental Fee Information*

As the result of MIS' discretionary authority, investment decisions made for a MS Program – ETF account will result in the client incurring brokerage commission/fees imposed by the brokerage firm utilized by the MS Program. The payment of these brokerage fees is solely the client's responsibility. The broker-dealer will charge the client's MS Program – ETF account directly for any applicable brokerage fees. These brokerage fees are in addition to the above-mentioned MS Program – ETF Annual Program Fee.

When securities can be traded in more than one marketplace, the MS Program broker-dealer will use its discretion in selecting the market in which such orders are entered. Please be aware that the broker-dealer may receive remuneration, compensation or other consideration for directing orders to particular broker/dealers or market centers for execution (i.e., payment for order flow) and that MIS does not participate in such arrangements.

Exchange-traded funds have their own internal fees and expenses such as investment advisory, administration, and other fund-level expenses and that by investing in them the client incurs a proportionate share of those fees and expenses. Those fees and expenses are in addition to the abovementioned MS Program – ETF Annual Program Fee and brokerage fees.

The client may also incur certain charges by the broker-dealer or its affiliates related to retirement plan accounts such as IRAs. These charges are in addition to the above mentioned MS Program – ETF Annual Program Fee and brokerage fees.

The PSI Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund’s prospectus and are embedded in the securities purchased on every client’s behalf. These fees are generally composed of a management fee and other fund expenses. The PSI Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in MIS’s disclosure document that would apply separately.

- (3) **MS Program – Select Equity.** The minimum initial investment for the MS Program – Select Equity is \$100,000. At MIS’ sole discretion, an initial or subsequent investment of less than this amount may be allowed.

**Program Fees.** The annual MS Program – Select Equity fee consists of two parts (collectively the “MS Program – Select Equity Annual Program Fee”), the MIS fee and the PSI fee. The standard fee schedule for the MS Program – Select Equity is:

Market Value of Assets	MIS Fee Percentage Fee†	PSI Advisory Fee	Total Fee (MIS Fee + PSI)
First \$1,000,000.00	0.55%	0.75%	1.30%
Next \$4,000,000.00	0.50%	0.65%	1.15%
All assets over \$5,000,000.00	0.45%	0.55%	1.00%

†Does not include fees/commissions associated with executing transactions. It also does not include the PSI Advisory Fee. Additionally, this fee covers costs associated with middle-office services such as a trading infrastructure and client accounting and reporting.

*Supplemental Fee Information*

As the result of MIS’ discretionary authority, investment decisions made for a MS Program – Select Equity account will result in the client incurring brokerage commission/fees imposed by the brokerage firm utilized by the MS Program. The payment of these brokerage fees is solely the client’s responsibility. The broker-dealer will charge the client’s Select Equity Portfolio account directly for any applicable brokerage fees. These brokerage fees are in addition to the above-mentioned MS Program – Select Equity Annual Program Fee.

When securities can be traded in more than one marketplace, the MS Program broker-dealer will use its discretion in selecting the market in which such orders are entered. Please be aware that the broker-dealer may receive remuneration, compensation or other consideration for directing orders to particular broker/dealers or market centers for execution (i.e., payment for order flow) and that MIS does not participate in such arrangements.

The client may also incur certain charges by the broker-dealer or its affiliates related to retirement plan accounts such as IRAs. The client understands that these charges are in addition to the above mentioned MS Program – Stock Basket Annual Program fee and brokerage fees.

American Depository Receipts (“ADRs”) are typically created, organized and administered by a U.S. bank. Generally, these banks charge a fee for their services (e.g., custody) and may deduct these fees from the dividends and other distributions generated from the ADR shares. In addition, banks incur expenses, such as those related to converting foreign currency into U.S. dollars, and as a result may pass those expenses on to the ADR shareholder. The client understands that these fees and expenses are in addition to the above-mentioned MS Program – Stock Basket Annual Program Fee and Brokerage Fees.

Morningstar program accounts may be custodied at various custodians and bill in arrears based on the average daily market value balance of the prior quarter or bill in advance based on the account value at the end of the prior quarter. Specific details on billing methodology may be found in the Morningstar Investment Management Agreement that is provided to each client.

