

Item 1 – Cover Page: Firm Brochure (Part 2A of Form ADV)



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This Brochure provides information about the qualifications and business practices of WBI Investments, Inc. (WBI). If you have any questions about the contents of this Brochure, please contact us at (732) 842-4920. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. WBI is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information you can use to help you determine whether or not to hire or retain an Adviser. Additional information about WBI is also available on the SEC’s website at www.adviserinfo.sec.gov. Clients and prospective clients can search this site by using the name WBI Investments, Inc., or by an identification number known as a CRD number. The CRD number for WBI is 106336. The SEC’s website also provides information about any persons affiliated with WBI who are registered, or are required to be registered, as investment adviser representatives of WBI.



Item 2 – Material Changes

This item contains a summary of material changes that have occurred since the last annual update of the WBI Form ADV (or Brochure) in March 2020.

Disciplinary Information. On August 5, 2020, the SEC entered into a settlement with WBI Investments, Inc. (“WBI”) and its affiliate, Millington Securities, Inc. (“Millington”), regarding an administrative action. In connection with the settlement, WBI and Millington, without admitting or denying the findings and without adjudication of any issue of law or fact, consented to the entry of the order that finds that WBI and Millington willfully violated Sections 206(2) and 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 206(4)-7 promulgated thereunder.

Other Information. In May 2020, the firm received a loan under the Paycheck Protection Program (PPP) authorized pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The firm will use the PPP loan to continue payroll for the firm and to fund other expenses specifically permitted under the PPP. The firm has not suffered any interruption of service.



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Item 4 – WBI Investments Advisory Business Information

WBI Investments, Inc. (referred to throughout this brochure as WBI), is a corporation formed under the laws of the State of New Jersey and is registered as an investment adviser with the SEC. This brochure provides clients and prospective clients with information regarding WBI and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of WBI.

Principal Owner

Don Schreiber, Jr., is founder and principal owner of WBI Investments, Inc., and serves as the CEO and Co-Portfolio Manager of the Firm.

Other Executive Officers

Matthew Schreiber is Co-CEO and Chief Investment Strategist and has a minority equity interest in the Firm.

Steven Van Solkema is President, Chief Investment Officer and Co-Portfolio Manager for WBI, and has a minority equity interest in the firm.

Robert Confessore is Vice President and has a minority equity interest in the Firm.

Firm History

WBI was originally founded in 1984 as Wealth Builders, Inc. to provide financial advisory and business planning services to individuals and institutions. Its goal was to provide clients with the highest level of financial advice and service possible.

In 1992, WBI (then known as Wealth Builders) introduced its initial group of proprietary portfolio strategies designed to pursue consistent, reliable returns with substantially less risk than traditional approaches. In 1997, Wealth Builders began offering its investment management to unaffiliated advisors and initiated the development of its wholesale institutional distribution program.

In February 2006 the company began offering the investment management services of its wholesale institutional distribution operations under the “Doing Business As” (DBA) name WBI Investments™. The company continued to offer retail financial planning and wealth management services as Wealth Builders, Inc. In June 2009 Wealth Builders, Inc. formally changed its name to WBI Investments, Inc., and in January 2010 WBI Investments spun off its retail financial planning and wealth management services group into a separate affiliated entity: Hartshorne Group, Inc., with WBI Investments™ continuing its existing discretionary investment management operations.

Today, WBI Investments, Inc. (“WBI”) continues to operate as an independent, privately owned investment management firm that provides fee-only discretionary investment management to individuals, pension and profit-sharing plans, charitable organizations, corporations, Exchange Traded Funds, and other entities.



Client Assets Under Management

As of December 31, 2019, WBI managed approximately \$771,991,849 on a discretionary basis, and no assets on a non-discretionary basis.

Advisory Services

WBI provides access to its investment management services through a variety of offerings, each designed to provide a vehicle that meets the client's needs and preferences. These include:

Solicited or Sub-Advised Separately Managed Accounts (SMA)

WBI provides investment management services to clients facilitated by unaffiliated independent investment advisers contractually engaged by WBI (collectively referred to as "Introducing Advisors"). WBI may also act as sub-adviser to another investment adviser. WBI may from time to time provide investment management services to institutional clients through direct solicitation. In these instances of direct solicitation, a WBI representative will fulfill the responsibilities of the Introducing Advisor as related to account on-boarding and maintenance and as described in greater detail herein. Each client account is held at an unaffiliated brokerage firm or custodian, and is registered to the person, persons, or other entity listed on that firm's new account forms. All securities are beneficially owned by the account's registered owner or owners. WBI directs the investment of the securities in the account under a limited power of attorney granted to WBI by the client in the investment management agreement ("IMA"). WBI is compensated by the investment management fee as detailed in the IMA. Clients introduced by Hartshorne Group, Inc. ("HG") an affiliated company, are also typically managed in this way, and for this purpose Hartshorne will be referred to as an Introducing Adviser, in terms of its responsibilities. The primary Client contact for matters concerning a WBI SMA is the referring Introducing Advisor, when applicable.

Sponsored Investment Management Platforms or Investment Wrap Programs (Platform)

Clients may also gain access to WBI investment management services through advisory programs or investment platforms (each a "Program") sponsored by unaffiliated investment advisers and/or broker-dealers (each a "Sponsor"). The Programs may be wrap-fee programs, overlay portfolio management programs, or general asset allocation programs. Through the Programs, clients must establish an account directly with the Sponsor. WBI is then available to clients for selection as an independent investment manager. Many of the terms and conditions of the Programs are determined by the Sponsor.

In certain Programs or pursuant to a model portfolio services agreement, WBI provides investment recommendations in the form of model portfolios to a Sponsor or an overlay portfolio manager, which may or may not be affiliated with the Sponsor (collectively, "OPM") and which may utilize such recommendations in connection with its management of Program client accounts. OPMs receive WBI's model portfolios for a particular Portfolio Strategy (as described below). Based on the model portfolio, the OPM or its designated representative, exercises investment discretion and executes each client's portfolio transactions predicated on the OPM's own investment judgment.



Affiliated Exchange Traded Funds (ETFs)

WBI serves as investment sub-adviser to a family of ETFs registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), domiciled in the United States, which are primarily actively-managed ETFs, but include passively managed index ETFs (the “Affiliated ETFs”). The Affiliated ETFs are each series of Professionally Managed Portfolios structured under Absolute Shares Trust (the “Trust”). The Trust administrator, transfer agent and fund accountant is U.S. Bancorp Fund Services, LLC. The distributor of the Affiliated ETFs is Foreside Fund Distributors, LLC, a SEC registered broker-dealer and member of FINRA (“Foreside”). Foreside is not a related entity or affiliated with WBI. However, some of WBI’s employees have been hired to wholesale the ETFs to financial professionals, such as registered representatives of broker-dealers and investment adviser representatives of unaffiliated investment advisory firms. WBI’s employees engaging in ETF distribution services are licensed as registered representatives of Millington Securities, Inc.

ERISA and Other Plans

WBI provides services as a discretionary investment manager to pension plan and other employee benefit clients subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), and to individual retirement accounts (“IRAs”) and other plans and arrangements subject to the prohibited transaction provisions of the Internal Revenue Code of 1986 (the “Code”), through its separately managed account program and through wrap-fee and asset allocation programs sponsored by unaffiliated investment advisers and/or broker-dealers. To the extent that WBI, in providing discretionary investment management services to pension plan and other employee benefit plan clients that are subject to Title I of ERISA through these programs, provides services that are defined in ERISA Section 3(21) as fiduciary services, WBI acknowledges that it acts as a fiduciary. Similarly, to the extent that, in providing such discretionary investment management services to IRAs and other plan clients subject to Section 4975 of the Code through these programs, WBI acknowledges that it acts as a fiduciary.

In its services to ERISA pension plan clients under the SMA and sponsored investment management platforms or wrap programs, WBI is a “covered service provider” under regulations issued by the U.S. Department of Labor (“DOL”) under Section 408(b)(2) of ERISA. Accordingly, WBI will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to its ERISA pension plan clients the services it will provide to the plan client, its status as a fiduciary under Section 3(21) of ERISA, and the compensation, direct and indirect, that it and its subcontractors and affiliates reasonably expect to receive under the arrangement reasonably in advance of the date on which WBI enters into the arrangement with the plan client.

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), WBI will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary all information relating to compensation or fees received in connection with the arrangement with the pension plan client that is required for the plan to comply with the reporting and disclosure requirements of Title I of ERISA.



Where WBI invests assets of ERISA, IRA or other plan clients in Affiliated ETFs through the SMA or platform programs it will either comply with the requirements of relevant DOL prohibited transaction exemptions or structure the transactions in order to avoid the need for a prohibited transaction exemption.

In addition, where WBI places trades for ERISA, IRA or other plan clients through its affiliate Millington, it will either comply with the requirements of relevant DOL prohibited transaction exemptions or structure the transactions in order to avoid the need for a prohibited transaction exemption.

Clients should be aware that while we believe the allocation to ETFs in our Tax-Smart ETF Program can provide increased tax efficiency over traditional SMA approaches, tax-qualified accounts, such as IRAs, do not benefit from a tax-efficient or “Tax-Smart” structure. WBI does not provide tax services or tax advice. Please consult with a tax professional prior to making investment decisions.

Types of Investments

The allocation of investment management assets is done on a discretionary basis, in accordance with the investment objectives of the client. The various investment alternatives used may include: individual debt and equity securities (both corporate and government issued), mutual fund classes, mutual fund asset allocation programs, certificates of deposit, Affiliated ETFs and unaffiliated ETFs, exchange traded notes (“ETNs”), structured notes, options contracts on securities or indexes of securities, or other investment assets not listed here. Leverage and shorting are not typically part of the investment strategy other than through the occasional use of exchange traded funds (“ETFs”) that employ such strategies and are generally not a significant part of portfolio allocations.

Certain of these investment assets may have limited liquidity or marketability, or be subject to early surrender penalties, trading restrictions, redemption restrictions and/or fees, or mandatory holding period requirements. To the extent a client attempts to sell investments that have limited liquidity or marketability as a result of closing the client’s account with WBI, or otherwise, the client may have difficulty selling the investments at a time or price that is favorable to the client.