The PSI Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund’s prospectus and are embedded in the securities purchased on every client’s behalf. These fees are generally composed of a management fee and other fund expenses. The PSI Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in MIS’s disclosure document that would apply separately.

***People’s Funds Advisory Program***

PSI is no longer accepting new clients into the PFA program.

PSI’s compensation under the PFA Program is on a fee basis, computed based on the market value of the assets within the account being managed, with breakpoints that reduce the rate, generally in accordance with the following annual fee schedule:

<b>Assets Under Management</b>	<b>PSI Advisory Fee</b>
Initial \$250,000	1.25%
Next \$250,000	1.00%
Next \$500,000	0.75%
All assets over \$1,000,000	0.50%

The PSI Advisory Fee is separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund’s prospectus and are embedded in the securities purchased on every client’s behalf. These fees are generally composed of a management fee and

other fund expenses. The PSI Advisory Fee above does not cover other charges, including commission, dealer mark-ups or fees for portfolio transactions executed by the custodian, fees for certain service requests such as wire or delivery instructions, check handling, legal processing, outgoing transfers and other fees described in MIS's disclosure document that would apply separately.

SEI Trust Company serves as transfer agent and custodian of all client assets under the PFA Program, for which SEI Trust Company receives compensation in the form of an administrative charge (the amount of which is disclosed on the administrative charge schedule attached to or contained in the SEI account agreement that each PFA Program participating client is required to sign). Any brokerage commissions are included in the custodial fee and are not negotiated by PSI. PSI selected SEI Trust Company as the broker and custodian for the PFA Program based on PSI's review of SEI's performance and competitive pricing.

PSI's compensation for the program is not negotiable, but may be waived in whole or in part, for varying periods of time, in PSI's sole discretion, in connection with promotional efforts or for any other reason. PSI's compensation may be reduced or waived for persons who are directors, officers or employees of PSI or affiliates of PSI.

The minimum account size for this program is \$100,000.

PSI's compensation is calculated and billed quarterly in arrears, based on the average value of the account over the period that comprises the preceding quarter. PSI's compensation for any period of less than a full quarter will be prorated on a daily basis.

Upon written notification, the agreement between the parties may be terminated by either PSI or the client, and the client may withdraw from the PFA Program at any time in accordance with such termination request. In the event the relationship between PSI and the client is terminated, prorated fees will be charged based on the market value on the date notice of termination is received and any unearned compensation will be refunded to the client.

As illustrated in the Managed Advisory Portfolio Program fee schedules above, PSI and FA compensation differ depending on the programs the client has selected for investment and the size of the program account. Therefore, FAs have a potential conflict of interest when recommending these programs to clients, as there is an incentive for FAs to recommend certain programs over others in order to receive higher compensation.

PSI mitigates this conflict by maintaining policies and procedures to help ensure recommendations are appropriate and that FAs act in the best interest of their clients. Such procedures include the mandatory completion of a financial needs assessment form for program investments which is reviewed by PSI compliance staff to help ensure suitability.

- C. Advisory fees are deducted from the client's custodial account. The assets of clients receiving investment advisory services will be held at qualified custodians. The client will incur charges imposed directly by the custodian of the client's account, (such as transaction charges imposed by the broker-dealer executing securities transactions for the client's account when not employing GFMS, and fees and expenses imposed directly by mutual funds held in or for the client's account). PSI does not act as qualified custodian for any advisory account for which it provides services as an investment adviser. Please see Item 15: Custody for more information on PSI's custody practices.

For further discussion concerning PSI's brokerage practices, please see Item 12 of this Disclosure Brochure. All fees paid to PSI for its services are separate and distinct from the fees and expenses charged directly by the client's custodian, the broker-dealer, and mutual funds. The fees and expenses imposed by mutual funds

are described in each fund's prospectus, and will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. The client should review both the fees charged by the funds and the fees charged by PSI to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

- D. Securities Commission Transactions. PSI FAs are also registered representatives of PSI in its broker-dealer capacity. Clients can implement PSI FAs' investment recommendations (such as mutual funds, variable annuities, certain fixed income securities, and 529 plans) through PSI as broker-dealer and pay commissions on transactions, a portion of which PSI may pay to the applicable PSI FA. Prior to effecting any transactions, the client will be required to enter into a new account agreement with PSI as broker-dealer. In addition, through PSI as broker-dealer, PSI FAs may also receive additional ongoing 12b-1 trailing commission compensation from the mutual funds during the period that the client maintains the mutual fund investment.
1. Conflict of Interest: PSI FAs have a conflict of interest when they recommend that a client purchase a commissionable product, as they have an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from PSI FAs.
  2. Clients may purchase investment products recommended by PSI FAs through other, non-affiliated broker dealers or agents.
  3. PSI does not receive more than 50% of its total revenue from advisory clients as a result of commissions or other compensation for the sale of investment products PSI recommends to its clients.
  4. When PSI FAs sell an investment product on a commission basis, PSI does not charge an advisory fee in addition to the commissions the client pays for the product. When providing services on an advisory fee basis, PSI FAs do not also receive commissions for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, a client may engage PSI FAs to provide investment management services on an advisory fee basis and separately purchase an investment product from PSI FAs on a commission basis.

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

Neither PSI nor any of its supervised persons accepts performance-based fees.

#### **ITEM 7: TYPES OF CLIENTS**

PSI's clients include individuals, business entities, retirement and pension plans, trusts, estates and charitable organizations.

Minimum Fee. Each PSI program may impose a minimum fee or additional requirements for opening or maintaining an account. The following is a list of the current minimum investment for each advisory program offered through PSI FAs:

Managed Accounts Solutions Program: \$10,000 - \$50,000 depending on the investment selection

Gerstein Fisher Managed Solutions: \$25,000

SEI Asset Allocation Program: \$25,000

SEI Managed Account Solutions:

- SEI MAS ETF Strategy: \$25,000

MS Program – Mutual Funds: not available to new clients

MS Program – ETF: not available to new clients

MS Program – Stock Basket: not available to new clients

PFA Program: not available to new clients

Servicing Agreement. Each client will be required to sign a servicing agreement with PSI that sets forth the terms and conditions of their relationship with PSI, an agreement with Gerstein Fisher when using GFMS, and a separate custodial/clearing agreement. Each or both of the PSI servicing agreement and the custodial/clearing agreement may authorize the account custodian to debit the client's account for the amount of PSI's fee and may also authorize the account custodian to directly remit that fee to PSI in accordance with regulatory procedures. The PSI servicing agreement will continue in effect unless terminated pursuant to the terms thereof. In the event of termination, PSI's management fee shall be pro-rated through the date of notice of termination.

#### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

- A. Methods of Analysis and Investment Strategy. The firm utilizes charting, fundamental, technical and cyclical methods of analysis in connection with its servicing client accounts. The significant investment strategies that the firm utilizes for servicing client accounts are a long term investment approach, asset allocation, and diversification.
- B. Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy PSI FAs employ will be profitable or equal any specific performance level(s).
- (a) Long term investment approach. Long term investing generally involves the purchase of securities that are held at least one year after the date of their purchase. This investment strategy involves various risks, including the day-to-day potential for an investor to experience losses from fluctuations in securities prices.
- (b) Asset allocation is an investment strategy that generally seeks to balance risk and reward by investing portfolio's assets according to an individual's goals, risk tolerance and investment horizon into three main asset classes – equity securities, fixed-income securities, and cash (and/or cash equivalents such as money market funds). Each asset class has different levels of risk and return, and will behave differently over time.
- (c) Diversification is a risk management tool that uses a variety of investment options within a portfolio. On average, and over time, this approach will generally yield higher returns, reduce volatility within the portfolio, and pose a lower risk of loss than each of the individual investments found within the portfolio.
- C. The methods of analysis and investment strategies employed do not present any significant or unusual risks. However, investing in securities always involves risk of loss that each client should be prepared to bear.

#### **ITEM 9: DISCIPLINARY INFORMATION**

PSI has not been the subject of disciplinary action in the past ten years. PSI's Chief Compliance Officer is available to address any questions regarding the disciplinary history of the firm.

#### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

- A. Registered Representatives of PSI. As disclosed above in Item 5.C, PSI FAs are registered representatives of PSI, in its capacity as an SEC registered and FINRA-member broker-dealer.
- B. Neither PSI or its FAs, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

### C. Other Registrations

Broker-Dealer. As disclosed above in Item 5.C, PSI FAs are registered representatives of PSI, in its capacity as an SEC registered and FINRA-member broker-dealer. Clients can choose to engage PSI FAs in their individual capacities, to effect securities brokerage transactions on a commission basis.

- Conflict of Interest: The recommendation by PSI FAs that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from PSI FAs. Clients may purchase investment products recommended by PSI FAs through other, non-affiliated broker-dealers.

Insurance Agency. PSI is registered as an insurance agency in various states and is capable of selling life and health insurance to customers. Many of PSI's FAs are appointed with insurance carriers to sell insurance products. The firm primarily sells life insurance, various annuity products and long term care insurance to individual customers.

- Conflict of Interest: The recommendation by PSI FAs that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. PSI FAs that are appropriately licensed and appointed through insurance carriers, may accept compensation for the sale of insurance products. This would represent a conflict of interest and could provide an incentive to PSI and/or its supervised persons to recommend insurance products based on the compensation received, rather than on a client's needs. However, this conflict of interest is mitigated by the fact that a client must have an insurable interest to obtain an insurance policy and PSI prohibits its FAs from including any insurance product sold to a client in the value of assets under management used to calculate advisory fees. No client is under any obligation to purchase any commission products from PSI FAs. Clients may purchase insurance products recommended by PSI FAs through other, non-affiliated insurance agents.

### Other Financial Industry Affiliations

Banking Institution. PSI is a wholly owned subsidiary of People's United, which is owned by People's United Financial, Inc., a publicly reporting company. Certain members of PSI's management team and/or Board of Directors may also be employed by, provide services to, or sit on the Board of Directors of People's United. In addition, PSI may provide services to customers of People's United in accordance with the terms of this Disclosure Brochure. This may present a conflict of interest between PSI and its owner. In the event of an actual conflict of interest between PSI and People's United, PSI personnel with sufficient knowledge of the conflict of interest will discuss the issue with the client and then PSI will determine, in its discretion, whether it may continue the relationship with the client. If the firm determines that it cannot continue the relationship with the client, it will terminate the relationship after providing reasonable assistance to the client in connection with transitioning the account away from the firm.

Insurance Agency. PSI is a registered insurance agency as described in Section 10 (C) Other Registrations.

PSI is also affiliated with People's United Insurance Agency ("People's Insurance"), which is a regional insurance agency. People's Insurance is a wholly owned subsidiary of People's United. PSI may provide services to customers of People's Insurance in accordance with the terms of this Disclosure Brochure. PSI may also recommend, on a fully disclosed basis, People's Insurance to PSI clients for the provision of insurance-related services. This may present a conflict of interest between PSI and its owner. In the event of an actual conflict of interest, PSI personnel with sufficient knowledge of the conflict of interest will discuss the issue with

the client and then PSI will determine, in its sole discretion, whether it may continue the relationship with the client. If the firm determines that it cannot continue the relationship with the client, it will terminate the relationship after providing reasonable assistance to the client in connection with transitioning the account away from the firm.

D. Selection of Other Investment Advisers.

As described in Item 4 of this Disclosure Brochure, PSI FAs may allocate a client's investable assets to GFMS. GFMS is managed and sponsored by Gerstein Fisher, a division of People's United Advisors, Inc. Further, GFMS investment models will typically employ mutual funds for which Gerstein Fisher acts as investment adviser ("Affiliated Mutual Funds").

- Conflict of Interest. When FAs recommend GFMS, PSI has a conflict of interest because in addition to the Wrap Fee that it may collect, its affiliated entity, People's United Advisors, Inc., may also collect through its Gerstein Fisher division, the investment management fees from its Affiliated Mutual Funds. To address this matter, the client will not be charged the Wrap Fee on the portion of account assets invested in its Affiliated Mutual Funds.

Under some of PSI's servicing programs identified in Item 4 of this Disclosure Brochure, PSI FAs may allocate a client's investable assets among other independent investment advisers (collectively, the "Outside Managers") to provide services to such PSI client accounts. In the event that PSI FAs utilizes Outside Managers in this manner, PSI FAs will continue to provide services to the client as described in Item 4, and will continue to receive compensation for its provision of such services.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

- A. PSI maintains an investment policy that governs its employees' personal securities transactions that relates to PSI's overall Code of Ethics, which serves to establish a standard of business conduct for all of PSI's FAs that is based upon fundamental principles of openness, integrity, honesty, and trust. A copy is available upon request.