WBI Separately Managed Accounts (SMA)

The investment strategy and management program selected will be based on each client’s unique and individual investment needs, as expressed in the Confidential Client Questionnaire or through the Cy loss tolerance and required rate of return, or “RROR”, determination process (as described further below), and portfolio strategy selection or selections. Prior to introducing a prospective client to WBI, the Introducing Advisor collects financial and demographic information, and assists clients in identifying their financial objectives. The Introducing Advisor will describe the investment strategies available from WBI that may be most beneficial and appropriate given the client’s objectives. The Introducing Advisor will then forward the Confidential Client Questionnaire or Cy documentation and all associated paperwork to WBI. WBI will conduct a final review of the client’s selection to assess whether it is appropriate given the client’s stated risk tolerance and objectives. WBI is expressly authorized to rely on the information provided in the Confidential Client Questionnaire or Cy documentation without further verification. WBI’s investment



recommendations are highly dependent on receiving accurate information from clients. If clients provide WBI or the Introducing Adviser with inaccurate or incomplete information or fail to update promptly the information provided to WBI or the Introducing Adviser when it changes, the quality and applicability of WBI's recommendations could be materially impacted. The client will notify WBI of material changes in financial circumstances or investment goals that warrant changes to the portfolio strategy selected for an account. To the extent a client directs the Firm to modify or customize the implementation of an investment strategy, the client will also be advised as to the potential for changes in the risk or performance profile of the account(s).

Prior to WBI providing investment management services, the client will be required to enter into a formal IMA with WBI setting forth the terms and conditions under which WBI will manage the client's assets, and a separate custodial/clearing agreement with the broker-dealer/custodian. Both WBI's IMA and the broker-dealer/custodian's custodial/clearing agreement authorizes the broker-dealer/custodian to accept instructions from WBI to debit the account for WBI's investment management fee and to directly remit that management fee to WBI. The authority for WBI to calculate and have fees deducted directly from client accounts is a form of custody (as defined by the SEC under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "Advisers Act")). Please read Item 15 of this Brochure for more information regarding custody.

WBI will allocate investment management assets of its client accounts, on a discretionary basis, among one or more of its proprietary investment management portfolio strategies. Clients have the option to access these strategies through several different programs including:

WBI Traditional SMA Program, which implements our proprietary portfolio strategies that invest directly in individual securities, which also includes our Power Factor[®] SMA strategies and our Trend Switch SMA strategies.

WBI Tax-Smart SMA Program which implements our proprietary portfolio strategies through an allocation to the Affiliated ETFs. While many of our strategies are available in both the Traditional SMA Program and the Tax-Smart SMA Program, certain strategies may be offered only within one SMA Program.

WBI Cy Portfolio Optimization Program ("Cy Program"), which provides online asset allocation and investment advice, and is intended for use by Introducing Advisors. In formulating investment advice, the Cy Program uses financial and personal information input into the system by the Introducing Advisor, to assist in first determining a client's loss tolerance, and next estimating the client's required rate of return, or "RROR" necessary to meet the client's retirement goals. Once the loss tolerance is established and the RROR estimate is calculated, the Cy Program analyzes historical data, subject to certain constraints which may be imposed by the Introducing Advisor on behalf of the client, in order to produce an optimized portfolio designed to meet both goals. An optimized portfolio allocation illustration will then be reviewed by the Introducing Advisor with their client for appropriateness and suitability. An optimized portfolio will consist of allocations to SMA strategies, mutual funds and/or ETFs offered by independent investment managers as well as by WBI and its affiliates.



WBI Small Account Program is available to existing clients only as a subset of the WBI Tax-Smart SMA strategies. The Small Account Program is closed to new clients and is subject to different minimum account balance requirements as well as certain other limitations. Specifically, following the initial investments in the account, investments will be allocated quarterly and rebalanced semi-annually. Strategy changes will be permitted twice per year on specified semi-annual rebalance dates. Clients are also asked to acknowledge that systematic or automatic distributions will not be permitted from Small Account Program accounts. WBI reserves the right, but does not have an obligation, to terminate the investment management agreement if, in its sole discretion, it determines that the manner in which the account is being used is inconsistent with the Small Account Program and its terms and conditions.

Variable Annuity/Life Product are used by some existing HG accounts only, whereby WBI may also direct the allocation of investment subdivisions which comprise a variable annuity/life product owned by the client.

Additional details and disclosures regarding WBI's investment management portfolio strategies are provided to clients via separate documentation prior to or at the time a portfolio strategy is determined.

In all instances, WBI tailors advisory services to the specific needs of clients participating in a WBI SMA on the basis of the client's financial situation and investment objectives.

WBI client assets are housed at qualified custodians, typically nationally recognized brokerage firms. The ability to effectively integrate operations and trading processes with those used by WBI is also a consideration. A list of qualified custodians currently approved by WBI for a managed SMA is available on request. Certain broker-dealers/custodians may enable WBI to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges. The commission and/or transaction fees charged by any particular broker-dealer/custodian may be higher or lower than those charged by other broker-dealers. Please read Item 12 - Brokerage Practices of this Brochure for more information regarding our brokerage arrangements.

In addition, for those clients that require an enhanced and/or specialized level of asset management services, WBI may also recommend that those clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers and/or investment programs (the "Independent Managers"), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the Independent Managers will be set forth in separate written agreements between the client and WBI and the client and the designated Independent Managers. WBI will continue to render non-investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which WBI will receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Managers. Factors which WBI will consider in recommending Independent Managers include the client's stated investment objective(s) and the Independent Manager's management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Managers, together



with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, WBI's ongoing investment advisory fee.

In performing its services, WBI shall not be required to verify any information received from the client or from the client's other professional advisers and is expressly authorized to rely on the information provided. It remains the client's responsibility to promptly notify WBI if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising WBI's previous recommendations and/or services. A copy of this Brochure will be provided to each client before, or at the same time, the Investment Management Agreement is executed. WBI's clients are advised to promptly notify WBI if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon WBI's management services.

Sponsored Investment Management Platforms

Clients must establish an account directly with the program sponsor. All applicable contracts and account paperwork will be completed by the client with the assistance of the program sponsor representative. The program sponsor representative will obtain the necessary financial data from the client, assist the client in determining suitability, and help the client to set the appropriate investment objectives. The program sponsor will then provide all necessary information to WBI. The program sponsor representative will meet periodically to review the client's financial situation, investment objectives, and current portfolios and then make any necessary changes to the WBI portfolio strategy selection and notify WBI of any changes to be made. A representative of the program sponsor will be responsible for providing the WBI disclosure brochure. Depending on the money manager program, a WBI client agreement will also be provided to the client.

WBI will have the power and authority, as granted by the client through the program sponsor contract, to make investment decisions over the portion of the client's assets delegated to WBI. However, WBI may not be responsible for executing transactions in the client's account. In those cases, WBI will provide all trade instructions to the sponsor of the program who will be responsible for executing the recommendations of WBI.

Accounts established through a program sponsored by an unaffiliated investment adviser and/or broker-dealer will be held and cleared through a custodian selected by the program sponsor, pursuant to a relationship between the sponsor and the clearing broker-dealer. The program sponsor reserves the right to designate alternative clearing and custody arrangements similar to those of its preferred clearing broker-dealer. Custody of funds and securities is maintained by the various custodial firms, not by WBI.

WBI also develops and maintains model portfolios ("Model Portfolios") comprised of WBI-Affiliated ETFs or other securities. These Model Portfolios are licensed or otherwise made available to intermediaries and accessed by intermediaries through third-party platforms. Users of such platforms may use the Model Portfolios as investment strategies for managing their underlying clients' accounts. Information about Model Portfolios is made available on certain platforms and is updated periodically in accordance with the Model



Portfolio's reallocation schedule. Based on the Model Portfolio, the platform sponsor or its designated representative, often referred to as an "overlay manager," exercises investment discretion and executes each client's portfolio transactions predicated on the platform sponsor's or overlay manager's own investment judgment. WBI does not provide Model Portfolios based on the individual needs of any program client.

As is the case with SMA accounts, clients accessing WBI directly through a Platform have the ability to impose reasonable restrictions on their accounts.

Affiliated Exchange Traded Funds

Millington Securities, Inc., an affiliated dually registered RIA/Broker Dealer, has selected WBI to act as sub-adviser to each Affiliated ETF and to be responsible for the day-to-day investment management of each Affiliated ETF. WBI therefore furnishes the ETFs with certain administrative services and provides most of the personnel needed to fulfill WBI's obligations as the investment sub-adviser.

WBI is responsible for investment selection, asset allocation, and all asset management decisions regarding the Affiliated ETFs. Affiliated ETF assets are deposited and held at U.S. Bank National Association, the qualified custodian of Affiliated ETF assets and securities.

WBI manages the Affiliated ETFs in accordance with their stated investment objectives and investment policies which are outlined and detailed in the prospectus and Statement of Additional Information (SAI) for the Affiliated ETFs. The Affiliated ETFs are not tailored to the individualized needs of any particular shareholder or investor and an investment in such a vehicle does not, in and of itself, create an advisory relationship between the shareholder or investor and WBI. Clients are advised to review the Affiliated ETF prospectus and SAI for a complete description of the Affiliated ETFs' investment objectives, policies and operational structures. All investors in the ETFs will receive or have available a copy of the prospectus and SAI.

WBI has an inherent conflict of interest in investing in or recommending the Affiliated ETFs to clients for the following reasons:

- WBI and its affiliates receive management fees from the Affiliated ETFs. To avoid receiving two layers of management fees in those situations where clients invest in the Affiliated ETFs through SMA and Platform accounts, WBI will either: (i) waive the management fee charged at the account level; or (ii) credit the portion of the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fees the particular SMA or Platform account owes WBI. Please refer to Item 5 (Fees and Compensation) of the Brochure for more information.
- The Affiliated ETFs incur management fees at varying rates. As a result, WBI, as discretionary manager to SMA and Platform Accounts, can increase or decrease its level of compensation by adjusting the asset allocation and Affiliated ETF selections, creating a conflict of interest. WBI addresses this conflict by adhering to written parameters based on the Client's selected investment



objective, and which do not allow WBI to consider compensation to WBI or its affiliates in connection with managing portfolio strategies. Please refer to Item 5 (Fees and Compensation) of the Brochure for more information.

- Millington receives brokerage commissions and other compensation (including payment for order flow) for transactions effected on behalf of the Affiliated ETFs. Any trades that WBI places through Millington will be subject to WBI's duty of best execution and applicable law. Please refer to Item 4 - WBI Investments Advisory Business Information (Services of Affiliates), Item 10 - Other Financial Industry Activities and Affiliations (Affiliation with Millington Securities, Inc.) and Item 12 - Brokerage Practices of the Brochure for more information.

Services of Affiliates

WBI's affiliated broker-dealer, Millington Securities, Inc., employs certain persons as registered representatives who are also related persons of WBI. Millington and these individuals receive compensation based on revenue earned by Millington due to orders that WBI places on behalf of its advisory clients. This revenue includes payment for order flow ("PFOF") that certain market centers pay to Millington for routing WBI customer orders to those market centers for execution. The PFOF paid by market centers to Millington impacts "net" basis or other principal capacity transaction prices from such market centers and therefore the prices ultimately received by customers of Millington, including WBI. The fact that Millington receives PFOF generally will result in a less favorable price for customers of Millington, including WBI, than what customers would otherwise receive in the absence of the PFOF arrangement. However, best execution is based on a range of factors including, but not limited to, price. While using Millington for order execution presents a potential conflict of interest because WBI has a financial incentive to direct orders to Millington, WBI's first consideration in order placement is always price improvement and "best execution" and any orders placed with Millington are done so consistent with WBI's duty to seek best execution.

Any PFOF or other transaction-based compensation earned by Millington in connection with transactions in WBI investment advisory accounts is in addition to the investment advisory fees that clients pay to WBI. WBI does not offset or reduce its investment advisory fees by the amount of compensation Millington receives from transactions in advisory accounts. In addition, WBI will execute transactions for the portfolio securities of the Affiliated ETFs primarily through Millington. Typically, Millington does not charge commissions for equity transactions in WBI investment advisory accounts, or the Affiliated ETFs, however, it will receive PFOF. Clients should also be aware that there are embedded fees and commissions (such as fees for currency conversion and foreign taxes) that are passed through to the client as part of the net price of trading in foreign ordinary shares on foreign exchanges. In addition, clients may pay commission, commission equivalents, spreads, mark-ups and mark-downs on other types of transactions effected by Millington, including options trading. The fact that a transaction may be executed or be capable of being executed through another broker-dealer that is not affiliated with WBI at prices, commissions, other execution costs and transaction charges more favorable than those available through Millington will not



obligate WBI to match those terms or account to clients for the difference. Clients should understand that, subject to its best execution obligations, WBI will trade through Millington even if the use of a different broker-dealer that is not affiliated with WBI will result in more favorable prices or transaction costs. Millington will retain any commissions or other compensation received in connection with securities brokerage transactions executed on behalf of advisory accounts, and the Affiliated ETFs. Client should consider the fact that Millington receives this additional brokerage compensation when evaluating the amount and appropriateness of the total value of services that WBI provides.

Based on its affiliation with Millington, WBI has a financial incentive to direct trades to Millington as opposed to unaffiliated broker-dealers for trade execution. In order to mitigate this conflict of interest, WBI has adopted and implemented policies and procedures regarding selection of broker-dealers in accordance with its best execution obligations. In addition, WBI monitors client transactions to ensure the effectiveness of its best execution procedures.

Additionally, WBI may use the services of one or more affiliates or appropriate personnel of one or more affiliates for investment advice, portfolio execution and trading, operational support and client servicing without specific consent by the client, except to the extent explicitly restricted by the client in or pursuant to its IMA, or inconsistent with applicable law. Arrangements among affiliates may take a variety of forms, including but not limited to dual employee, delegation, participating affiliate, sub-advisory, sub-agency or other servicing agreements. This practice is designed to make WBI's capabilities available to clients in as seamless a manner as practical. In these circumstances, WBI remains fully responsible for the account from a legal and contractual perspective. No additional fees are charged for the affiliates' services except as set forth in the IMA.

Item 5 – Fees and Compensation

WBI Investment Management Fees

The amount, calculation, and method of deducting WBI's management fees varies depending on the method the client uses to access WBI's investment management services. Brokerage commissions and/or transaction ticket fees charged by the custodian are separate from WBI's management fees and will be billed directly to the client. WBI does not receive any portion of commissions or fees charged by the account custodian. In addition, clients may incur certain charges imposed by third parties other than WBI in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12b-1 fees and redemption fees, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by WBI are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

In the event WBI's management of an account is terminated, a pro-rated refund for any unexpired portion of a period for which the account has been billed is refunded to the client's account. The following sets



forth a basic description of certain advisory fee arrangements. However, fees and other compensation are negotiated in certain circumstances, and arrangements with any particular client may vary.

WBI Separately Managed Accounts (SMA)

WBI's annual fee for investment management services in a SMA is described in the compensation section and the fee table included in each client's IMA. WBI management fees are negotiable. The total management fee includes the fee paid to WBI, plus an asset-based service fee determined by and paid to the Introducing Advisor to compensate it for introducing clients to WBI, for performing ongoing administrative services and for providing continuing contact and service to the client. The total management fee, therefore, covers both WBI's management fee and the asset-based service fee. Certain clients that engage WBI's services as result of referrals from a soliciting Introducing Advisor may pay more or less to obtain WBI's investment management services than other clients, or clients referred by other Introducing Advisors. In such situations, where the client pays more, the engagement results in an additional charge to the client in excess of what the client would have paid if the client were to engage the services of WBI independent of the Introducing Advisor's introduction. However, WBI does not receive additional compensation as a result of the introduction. Any such additional compensation is paid to the Introducing Advisor or an Introducing Advisor representative in the role as an unaffiliated investment adviser or investment adviser representative. Such arrangements, and their terms and conditions, are exclusively determined between the client and the Introducing Advisor or the Introducing Advisor representative. WBI is not a party to such arrangements.

The total annual management fee rate charged varies (generally between 1.0% and 2.25%) depending upon the market value of assets under management, the SMA program type (Traditional SMA Program and strategies, Tax-Smart, Cy Program, or Small Account SMA Program) and the specific type of investment management services to be rendered. Fees are typically deducted directly from the account on a quarterly basis. The total management fee will include the portion paid to the Introducing Advisor as described above. While the specific allocation of fees as between WBI and Introducing Advisors varies, generally WBI will retain no more than 1.0% of the management fee charged to the client. A broker-dealer or investment adviser may also receive a small percentage (generally 0.10% to 0.25%) paid out of WBI's portion of the management fee for accounts referred by the broker-dealer or investment adviser's representatives that serve as unaffiliated Introducing Advisors to WBI.

To avoid receiving two layers of management fees in those situations where clients invest in the Affiliated ETFs through the Tax-Smart SMA Program, Cy Program, Small Accounts Program and Platform accounts, WBI will either: (i) waive the WBI management fee charged at the account level; or (ii) credit the portion of the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fee the particular SMA or Platform account owed WBI. If the SMA were invested 100% in Affiliated ETFs, then the fee credit would generally offset nearly the entire amount of the WBI management fee. Depending on the program, amounts not invested in the Affiliated ETFs are not typically eligible for the fee credit offset and will be billed at the WBI management fee rate and on the basis indicated on the Client's IMA.



WBI will charge a program fee for the non-advisory, administrative services provided by WBI in maintaining the Cy Program. The administrative services include, but are not limited to: arranging for custodial services to be provided by various custodians pursuant to a separate agreement between Client and Custodian; preparation of performance reports (to complement Account Statements provided by Custodians); maintenance and access to electronic or web-based Cy portfolio optimization tool; maintenance and access to electronic or web-based inquiry system that provides detailed information on each Client Account on a daily basis. The program fee typically ranges from 0.25% to 0.40% per annum and is in addition to any investment management or advisory fees received by WBI. The asset-based program fee will be calculated in the same manner as the advisory fees described herein. The program fee will vary based on the size of the account and Introducing Advisor's firm or affiliation. The program fee will be set forth in either the Client IMA or the Cy documentation. Cy program fees will not be offset by management fees paid directly to WBI or collected by WBI from the Affiliated ETFs. The Cy Program's total advisory fees include the fees paid to both the Introducing Advisor, WBI as investment manager, and the independent investment managers, if applicable, for their services and participation in the Cy Program.

As described in Item 4, WBI's portfolio strategies and Affiliated ETFs ("WBI Products") may be included in a Cy Program optimized portfolio allocation. The inclusion of WBI Products has the potential to cause a conflict of interest by creating an incentive to favor WBI Products in order to generate greater revenue for WBI. However, Cy's optimization process analyzes WBI Products using the same methodology as that applied to other independent manager portfolio strategies or investment products available through the Cy Program. A Client may select a portfolio strategy which only includes WBI Products. In any such instance, independent manager strategies and products are excluded, and the optimized allocation to WBI Products will be subject to different constraints and selection criteria. While the Cy optimization process is consistent with many of the general investment principles that WBI implements through its portfolio strategies and sponsored investment products, it is agnostic as to investment manager when not otherwise constrained as a result of a setting selected by an Introducing Advisor or client.

The annual fee for investment management services, together with the Cy program fee, if applicable, will be charged as a percentage of the market value of the assets, or depending on the program, a subset of the assets under management. This annual fee is generally paid quarterly, in advance (except as separately negotiated or as otherwise noted herein), based upon the market value of the assets at 4:00 PM EST on the last business day of the previous calendar quarter ("Billing Date"). The fee will be applied, on a pro-rata basis, to any net contributions to the account during a quarter, at the breakpoints in effect as of the next Billing Date. WBI retains pre-paid management fees on net withdrawals during a quarter.

Provided that none of an Account's assets are, or will be, assets of an employee benefit plan that is subject to the Employee Retirement Income Security Act of 1974, as amended, and the client has selected an investment strategy implemented through use of the Affiliated ETFs, WBI may accept Affiliated ETF Management Fees as disclosed on the client's fee schedule received by WBI from the Affiliated ETFs, in lieu of an Annual WBI SMA Account Fee. This alternative SMA Account Fee arrangement does not reduce the Asset Based Service Fee paid to the Introducing Adviser and disbursed by WBI from the Client's



Account to the Introducing Adviser or the Cy program fee paid to WBI. The Asset Based Service Fee will be prorated and paid quarterly, in advance, based upon the market value of the Assets as of 4:00 PM EST on the last business day of the previous quarter. The Affiliated ETF Management Fees are accrued daily and paid monthly in arrears based upon the net asset value of the Affiliated ETF as of 4:00 PM on the last business day of the month. The Affiliated ETFs incur management fees at varying rates. As a result, WBI, as discretionary manager, can increase or decrease its level of compensation by adjusting the asset allocation and Affiliated ETF selections, creating a conflict of interest. WBI addresses this conflict by adhering to written parameters based on the Client's selected investment objective, and which do not allow WBI to consider compensation to WBI or its affiliates in connection with managing portfolio strategies.

For eligible client accounts billed on a tiered fee schedule, the market value of assets held across multiple accounts from a single client household will be aggregated for the purpose of meeting breakpoints of a fee schedule. If a household includes eligible client accounts that are billed pursuant to different fee schedules, the market value of assets held across such accounts will also be aggregated to meet the breakpoints of those various fee schedules. For purposes of fee calculations, eligible client accounts from a single client household are generally defined as non-ERISA accounts of the client, spouse, and minor children living at the same address, including related Trusts, for which either (i) the relevant clients have elected to receive one set of combined quarterly performance reports, where such reports are produced by WBI, or (ii) the relevant custodian has assumed responsibility for producing client reports and the clients have elected to receive one set of combined quarterly performance reports. (together "Related Accounts"). Withdrawals from all Related Accounts will be netted against any additions during a quarter. Fees applied to net contributions across Related Accounts are pro-rated and billed at the breakpoints in effect as of the next Billing Date. WBI retains pre-paid fees on net withdrawals across Related Accounts during a quarter.

No increase in fee rates shall be effective without prior written notification to the client. In the event of termination of an IMA, any prepaid, unearned fees will be refunded on a pro-rata basis, as of the date such termination is effective.