PSI also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by PSI or any person associated with it.

- B. Although PSI does not make any recommendations for such a security, certain clients have requested, and may in the future request, that PSI purchase shares of common stock of People's United Financial, Inc. This may present a conflict of interest for the firm, including the conflict that arises from the firm being in a position to provide recommendations and advice relative to the stock of its parent company. This conflict of interest is removed, as PSI FAs do not have the authority to place People's United Financial, Inc. common stock in Managed Advisory Portfolio Programs.
- C. PSI FAs may buy or sell securities that are also recommended to clients. This practice creates a situation where PSI and/or PSI FAs are in a position to materially benefit from the sale or purchase of those securities through practices such as insider trading, "front-running" (i.e., personal trades executed prior to those of PSI's clients) and other potentially abusive practices. Therefore, this situation creates a potential conflict of interest. PSI has adopted policies to detect and prevent such activities.

PSI has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of PSI's "Access Persons." An Access Person of PSI must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance

Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date PSI selects.

- D. PSI and/or PSI FAs are permitted to buy or sell securities in their personal accounts, at or around the same time as those securities are recommended to clients. This practice creates a situation where PSI and/or PSI FAs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, PSI monitors the personal securities transactions and securities holdings of each of its Access Persons.

## **ITEM 12: BROKERAGE PRACTICES**

Each of the Managed Advisory Portfolio Programs use specific custody and broker-dealer services described in Item 4.

### Research and Other Benefits.

When PSI FAs place client assets in a Managed Advisory Portfolio Program it will receive certain research products and/or services which assist PSI in its investment decision making process. Such research generally will be used to service all of PSI's clients, but PSI will receive research that is not used in managing all or some of PSI's client accounts. Investment research products and/or services received by PSI may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; and statistical and pricing services.

- Conflict of Interest. When PSI receives research, products or services from a Managed Advisory Portfolio Program, PSI receives a benefit because PSI does not have to produce or pay for the research, products or services. PSI believes it that has addressed these conflicts by (a) not entering into soft dollar arrangements where the research or services it receives from a Managed Advisory Portfolio Program is tied to any particular level of execution or amount of assets custodied, (b) only receiving research, products or services that are provided to all parties who utilize that Managed Advisory Portfolio Program, regardless of the amount of assets custodied or execution directed to that Managed Advisory Portfolio Program.

## **ITEM 13: REVIEW OF ACCOUNTS**

- A. Account Reviews.

Gerstein Fisher Managed Solutions. For further details on review of accounts, please see the GFMS Form ADV 2A – Appendix 1.

For Managed Account Solutions Programs, SEI Programs (including SEI Asset Allocation Program and SEI Managed Solutions), Morningstar Managed Portfolio Programs, and People's Funds Advisory Program, reviews will be conducted by a PSI account representative at least annually to update the client's investment objectives, risk tolerance and financial and tax circumstances to determine whether their investment strategy remains suitable.

Although PSI will be solely responsible for the suitability of the client's selected investment model, it will not be responsible for the monitoring or suitability of trading or holdings of individual securities within the client's selected investment model.

PSI does not provide continuous and regular supervisory or management services to client accounts. As referenced above, PSI will provide account reviews at least annually to determine ongoing suitability of the client's selected investment model.

- B. Account Reports.

Managed Account Solutions. NFS is responsible for sending you trade confirmations and acts as the transfer agent and custodian of the client's account. The custodial account statement shows an inventory of trade executions, securities, including as-of-date market values, cash balances, fees and expenses charged to the client's account and account activities during the most recent quarter.

People's Funds Advisory Program, SEI Asset Allocation Program, and SEI Managed Account Solutions. SEI Trust Company acts as the transfer agent and custodian of the client's account. SEI Trust Company provides reporting services including consolidated monthly statements, quarterly performance reports, and year-end tax reports.