Sponsored Investment Management Platforms

Participants in a Program will pay an annualized investment management fee to WBI generally not to exceed 1.0% of the assets under WBI's management. Depending on the Program, WBI's fee will either be charged in addition to the overall Program fee charged to a client or included in the Program fee charged to the client. When WBI's annual fee for investment management services is separate from and in addition to the Program fee, the fee rate is determined by the fee table shown in each client's IMA with WBI.

In accordance with the Sponsor's billing arrangements, WBI may provide the Sponsor, broker-dealer, or account custodian a quarterly invoice. WBI's fees are then billed and collected by the Sponsor, broker-dealer, or account custodian and remitted directly to WBI. Clients should refer to the Sponsor's disclosure brochure and contract for a full description of all fees and billing arrangements related to the Program.



Fees for accounts managed by WBI on a broker-dealer's or custodian's Platform may be calculated and deducted by the Sponsor and remitted to WBI. In those cases, any other fees or costs, such as a Platform fee or trading costs, is deducted and retained by the Sponsor. WBI is not a party to, and does not participate in, such fees.

WBI does not receive any portion of the brokerage commissions or transaction fees charged by the Sponsor to the client in connection with a Program. Clients may incur certain charges imposed by the Sponsor and other third parties, in connection with investments made through a Program account, including but not limited to, mutual fund sales loads, 12b-1 fees, redemption fees and other surrender charges and IRA and qualified retirement plan fees.

Affiliated Exchange Traded Funds

WBI is paid an annual management fee of 0.65% to 0.85% based on the amount of assets under WBI's management held in the actively managed Affiliated ETFs and an annual management fee of 0.55% based on the amount of assets under WBI's management held in the passively managed Affiliated ETFs. Future Affiliated ETFs may pay annual management fees at different rates. The annual fee is divided and paid to WBI monthly based on the average daily net assets of the Affiliated ETFs. WBI believes that its fees are competitive with those fees charged by other investment advisers for comparable services; however, WBI's fees may be higher or lower than fees charged by other investment advisers.

Clients may invest in the Affiliated ETFs through SMA and Platform accounts as part of our WBI Tax-Smart SMA Program, the Cy Program or for existing Clients, the Small Account Program. To avoid receiving two layers of management fees in those situations where clients invest in the Affiliated ETFs through SMA and Platform accounts, WBI will either: (i) waive the WBI management fee charged at the account level; or (ii) credit the portion of the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fee the particular SMA or Platform account owed WBI. Amounts not invested in the Affiliated ETFs will not be eligible for the fee credit offset and will be billed at the SMA account management fee rate indicated on the Client's Investment Management Agreement.

In addition to WBI's management fee, provided the management fee is not paid as part of a unitary fee arrangement, shareholders will pay other customary fees borne by the Affiliated ETFs for administration, distribution, transfer agent, custodial, legal, audit and other expenses related to investments in ETFs. These fees and expenses, which are generally described in the prospectus for each Affiliated ETF, are borne by SMA and Platform clients as shareholders in the Affiliated ETFs. These fees and expenses are not included in any waiver or credit described above. The total net annual fund operating expenses for the actively managed Affiliated ETFs are expected to range from 1.00% to 1.15% and the total net annual fund operating expenses for the passively managed Affiliated ETFs are expected to range from 0.65% to 0.75%. The total net annual fund operating expenses of future Affiliated ETFs may differ from these ranges.



Clients may invest directly in Affiliated ETFs outside of an SMA or Platform account without incurring the SMA Account Fee, however, they will not benefit from the advisory services provided by WBI to manage the Affiliated ETFs to achieve the objective of each account.

Bundled Fee Arrangements

To the extent WBI portfolios are offered by a custodian or on a Platform where some portion of the custodian's or Platform's fees are bundled, including transaction fees, and WBI cannot determine the portion of the bundled fee that represents transaction fees, the entire bundled fee reduces both net of fee and gross of fee performance. WBI does not estimate trading fees in such cases.

In connection with Platforms which utilize WBI Model Portfolios, WBI may charge a model fee of 0.00% to 0.85% per annum based on assets attributable to a Model Portfolios. For Model Portfolios with a 0.00% Model Fee, WBI receives compensation from the Affiliated ETFs held by the Model Portfolio. The fee charged by the Platform sponsor may vary based on the Model Portfolios selected for a client account.

Cross Payment of Fees

Clients of HG may elect to have management fees assessed to one account paid by one or more of their other managed accounts. HG clients frequently have more than one account under management at WBI.

Because of the complexity this process creates in the fee calculation, billing, and reporting processes, cross payment of fees is not extended to clients not originating with HG.

Item 6 – Performance-Based Fees and Side-By-Side Management

WBI 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 7 – Types of Clients

WBI provides investment management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, exchange traded funds, trust programs, and other U.S institutions.

Account Minimums

WBI Separately Managed Accounts

WBI generally imposes an account minimum of \$100,000 for SMAs. WBI, in its sole discretion, may charge a lesser management fee and/or reduce or waive the client account minimum based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, aggregate dollar amount of client assets to be managed, related accounts, type of services required, account composition, negotiations with client). In addition, certain Independent Manager(s) may impose varying account minimums in order to commence an advisory engagement.

Small Accounts Program

WBI generally imposes an account minimum of \$10,000 for the Small Accounts Program. WBI, in its sole



discretion, may charge a lesser management fee and/or reduce or waive the client account minimum based upon the certain criteria described above.

Sponsored Investment Management Platforms

Account minimums may vary among Platforms, depending on the requirements of the Sponsor. WBI generally requires program accounts meet a \$100,000 minimum initial investment amount, but alternative minimum account sizes may be accepted at the request of the Sponsor.

Affiliated Exchange Traded Funds

There is no initial or subsequent minimum dollar amount an investor must invest and no minimum number of shares an investor must purchase in order to hold shares of the Affiliated ETFs. However, although shares representing interests in the Affiliated ETFs may be bought or sold on a stock exchange, such shares cannot be purchased or redeemed directly from the Affiliated ETFs except in large baskets, called creation units, of one or more large blocks of shares by institutions that sign an agreement to become authorized participants or participating dealers.

Item 8 – Investment Strategies, Methods of Analysis and Risk of Loss

Investment Strategies

WBI portfolio strategies, including portfolios strategies managed as Exchange Traded Funds, are designed to meet a variety of investor needs and risk profiles. Each of the portfolio strategies is designed and managed to meet the needs of a specific profile and a desired outcome with respect to risk, return, income, diversification, and other relevant investment characteristics. The disciplined application of WBI's array of investment management processes is designed to produce the intended investment outcome for each portfolio over a long-term investment horizon.

WBI provides access to its investment management services through a variety of offerings, each designed to meet the client's needs and preferences. These include:

Traditional Separately Managed Accounts – Accounts are held at qualified custodians over which WBI has trading authority. The client selects from among the available model portfolio strategies based on desired risk and return objectives. The allocation and ongoing trading of the client account follows the model portfolio strategy. Individual common stocks, ETFs, and ETNs are selected for the client's account. Traditional Separately Managed Accounts also include Trend Switch and Power Factor strategies described below.

Trend Switch Separately Managed Account Strategies- The client selects from among the available model portfolio strategies based on desired risk and return objectives. The allocation and ongoing trading of the client account follows the model portfolio strategy. Unlike WBI's other SMA



strategies, the risk management process utilized in Trend Switch products is based on risk signal indicators driven by the WBI's proprietary rules-based equity and bond models described further below. Additionally, securities selection is based solely on correlation to a targeted asset class and market segment, rather than on the basis of quantitative fundamental analysis.

Power Factor[®] Separately Managed Account Strategies- The client selects from among the available model portfolio strategies based on desired risk and return objectives. WBI's quantitative Power Factor security selection process evaluates fundamental factors to select securities displaying both value and growth characteristics. Quarterly rebalancing helps enforce a buy low, sell high discipline and maintain quality fundamentals while reducing overall portfolio volatility. While actively managed, WBI Power Factor SMA strategies do not use WBI's active risk intervention process and are therefore more aggressive than WBI's other SMA strategies.

Tax-Smart Separately Managed Accounts – Accounts are held at qualified custodians over which WBI has trading authority. The client selects from among the available model portfolio strategies based on desired risk and return objectives. The allocation and ongoing trading of the client account follows the model portfolio strategy. The model portfolio strategy is implemented using an allocation among WBI's Affiliated ETFs. By creating portfolio allocations with WBI's affiliated ETFs and allowing the active management process to take place within the ETFs these SMA strategies are structured in a more tax sensitive manner than WBI's strategies implemented using individual securities and unaffiliated ETFs. The term "Tax-Smart" refers to the tax efficiencies inherent to the ETF structure.

Unified Managed Accounts – Accounts are part of a sponsored program by the account custodian or brokerage firm and may include more than one portfolio strategy. WBI provides a model allocation among the Affiliated ETFs that corresponds to an Enhanced Separately Managed Account strategy. The client may choose to have the sponsor implement one or more model allocations in the UMA.

Affiliated Exchange Traded Funds (ETFs) – WBI offers a series of exchange traded funds. Currently, WBI advises actively managed and smart-beta ETF offerings. These ETFs are listed on the NYSE and may be purchased in any brokerage account. They are available to be utilized as allocations in the Tax-Smart and Unified Managed Accounts accounts.

The new account process for participation in at WBI Separately Managed Account Program requires the completion of a Confidential Client Questionnaire, from which an Introducing Adviser can develop an Investment Policy Statement for the client portfolio account(s). The Questionnaire gathers information about the risk, return, income, and investment horizon parameters for the account to assist the client and Introducing Adviser in making an appropriate portfolio strategy selection. It also gathers financial information to help assess the suitability of the portfolio(s) selected.

Clients select one or more portfolio strategies (each a "Portfolio Strategy" or collectively "Portfolio Strategies") based on their circumstances and goals, and their account(s) are managed on a discretionary basis to conform, as closely as is practicable, to the current allocation of the Portfolio Strategy selected. The



Portfolio Strategy will be rebalanced periodically, as described in the Portfolio Strategy description, by buying or selling securities to bring the asset allocation in the client's account in line with the target asset allocation for the Portfolio Strategy. Rebalancing trades for certain Portfolio Strategies are subject to minimum dollar amounts as determined by WBI and they generally do not occur on a single date, or on the same day, other than as related to the Small Accounts Program. Rebalancing transactions for different clients will be effected at different prices. Clients will not be notified before a rebalance occurs. Asset allocation and rebalancing Portfolio Strategies does not guarantee a profit or protect against loss. Rebalancing trades in a taxable account may result in a taxable event for the client, as well as transaction costs.

A list and description of the primary objective of each Portfolio Strategy, as well as some of their key investment characteristics and a risk rating, is available upon request, and is provided to clients prior to or simultaneously with their entering into an investment management agreement. SMA and Platform accounts may, at the client's election, access WBI's Portfolio Strategies by investing in a portfolio of individual securities through WBI's Traditional SMA Program or by investing in a portfolio of Affiliated ETFs through WBI's Tax-Smart SMA Program. SMA and Platform accounts that are invested in a portfolio of Affiliated ETFs may also, at WBI's discretion, hold individual securities directly in the account in order to provide exposure to instruments or market sectors that are not represented in the Affiliated ETFs.

WBI Cy Portfolio Optimization Program – as stated in Item 4, WBI's Cy Program provides on-line asset allocation and investment advice and is intended for use by Introducing Advisors. In formulating investment advice, the Cy Program uses financial information input into the system by an Introducing Advisor on a client's behalf, to assist in first determining a client's loss tolerance, and next estimating the client's required rate of return, or "RROR" necessary to meet the client's retirement goals. Once the loss tolerance is established and the RROR estimate is calculated, the Cy Program analyzes historical data in order to produce an optimized portfolio designed to meet both goals. An optimized portfolio allocation illustration will then be reviewed by the Introducing Advisor with their client for appropriateness and suitability. An optimized portfolio will consist of allocations to SMA strategies, mutual funds and/or ETFs offered by independent investment managers as well as by WBI and its affiliates.

The Cy Program is designed to give clients more control over how much risk they want to take on. Instead of offering more conventional aggressive, moderate, and conservative strategies, the Cy Program portfolio optimization process seeks to offer clients dozens of different portfolios with varying risk and return profiles.

The Cy Program portfolio optimization process selects from the mutual funds available to WBI clients on each Custodian's platform, which also meet the Cy Program selection criteria. The Custodian determines and then makes available the universe of mutual funds to be used by the Cy Program. The mutual funds available at the Custodians for use with the Cy Program will vary among mutual fund share classes. No-Transaction-Fee ("NTF") Funds generally pay Custodians a range of servicing fees from the 12b-1 fees and administrative service fees, which include shareholder servicing and sub-transfer agent fees, collected by the



mutual funds. In addition to NTF Funds, there are a range of share classes available on the custodial platforms that also charge 12b-1 fees or administrative fees, including what are generally known as no-load or service shares (C shares), or load-waived A shares, (together, “Retail Shares”). Mutual funds that do not charge a 12b-1 fee are called “Institutional Shares.” Generally, the cost of Retail Shares is higher than that of Institutional Shares. All mutual funds included in the Cy Program will be available for purchase at each fund’s net asset value and with no sales charge, so that no sales commissions are incurred in connection with investment in the initial portfolio and portfolio rebalancing. While most mutual funds available through the Cy Program will charge no transaction fees, mutual funds or custodians charge redemption fees to investors upon the short-term sale of its funds. Depending on the mutual fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific mutual fund for detailed information regarding such fees.

The Cy Program does not seek specifically to minimize or eliminate 12b-1 fees or other charges, fees, or expenses that may be associated with the investment in a particular mutual fund or mutual fund share class. Funds typically offer multiple share classes, each with different levels of fees and expenses and, depending on the custodial platform, different funds or share classes are offered on an NTF or transaction fee basis. The funds and share classes available through the Cy Program will not necessarily be the least expensive fund or share classes. Other Funds and share classes have different charges, fees, and expenses, and it is possible that the charges, fees, and expenses of the funds and share classes available through the Cy Program are higher than those of the different share classes that are available through other financial intermediaries or directly from the funds themselves. Because each share class of a fund with multiple share classes generally invests in the same portfolio of assets, an investor who holds a less-expensive share class of the fund will pay lower fees and expenses over time – and earn higher investment returns – than an investor who holds a more expensive share class of the same fund.

While Introducing Advisors will review the Cy Optimized Portfolio allocation illustration will be initially and periodically reviewed for appropriateness and suitability, WBI uses the Cy Program to periodically monitor client account allocations and rebalance the Client’s account among available underlying strategies and products within an optimized portfolio, as WBI deems appropriate to meet the Client’s stated investment objective. Therefore, WBI’s discretionary authority also includes the ability to adjust, replace, or reduce asset allocations without prior consultation with the Client. Clients should consider that the Cy Program is not designed to provide clients with a comprehensive financial plan and instead is built to advise clients on how they may seek to achieve discrete risk/return goals selected by the Client. In addition to the Portfolio Strategies offered at any given time, there may be existing client accounts being managed using Portfolio Strategies that are no longer being offered to new clients. A list of discontinued Portfolio Strategies is available on request.

Methods of Analysis in Formulating Investment Advice

WBI offers actively managed, and Factor Based (“Smart Beta”) portfolio strategies.



Actively managed strategies are designed to be responsive to changing conditions with the goal of providing the investment outcome clients require at the level of risk they are willing to assume, rather than trying to match a particular market index. WBI's passively managed smart beta ETFs have the goal of tracking indices designed to consist entirely of securities with attributes that may make them suitable for pursuing an investor's investment objective.

We believe protecting capital is essential to providing long term portfolio growth or a consistent stream of income. It is our experience that opportunities, challenges, and investment conditions are continually evolving. Therefore, we believe offering a variety of alternatives that investors can choose from as they address changing circumstances is more important than any particular investment. We feel the ability to adapt and evolve as risks and opportunities appear is the key to pursuing a stable outcome in an uncertain world.

Responding to changing investment conditions, risks, and opportunities is likely to result in a more active trading experience than would be produced by a buy-and-hold investment philosophy. Frequent trading may increase brokerage or transaction costs and result in increased short term versus long term capital gain/loss treatment. Our active Portfolio Strategies can experience portfolio turnover exceeding 100% in response to changing market conditions. In our Tax-Smart SMA Program this turnover occurs in the underlying positions of our Affiliated ETFs. The tax effect of a transaction will be considered but will not prevent the execution of a trade intended to prevent the loss of investment capital. Preservation of capital will take precedence over tax considerations in actively managed portfolios, including our Tax-Smart SMAs.

Our focus on value, dividends, and risk management has become fundamental to our investment process; however, investments may come from any asset class and/or global investment market in an attempt to produce the desired investment outcome of each Portfolio Strategy.

Although a company may pay a dividend, prices of equity securities – including those that pay dividends – fluctuate. The payment of a dividend by a company is not sufficient to cause the purchase of a security since investing on the basis of dividends alone may cause the purchase (or sale) of securities when circumstances may or may not be favorable.

Traditional leverage and shorting are not typically part of the Portfolio Strategies other than through the use of ETFs that employ such strategies and are generally not a significant part of the portfolio allocation. Additionally, the Affiliated ETFs may invest in option strategies to enhance returns or to mitigate risk and volatility.

Actively managed Portfolio Strategies use various forms of risk management in an attempt to meet their intended investment outcome. Because these Portfolio Strategies involve active management of a potentially wide range of assets, no widely recognized benchmark is likely to be representative of the performance of any managed account. Therefore, actively managed SMA and ETF portfolios may own assets and follow investment strategies which cause them to differ materially from the composition and performance of the benchmarks shown on performance or other reports. WBI smart beta ETFs attempt to track the



performance of the underlying index which serves as its benchmark. To the extent we reference a benchmark index in our marketing materials for any given Portfolio Strategy we will include all material facts relevant to the comparison.

Each Portfolio Strategy is subject to relevant limits and parameters intended to reliably produce the investment outcome described by its Investment Policy Statement or Prospectus and Statement of Additional Information. Investment, regulatory, and operational considerations shape the policies and design elements that form the disciplined management process for each portfolio.

WBI Traditional SMA Programs, Tax-Smart SMA Program, and Actively Managed ETFs

In determining equity allocations (Tax-Smart SMA Program allocations occur in the underlying Affiliated ETFs), for Portfolio Strategies other than the Trend Switch Portfolio Strategies, WBI uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign securities, depending on the particular Portfolio Strategy, in an attempt to find the best value and dividend opportunities for the selected universe of securities. Fundamental stock information includes such data as earnings, revenue, assets, debt levels, growth rates, etc. Dividend payments may also be considered as part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms the timeliness of security purchases using a combination of price regression and momentum factors. Regression refers to the process of looking at price history for each security that passes the fundamental screens to identify where the security is trading relative to its normalized price channel. This information is used to set the goals and stops for the position, which in turn define the acceptable level of price volatility for the security within the risk profile set for the portfolio. Momentum refers to a technical analysis of current price trend using moving average convergence-divergence (“MACD”). A security becomes a candidate for purchase only if WBI believes that its price trend is positive. If a security’s price is falling, it would not be a candidate for current purchase. WBI’s buy discipline systematically adds qualifying securities within a Portfolio Strategy’s target allocations using available cash.

For Portfolio Strategies other than the Trend Switch and Power Factor Portfolio Strategies, once securities are purchased, WBI maintains a strict sell discipline with a dynamic stop loss and goal setting process that attempts to mitigate the effects of the volatility on the value of each invested position. If a security stays within its acceptable price channel, it will continue to be held in the Portfolio Strategy. If the security moves outside the acceptable price channel, a stop is triggered, and a sale of the security is initiated. The WBI stop loss and goal setting process is not a stop loss order or stop limit order placed with a brokerage firm, but an internal process for monitoring price movements. While the triggering of a stop may be used to initiate WBI’s process for selling a security, it does not assure that a particular execution price will be received. The initial stop price for a security is determined at the time of purchase and trails the stock’s price higher if the price rises. A goal price is also determined at the time of purchase, and as the stock’s price approaches that goal price, the trailing stop tolerance for that stock is tightened to reduce the percentage decline that would trigger the new, tighter stop. Existing goals and stops are reevaluated periodically.



This results in a responsive process that actively adjusts the account's allocation by causing it to become more fully invested or by raising cash to protect capital.

Depending on the Portfolio Strategy, managed accounts include varying allocations to fixed income securities and/or tactical investments in other asset classes (commodities, currencies, etc.), generally through the use of ETFs or ETNs. WBI uses proprietary bond models and both internal and external research in determining the securities we will use in implementing investments for allocations to these assets.

The use of cash and cash equivalents is an important part of the risk management process used by many WBI Portfolio Strategies. Cash/cash equivalents include money market accounts, brokerage sweep cash balances, and similar liquid investments. Certain Portfolio Strategies utilize a deliberate allocation to the cash/cash equivalent asset class. During periods of high market volatility, these Portfolio Strategies may sell a significant amount of holdings, resulting in a large allocation to cash. At times, market conditions and the particular Portfolio Strategy, may call for an allocation of 100% to cash or cash equivalents. Withdrawals of cash from a managed account may result in the sale of securities to bring the allocation to cash/cash equivalents back up to the Portfolio Strategy's cash allocation target. If the stock market advances during periods when an account is holding a large cash position, the account may not participate to the extent it would have if the account had been more fully invested in stocks or other assets.