Morningstar Managed Portfolio Programs\_ MIS acts as the transfer agent and custodian of the client's account for the MS Program – Mutual Funds. MIS provides reporting services including consolidated, quarterly performance reports and year-end tax reports. MIS acts as the transfer agent of the client's account for the MS Program – ETF and MS Program – Stock Basket. MIS provides reporting services including consolidated, quarterly performance reports and year-end tax reports. Clients invested in the MS Program – ETF or the MS Program – Stock Basket will also receive transaction confirmation notices and regular account statements directly from the broker-dealer/custodian for the client's account.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

- A. Non-Clients Providing an Economic Benefit to PSI. See the discussion in Item 12 above regarding the benefits received by PSI from the broker-dealer or custodian for client accounts.

PSI may refer a client that it determines may benefit from services provided by other divisions and/or subsidiaries of People's United. If PSI refers a client to other divisions and/or subsidiaries of People's United, PSI and/or its FAs may receive referral compensation.

- B. Compensation to Unaffiliated Parties. On a limited basis, PSI may pay unaffiliated solicitors for introducing clients to PSI. Referral fees are paid solely from the investment management fee, and do not result in any additional charge to the client. The compensation paid to an unaffiliated solicitor is described in the solicitor's disclosure document, provided to the client at the time of the introduction.

Compensation to Affiliated Parties. The People's United Wealth Management & Trust Department ("People's United WM&T") may refer a client to PSI that it determines may benefit from services provided by PSI. If People's United WM&T refers a client to PSI, PSI may pay People's United Bank, N.A. a referral fee. Such referral fee will be paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements.

Referral fees create a potential conflict of interest between the interests of PSI, the solicitor and the client. PSI addresses this conflict by (a) reviewing the suitability of referred client accounts; and (b) disclosing the nature of the referral and the compensation involved.

#### **ITEM 15: CUSTODY**

Each PSI client's assets are maintained with a qualified custodian. The qualified custodian is authorized by the client to deduct and direct payment of PSI's advisory fee directly from the client's custodial account. Each client will receive account statements directly from the qualified custodian on at least a quarterly basis. Each client is urged to carefully review the account statement they receive from the qualified custodian. PSI does not act as qualified custodian for any advisory account for which it provides services as an investment adviser.

#### **ITEM 16: INVESTMENT DISCRETION**

PSI does not allow its financial advisors to have discretion over client accounts. Client accounts invested in Managed Account Solutions, Gerstein Fisher Managed Solutions, SEI Asset Allocation Program, SEI Managed Account Solutions, Morningstar Managed Portfolio Programs, and People's Funds Advisory Program are discretionary accounts, where the portfolio manager of the individual programs has discretion provided by the client under the terms of the terms and conditions of the advisory agreements to otherwise place trades, rebalance and execute manager changes on the clients behalf.

Client will also provide FAs with the authority to change the investment model within the same Managed Advisory Portfolio Program, in-keeping with the client's investment objective and risk tolerance. In no event shall the FA, portfolios managers or any of the programs listed above be authorized as client's attorney-in-fact, to withdraw money, securities or any other assets from the client's account without the express consent of the client.

#### **ITEM 17: VOTING CLIENT SECURITIES**

- A. PSI does not vote client proxies. Clients are responsible for: (1) voting proxies, and (2) making all elections for mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact PSI to discuss any questions they may have with a particular solicitation.

#### **ITEM 18: FINANCIAL INFORMATION**

- A. PSI does not solicit fees of more than \$1,200 per client, six months or more in advance.
- B. PSI is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. PSI has not been the subject of a bankruptcy petition.

ANY QUESTIONS: PSI's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements, and corresponding conflicts of interest.

Investment and Insurance Products:

- **Not Insured by FDIC or any Federal Government Agency**
- **Not a Deposit of or Guaranteed by a Bank or any Bank Affiliate**
- **May Lose Value**

Investment and insurance products are offered through People's Securities, Inc., a Broker/Dealer, member of [FINRA](#) and [SIPC](#), an insurance agency and a registered investment advisor. People's Securities, Inc. is a subsidiary of People's United Bank, N.A.

646-971-2505 | [psi.compliance.dept@peoples.com](mailto:psi.compliance.dept@peoples.com) | [www.peoples.com/invest](http://www.peoples.com/invest)

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