Trend Switch Traditional SMA Portfolio Strategies

The Trend Switch Portfolio Strategies are also actively managed. Unlike WBI's other actively managed Portfolio Strategies, the active management and securities selection process in Trend Switch Portfolio Strategies is based on WBI's proprietary rules-based equity and bond risk models. WBI has consistently utilized domestic stock and fixed income risk models in our quantitative management process. The Trend Switch Portfolio Strategies take this aspect of WBI's quantitative process and offers the equity and bond risk models in different combinations and with exposure to different asset classes and market segments, as a suite of Traditional SMA Portfolio Strategies. The model or models a particular Trend Switch Portfolio Strategy uses to determine its allocation is described in each Portfolio Strategy's specific strategy description, available to clients as part of their WBI SMA Program account opening documentation. However, each model is described in greater detail below.

The BullBear Equity Model directs exposure exclusively to either to equity securities or exclusively to cash or cash equivalents or to fixed income securities, depending on the Portfolio Strategy. The purpose of the Bull Bear Equity Model is to assess conditions likely to affect the relative performance of a segments or segments of the equity market with respect to its sensitivity to the then current level of market risk and respond to only those investment environments that are likely to produce significant changes in market performance. The Bull Bear Equity Model utilizes a systematic approach analyzing macro-economic factors and technical market trends, to assess risk and generate its signals. These signals indicate whether market conditions call for the Portfolio Strategy to remain in any of its possible exposure positions. Trend Switch Portfolio Strategies may remain in a particular exposure position for an extended period of time. Trend



Switch Portfolio Strategies will change exposure position based on the Equity Indicator of the Bull Bear Equity Model, and each change will become effective on the business day after the indicator signals change.

The Bond Model directs exposure to debt securities of a particular duration and credit quality. Duration is a measure of a debt security's expected price sensitivity to changes in interest rates. Credit quality is a measure of a borrower's creditworthiness or risk of default. The Bond Model utilizes a systematic approach analyzing individual quantitative trends for the economy, commodities, monetary policy, and change in interest rates, to generate first, the credit quality signals and subsequently, the duration signals. The intersection of the credit quality signals and the duration signals provides the recommended debt security exposure. Market conditions may call for a Portfolio Strategy to remain in any of the possible exposure positions for an extended period of time. The Portfolio Strategies will change an exposure position based on the signals, and each change will become effective on the business day after the indicator signals change.

Cash equivalents are some of the investment opportunities evaluated by both the Bull Bear Equity Model and the Bond Model. From time to time, Trend Switch Portfolio Strategies may invest in and hold a significant percentage of its assets in cash equivalents as part of the normal operation of its investment strategy.

Certain Trend Switch Portfolio Strategies rely on both the Bull Bear Equity Model and the Bond Model. First, the Bull Bear Equity Model directs exposure exclusively to either equity securities or exclusively to cash equivalents or to fixed income securities, depending on the Portfolio Strategy. In Portfolio Strategies that utilize a combination of the Bull Bear Equity Model and the Bond Model, after the Bull Bear Equity Model has indicated that exposure should be directed away from equity securities, WBI relies on the Bond Model to determine the Portfolio Strategy's exposure to cash equivalents or fixed income securities, of a certain credit quality and duration. The Portfolio Strategy will follow the Bond Model signals, until the Bull Bear Equity Model indicates that exposure should be directed toward equities.

As actively managed products portfolio turnover rate, especially during periods of significant volatility, may be high. WBI expects that these strategies will result in a portfolio turnover rate in excess of 100% on an annual basis.

Power Factor® SMA Strategies

The Power Factor SMA Strategies are also among the actively managed Portfolio Strategies and rely on the same security selection process described above. However, the Power Factor Portfolio Strategies are unconstrained in that these Portfolio Strategies do not rely on WBI's dynamic stop loss and goal setting process that attempts to mitigate risk. The only risk management tool used by the Power Factor Portfolio Strategies is the WBI security selection process, which requires a stock to be a reasonable value, have positive revenue and earnings trends, and have positive price momentum to buy. Further, valuation, momentum, and fundamental trend hurdles can help prevent us from buying stocks high as a market cycle deteriorates. While WBI offers more traditional risk-managed investment solutions, its Power Factor SMA program has the goal of providing consistent, attractive returns with less volatility and risk to capital than



traditional approaches on the basis of its security selection process. All WBI Power Factor SMA program strategies are deemed to be aggressive and may not be appropriate for all clients.

Smart Beta ETF Strategies

The Smart Beta Portfolio Strategies use a “passive” or indexing approach to try to achieve the investor’s investment objective. These strategies attempt to track the investment results of an Underlying Index. The Underlying Index is chosen for a smart beta portfolio strategy because of the investment characteristics exhibited by its constituent securities. The index provider determines the constituents and relative weightings of the securities in the Underlying Index. These strategies do not attempt to outperform the Underlying Index and do not seek temporary defensive positions when markets decline or appear overvalued. Investors in a smart beta strategy should be willing to accept a high degree of volatility in the value of their investment and the possibility of significant losses. An investment in a smart beta portfolio strategy involves a substantial degree of risk and does not represent a complete investment program.

The smart beta strategies generally will use a replication strategy. A replication strategy is an indexing strategy that involves investing in the securities of the Underlying Index in approximately the same proportions as in the Underlying Index. However, a smart beta portfolio may utilize a representative sampling strategy with respect to the Underlying Index when a replication strategy might be detrimental or disadvantageous to the portfolio’s investors, such as when there are practical difficulties or substantial costs involved in compiling a portfolio of equity securities to replicate the Underlying Index, in instances in which a security in the Underlying Index becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions or limitations (such as tax diversification requirements) that apply to the portfolio strategy, such as those that may apply to an ETF but not to the Underlying Index.

WBI Cy Program Optimized Portfolio Strategies

The Cy Program utilizes a web-based proprietary tool developed by WBI, in conjunction with its affiliate, WBI Technologies LLC, to assist WBI in formulating investment advice. The Cy Program, after receiving the required inputs from the Introducing Advisor and Client, illustrates a hypothetical optimized portfolio designed to achieve specified risk and return objectives, which may be implemented by WBI upon entering into a discretionary investment management agreement with the Client. The models and techniques used by WBI in developing and designing the algorithms underlying Cy are based on information and data provided by third parties as well as on various assumptions, assessments and estimates, all of which are subject to error. As a result, the Cy Program may not account for all relevant factors or may not account for any such factors correctly. There can be no assurance that Cy’s models or techniques will be effective. There is no assurance that the models or techniques will be successful in identifying a portfolio that provides the desired risk/return level, and Cy’s models and techniques may produce unexpected results, which can result in losses for an investor. The Cy Program, including the assumptions and parameters embedded in any models, is subject to review and adjustment from time to time in our sole discretion, and we will not provide notice of any changes to any models.



Prior to the optimization of a Cy portfolio, a strategy selection screening process is undertaken. The strategy selection screening process narrows the universe of potential strategies and investment products, based on a proprietary scoring methodology, restrictions and other criteria that may cause a potential strategy or investment product to be removed from the universe of strategies or investment products to be optimized. The scoring methodology, restrictions and other criteria vary based on the type of strategy or investment product. After the portfolio optimization routine has been completed, a “Best Scenario Override” routine is also utilized to seek to ensure that the best available risk versus return scenario (i.e., lowest risk for a particular return level), consistent with the client’s parameters, is presented.

The Cy Program considers back-tested performance results in formulating investment advice. Such back-tested results do not represent actual trading and are calculated with the benefit of hindsight by the retroactive application of a model constructed on the basis of historical data. Since trades have not actually been executed, results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity, and do not reflect the impact that certain economic or market factors may have had on the investment adviser’s decision-making process if the adviser was actually managing client accounts. Additionally, quantitative models, processes and assumptions used to create the back-tested results can be changed at the investment adviser’s discretion from time to time and the effect on performance results could be either favorable or unfavorable.

For additional important information pertaining to the Cy Program strategies, please read the Terms and Conditions and Important Disclosures on the WBI Cy website, prior to investing.

Investment Risks

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or Portfolio Strategy will be profitable. Investing in securities (including stocks, mutual funds, ETFs and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, WBI is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our Portfolio Strategies. It is not possible to identify all risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its Portfolio Strategy or Portfolio Strategies and the types of securities held.

WBI manages the Affiliated ETFs in accordance with their stated investment objectives, and investment policies which are outlined and detailed in the prospectus and Statement of Additional Information (SAI) for the Affiliated ETFs. The Affiliated ETFs are not tailored to the individualized needs of any particular shareholder or investor and an investment in such a vehicle does not, in and of itself, create an advisory



relationship between the shareholder or investor and WBI. Clients are advised to review the Affiliated ETF prospectus and SAI for a complete description of the Affiliated ETFs' investment objectives, policies, risks and operational structures. All investors in the ETFs will receive or have available a copy of the prospectus and SAI.

Principal Investment Risks

Losing all or a portion of your investment is a risk of investing in WBI Portfolio Strategies. The following additional risks could affect the value of your investment:

- **Back-tested Performance Risk** – If the portfolio strategy was marketed on the basis of back-tested performance, or the investment advice was formulated on the basis of back-tested performance, certain fundamental limitations should be considered. Back-tested results do not represent actual trading and are calculated with the benefit of hindsight by the retroactive application of a model constructed on the basis of historical data. Since trades have not actually been executed, results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity, and do not reflect the impact that certain economic or market factors may have had on the investment adviser's decision-making process if the adviser was managing client accounts. As a result, it is likely that actual performance for client accounts will differ materially from, and may be higher or lower than, the back-tested results. Additionally, quantitative models, processes and assumptions used to create back-tested results can be changed at an investment adviser's discretion from time to time and the effect on performance results could be either favorable or unfavorable.
- **Cash Position Risk** – If the portfolio strategy invests all or a substantial portion of its assets in cash or cash equivalents for extended periods of time, including when it is investing for temporary defensive purposes, it could reduce the strategy's potential return and prevent the strategy from achieving its investment objective as the limited returns of cash or cash equivalents may lag other investment instruments in a strong market.
- **Counterparty Risk** - Transactions entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty may become bankrupt or otherwise fail to perform its obligations.
- **Cyber Security Risk** - With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.
- **Equity Market Risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers



change. If the client held common stock, or common stock equivalents, of any given issuer, the client would generally be exposed to greater risk than if the client held preferred stocks and debt obligations of the issuer.

- **ETF and Mutual Fund Risk** – When an account invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETF's or mutual fund's operating expenses, including the management fees of the mutual fund or ETF, which are in addition to the management fees charged by WBI. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. The account also will incur brokerage costs when it purchases ETFs. Additionally, the account will be indirectly exposed to the risks of the strategies and portfolio assets of the ETF or mutual fund, including but not limited to those of ETNs and equity options, derivatives, currencies, indexes, leverage and replication management.
- **Exchange-Traded Note Risk** – ETNs are subject to the credit risk of the issuer. The value of an ETN will vary and will be influenced by its time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying securities, currency and commodities markets as well as changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced index. There may be restrictions on an account's right to redeem its investment in an ETN, which is meant to be held until maturity. The decision to sell ETN holdings may be limited by the availability of a secondary market.
- **Fixed Income Securities Risk** – Interest rates may go up resulting in a decrease in the value of the fixed income securities held by an account. Credit risk is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that an issuer may "call," or repay, its high yielding bonds before their maturity dates. Fixed income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time.
- **Foreign and Emerging Market Securities Risk** – Foreign investments may carry risks associated with investing outside the United States, such as currency fluctuation, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. Those risks are increased for investments in emerging markets. Foreign securities can be more volatile than domestic (U.S.) securities. Securities markets of other countries are generally smaller than U.S. securities markets. Many foreign securities may also be less liquid than U.S. securities, which could affect the investments.
- **Government Obligations Risk** – Portfolio Strategies may invest in securities issued by the U.S. government. There can be no guarantee that the United States will be able to meet its payment obligations with respect to such securities. Additionally, market prices and yields of securities supported by the full faith and credit of the U.S. government may decline or be negative for short or long periods of time.
- **High-Yield Securities Risk** – Fixed income securities receiving below investment grade ratings (i.e., "junk bonds") may have speculative characteristics, and, compared to higher-grade securities, may have a weakened capacity to make principal and interest payments given economic conditions or other circumstances. High-yield, high risk, and lower-rated securities are subject to additional risk factors, such as increased possibility of default, decreased liquidity, and fluctuations in value due to public perception of the issuer of such securities. These bonds are almost always uncollateralized and subordinate to other debt that an issuer may have outstanding. In addition, both individual



high-yield securities and the entire high-yield bond market can experience sharp price swings due to a variety of factors, including changes in economic forecasts, stock market activity, large sustained sales by major investors, or a higher profile default.

- **Interest Rate Risk** – A Portfolio Strategy’s performance may be adversely impacted when interest rates fall because the Fund may be exposed, directly or indirectly, to lower-yielding bonds. This risk may increase as bonds selected by the Portfolio Strategy mature. Interest rate risk is typically greater with respect to exposure to short-term bond (or short-term bond funds) and lower for long-term bond (or long-term bond funds).
- **Investments in Pooled Investment Vehicles** – WBI may recommend that clients invest in pooled investment vehicles, including mutual funds, ETFs, and private funds. WBI may also recommend that clients utilize the services of WBI or another investment manager that invests in such products. Investors in pooled investment vehicles will be subject to the applicable fees and expenses of these vehicles, including operating costs, brokerage costs, mutual fund sales loads and 12b-1 fees, and management and incentive fees, which are in addition to any fees paid to HG. Clients will also incur brokerage costs when purchasing ETFs. The risk of owning an interest in a pooled investment vehicle generally reflects the risks of owning the underlying securities in which the vehicle is invested. Additionally, interests in private funds may be highly illiquid, and will not be appropriate for investors who may have a short-term need for liquidity. Pooled investment vehicles are not managed based on the client’s individual needs and unique investment circumstances. The terms of investing in a pooled investment vehicle, including the investment strategy and applicable risks, fees, and expenses are described in the vehicle’s offering documents (e.g., prospectus or offering memorandum), and clients are encouraged to read and understanding these documents prior to making an investment in a pooled investment vehicle
- **Investment Style Risk** – Investments in dividend-paying common stocks may cause the value of an account to underperform accounts that do not limit their investments to dividend-paying common stocks during periods when dividend-paying stocks underperform other types of stocks. In addition, if stocks held in an account reduce or stop paying dividends, the account’s ability to generate income may be affected.
- **Large-Capitalization Companies Risk** - The Portfolio Strategies may invest in the securities of large-capitalization companies. As a result, the Portfolio Strategy’s performance may be adversely affected if securities of large-capitalization companies underperform securities of smaller-capitalization companies or the market as a whole. The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion.
- **Liquidity Risk** - Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). This can reduce a portfolio’s returns because the portfolio may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes may be more difficult to value.
- **Management Risk** – The value of the client’s investment varies with the success and failure of the client’s investment manager’s strategies and its research, analysis, and determination of portfolio securities. If these investment strategies do not produce the expected results, the value of the client’s investment could decrease



- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of the investment.
- **Master Limited Partnership Risk** – Investing in Master Limited Partnerships (“MLPs”) entails risk including fluctuations in energy prices, decreases in supply of or demand for energy commodities and various other risks.
- **Operational Risk** - A portfolio may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.
- **Options Risk** – Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Small and Medium Companies Risk** – Investing in securities of small and medium capitalization companies may involve greater volatility than investing in larger and more established companies because small and medium capitalization companies can be subject to more abrupt or erratic share price changes than larger, more established companies.
- **Passive Investment Risk** — Passive or Index ETFs are not actively managed and the investment adviser to such ETFs will not attempt to take defensive positions in declining markets. Unlike many investment companies, Passive or Index ETFs do not utilize an investing strategy that seeks returns in excess of its underlying index. Therefore, it would not necessarily buy or sell a security unless that security is added or removed, respectively, from the underlying index, even if that security generally is underperforming. If a specific security is removed from the underlying index, the ETF may be forced to sell such security at an inopportune time or for a price other than the security’s current market value. It is anticipated that the value of ETF shares will decline, more or less, in correspondence with any decline in value of the underlying index. The underlying index may not contain the appropriate mix of securities for any particular economic cycle, and the timing of movements from one type of security to another in seeking to track the underlying index could have a negative effect on the ETF. Unlike an actively managed fund, an ETF does not use techniques or defensive strategies designed to lessen the effects of market volatility or to reduce the impact of periods of market decline. Maintaining investments in securities regardless of market conditions or the performance of individual securities could cause the ETF’s return to be lower than if the ETF employed an active strategy.
- **Quantitative Model Risk** - When executing an investment strategy using various proprietary quantitative or investment models, securities or other financial instruments selected may perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factors’ historical trends, and technical issues in the construction, implementation and maintenance of the models (e.g., data problems, software issues, etc.). There can be no assurance that a model will achieve its objective or that the methodology employed by a portfolio strategy will eliminate exposure to downward trends and/or



volatility in the markets or provide immediate exposure to upward trends and/or volatility in the markets.

- **Real Estate Investment Trust (REIT) Risk** - Investments in REITs will be subject to the risks associated with the direct ownership of real estate and annual compliance with tax rules applicable to REITs. Risks commonly associated with the direct ownership of real estate include fluctuations in the value of underlying properties, defaults by borrowers or tenants, changes in interest rates and risks related to general or local economic conditions. In addition, REITs have their own expenses, and the investor will bear a proportionate share of those expenses.
- **Volatility Risk** - The prices of a portfolio's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

Investor Risk

We believe a discussion of investment risks that omits the potential effects of investor behavior would be incomplete. In addition to the important investment risks listed above, the effects of an investor's emotional responses to financial issues can introduce a risk we refer to as Investor Risk. Much investment theory is based on the premise of the rational investor. Our experience suggests, however, that investor risk can lead to errors in investment decisions, including:

- **Inappropriate responses to perceived risk** - Greed and fear are opposite sides of this same coin. The notion "buy low and sell high" is simple to understand. Still, falling prices often cause investors to abandon their investment plans, and rising prices can cause investors to ignore their own risk profile in pursuit of short-term gains.
- **Attaching too much importance to initial experience** - First impressions make lasting impressions. An investor's early experience with a new investment or portfolio strategy can color his or her feelings about everything that follows. Good initial experience can lead to unrealistic expectations about long-term performance results. Bad initial experience can lead to a premature judgment that a strategy is a failure even if it is supported by sound investment principles that are compatible with the investor's goals. In fact, initial results are often influenced more by current market conditions than by the long-term merits of the investment.
- **Adopting too narrow a perspective on the investment universe** - References to "the market", the S&P 500 or the Dow Jones Industrial Average are common in conversations about investments. Daily news accounts of their movements can keep them in the forefront of investors' attention. There's much more to the universe of investable assets than the slice represented by the large company U.S. domestic stocks these indices represent, and the composition and performance of a well-designed portfolio could vary greatly from that of any popular index.
- **Focusing too much attention on the wrong things** - The emotional noise swirling around financial news can cause investors to lose sight of the real purpose of their investment efforts.



Relative performance compared to artificial market "benchmarks" may have little to do with the absolute success of consistently achieving individual financial goals. We believe that the measurement that matters most is whether a portfolio can deliver the return required to meet the investor's goals at the level of risk that investor is prepared to assume.

Managing Risk

Volatility

Volatility is typically a short-term event. It tends to diminish when measured over longer time periods as short-term gyrations average out to long term results. Volatility does not necessarily mean loss. In our experience, the most prevalent danger of volatility is that assets may need to be liquidated at a time when the account value happens to be low due to a need for liquidity or the investor's aversion to a further decline in value.

Two of the strategies WBI may use, depending on the Portfolio Strategy, in an attempt to manage portfolio volatility are diversification and active management. Diversification can reduce volatility by combining assets with different risk and return characteristics. As one thing is going down, something else in the portfolio may be going up. To work effectively, the assets selected must respond differently to the various investment risks described earlier. Many managed portfolios will employ some form of diversification among its risk reduction strategies, even if the portfolio includes aggressive and volatile components. Despite the uncertainty of future events, we have found that there are objectively measurable conditions that have had historical relationships to the performance of various types of investments. Bond prices have historically declined during periods of rising interest rates. Corporate profits have historically been lower and business failures more likely during periods of recession. Therefore, those Portfolio Strategies which are actively risk managed attempt to respond to changing conditions.

Risk Management Disciplines

In addition to diversification and active management where applicable, WBI active Portfolio Strategies may use one or more of the proprietary tools and disciplines as described earlier that are intended to manage risk, including:

- **Security Screening and Selection** – WBI's custom quantitative screening process evaluates thousands of stocks to identify and rank those that meet our investment criteria.
- **Stop Loss Process** – WBI's security specific analysis process sets price goal targets and enforces a sell discipline. It is designed to capture gains if they are achieved – and limit losses if they are not.
- **Bond and Equity Risk Models** – Proprietary models assess a host of fundamental and technical factors to provide a current outlook on the prevailing risks facing bond and equity markets.

There can be no assurance that the risk management strategies described will be effective in preventing the loss of invested capital, will be profitable, will equal any historical performance level(s), or be suitable for your portfolio. Any investment strategy, including the Portfolio Strategies, involves risk, including the possible loss of principal invested. Moreover, you should not assume that any discussion or information



provided here serves as the receipt of, or as a substitute for, personalized investment advice from WBI Investments or from any other investment professional. To the extent that you have any questions regarding the applicability of any specific issue discussed to your individual situation, you are encouraged to consult with WBI Investments or the professional advisor of your choosing.

Item 9 – Disciplinary Information

On August 5, 2020, WBI and its affiliate, Millington Securities, Inc. (“Millington”), entered into a settlement order with the SEC regarding an administrative action (the “Order”). The Order related to the firms’ disclosures regarding certain order routing arrangements entered into by Millington.

As noted in WBI’s Form ADV, WBI routes client orders to its affiliate, Millington, for further routing and execution. As a general matter, Millington routes order flow to certain market makers for execution. During the Relevant Period, Millington received per share payments (e.g., payment for order flow) from destination maker makers. While, as noted in the Order, WBI expressly disclosed the existence of these payment for order flow arrangements in the firm’s Form ADV filings, and WBI and Millington separately identified in other documents the payment for order flow rate paid by the executing brokers, including the amount of payment received by Millington on a trade-by-trade basis, the Order nevertheless finds that certain statements made by representatives of WBI and Millington represented material misrepresentations as the statements did not fully address the impact of these arrangements on execution prices. Prior to issuance of the Order, WBI and Millington updated their respective disclosures regarding the payment for order flow arrangements.

As a result of the above conduct, the SEC found that WBI and Millington willfully violated Sections 206(2) and 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 206(4)-7 promulgated thereunder. WBI and Millington, without admitting or denying any of the findings or conclusions, except as to the SEC’s jurisdiction over Millington and the subject matter of the Order, consented to the entry of the Order, to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder, to a censure and to a civil money penalty in the aggregate amount of \$1,000,000 (\$750,000 of which was payable by WBI).

WBI’s Form ADV Part 1 contains further information about its disciplinary history, and is available on request from your Financial Advisor.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliation with Millington Securities, Inc.

WBI is affiliated with Millington, a dually registered investment adviser and broker-dealer, through which most of WBI client orders are directed for execution. Consistent with WBI’s requirement to obtain “best execution” for client brokerage orders and in accordance with policies and procedures that are reasonably designed to provide for compliance with the requirements of (and WBI’s duties under) the Advisers Act,



Investment Company Act, ERISA, other laws and regulations and related guidance and relief, as applicable to the transactions, WBI will consider a variety of factors when determining broker-dealer selection for its client transactions and will only direct client orders to Millington where such a direction is consistent with its obligations. Additionally, WBI's policies and procedures, and the related laws and regulations, address the potential for conflicts of interest that may arise in connection with using an affiliate to execute trades on behalf of WBI's clients. Some of the officers and personnel of WBI also serve as officers and perform functions for Millington. Millington also serves as the investment adviser for the Affiliated ETFs.

In addition, Millington will execute brokerage transactions for the Affiliated ETFs in its capacity as a broker-dealer. Any trades that WBI places through Millington will be subject to WBI's duty of best execution and applicable law as discussed above. Please refer to Item 4 - WBI Investments Advisory Business Information (Services of Affiliates) and Item 12 - Brokerage Practices of this Brochure for more information.

Affiliation with Hartshorne Group, Inc.

WBI is under common ownership and control with HG, an investment adviser registered with the SEC. HG and WBI are controlled and owned by the same individuals listed above in Item 4. Further, HG investment adviser representatives may also be investment adviser representatives of WBI. HG provides financial planning, consulting and family office services to its retail clients.

HG clients seeking on-going investment management services are generally referred to WBI. In these situations, HG serves as an affiliated solicitor or introducing adviser to WBI and will receive a portion of the overall advisory fee paid by the client to WBI. Because HG receives a portion of the fee charged by WBI and is a related person to WBI, HG has an economic incentive to refer clients to WBI. However, HG may also refer its clients to unaffiliated third-party money managers. HG clients will receive a copy of the HG Form ADV Part 2. HG financial planning and consulting clients must execute a written agreement with HG. HG clients that are referred to WBI for its investment management services must execute the WBI IMA which will list HG as the Introducing Advisor.

Related Entity WBI Trading, Inc.

WBI is under common ownership and control with WBI Trading, Inc. WBI Trading, Inc. is a holding company that wholly owns Millington Securities, Inc.

Other Industry Activities

The principal executive officers of WBI are engaged in activities other than the services provided by WBI. Don Schreiber, Jr. and Robert Confessore are also principal executive officers of the Hartshorne Group, Inc. and Millington Securities, Inc. The principal executive officers of WBI can also serve as officers and directors of the Affiliated ETFs.

Robert Confessore spends the majority of his time providing financial planning and consulting services through HG in his capacity as Vice President and Senior Financial Planner and serving as President of



Millington. Don Schreiber, Jr. spends the majority of his time devoted to the activities of WBI and Millington. Steven Van Solkema spends the majority of his time focused on his responsibilities as President, Chief Investment Officer and Co-Portfolio Manager of WBI. Matthew Schreiber spends the majority of his time focused on his responsibilities as Co-CEO of WBI.

WBI provides strategic business planning services and client acquisition techniques (referred to as non-advisory services) to financial professionals through workshops, seminars and training events. Such services are provided solely to financial professionals and not to the underlying investment clients of WBI. Non-advisory services may be provided free-of-charge to financial services professionals. In addition, WBI's CEO, Don Schreiber, Jr., is the owner and founder of Advisor Toolbox, Inc., a software and intellectual property entity. Advisor Toolbox distributes a valuation software program created to help financial professionals value and evaluate the strength of their businesses. The software program can be purchased by financial professionals but may also be offered by WBI free-of-charge to financial professionals as an incentive to consider WBI's investment management services.

Certain supervised persons of WBI are also engaged in offering the non-advisory services provided by WBI and promoting the products offered by Advisor Toolbox, Inc. While the non-advisory services offered by WBI and Advisor Toolbox are available to any financial professional, a primary objective of offering these services is to support and attract Introducing Advisors to WBI Investments' investment management services. Don Schreiber, Jr. is also the author of *Building a World-Class Financial Services Business: How to Transform Your Sales Practice into a Business Worth Millions* which Mr. Schreiber actively markets in connection with the strategic business planning services provided by WBI. Topics discussed as part of the WBI strategic business planning program include, but are not limited to: building a business, marketing, institutionalizing a business, technology considerations, staffing and employee retention, succession and exit planning, valuing a practice, and developing a written sales process. Typically, these services are provided to investment advisers and broker-dealers that refer clients to the WBI Investments' investment management services previously described in this document. A fixed fee may be charged for these non-advisory services; however, WBI retains the discretion to waive or reduce its fee for strategic business planning.

Don Schreiber, Jr. is co-author of *All About Dividend Investing: The Easy Way to Get Started*. In connection with actively marketing the sale of this book, the authors make public and private appearances. Such appearances are also focused on the advisory services provided by WBI. WBI may charge a fee for a public or private appearance by Mr. Schreiber.

Insurance Services

WBI is also currently licensed as an insurance agency, however all new insurance business is directed to HG in its separate capacity as an insurance agency. WBI associated persons may conduct insurance business through HG. As such, WBI's investment adviser representatives, in their individual capacities as insurance agents of HG, may recommend, on a fully-disclosed basis, the purchase of insurance products and receive commissions on such products. WBI's investment adviser representatives devote less than ten percent (10%) of their time to life insurance commission business, and less than ten (10%) of their time to non-



investment related consulting matters. WBI intends to withdraw its insurance licenses as soon as certain administrative considerations permit or allow them to lapse at the end of their current terms.

HG and its associated insurance agents, including WBI associated persons, receive commissions and other incentive awards for the recommendation/sale of annuities and other insurance products to HG retail clients. The receipt of this compensation may affect the judgment of associated persons when recommending products to retail clients. While associated persons endeavor at all time to put the interest of the clients first as a part of HG's fiduciary duty, clients should be aware that the receipt of commission and additional compensation itself creates a conflict of interest and could affect the judgment of these individuals when making recommendations.

Affiliated Exchange Traded Funds

As explained in Item 4 of this Brochure, WBI serves as the investment sub-adviser for the Affiliated ETFs. In order to wholesale and help distribute the Affiliated ETFs, some WBI employees engaging in Affiliated ETF distribution services are licensed as registered representatives of our affiliated broker-dealer Millington, or Foreside. Don Schreiber Jr., and Robert Confessore are registered representatives of Millington.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Rule 204A-1 of the Advisers Act requires all investment advisers to establish, maintain and enforce a Code of Ethics. WBI has established a Code of Ethics (the "Code") that will apply to all of its Supervised Persons (as defined in the Code). An investment adviser is considered a fiduciary according to the Advisers Act. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. WBI has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the Code, which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures (as detailed below under "Personal Trading Policy").

WBI requires all of its Supervised Persons to conduct business according to the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all Supervised Persons will sign an acknowledgement that they have read, understand and agree to comply with the Code. WBI has the responsibility to make sure that the interests of all clients are placed ahead of WBI's or its Supervised Person's own interests. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. WBI and its Supervised Persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect WBI's duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of the Code. However, if a client or a potential client wishes to review the Code in its entirety, a copy will be provided promptly upon request.



Participation or Interest in Client Transactions

When appropriate and in accordance with applicable law, WBI may invest client assets in Affiliated ETFs. WBI will have an inherent conflict of interest in investing in or recommending the Affiliated ETFs to clients for the following reasons:

- WBI and its affiliates receive management fees from the Affiliated ETFs. To avoid receiving two layers of management fees in those situations where clients invest in the Affiliated ETFs through SMA and Platform accounts, WBI will either: (i) waive the management fee charged at the account level; or (ii) credit the portion of the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fee the particular SMA or Platform account owes WBI. Please refer to Item 5 (Fees and Compensation) for more information.
- Millington will receive brokerage compensation (including PFOF) for transactions effected on behalf of the Affiliated ETFs. Any trades that WBI places through Millington will be subject to WBI's duty of best execution and applicable law. Please refer to Item 4 – WBI Investment Advisory Business Information (Services of Affiliates, Item 10 - Other Financial Industry Activities and Affiliations (Affiliation with Millington Securities, Inc.) and Item 12 - Brokerage Practices of this Brochure for more information.

Personal Trading Policy

The Personal Trading Policy in the Firm's Code of Ethics contains provisions regarding employee personal trading and reporting requirements that are designed to address potential conflicts of interest that might interfere or appear to interfere with making decisions in the best interest of WBI clients.

Any employee or Supervised Person of WBI who fails to observe the personal securities transaction preclearance requirements described in the Firm's Personal Trading Policy may be subject to remedial action, unless their trade activity was made pursuant to the delineated pre-clearance exceptions listed in the Policy. WBI will determine on a case by case basis what remedial action should be taken in response to any violation. This may include requiring the employee to void or reverse a trade, the cost of which may be borne by the employee or owner of the account or limiting an employee's personal trading for some period of time.

Gifts and Entertainment

The Code and WBI's Gifts and Entertainment Policies and Procedures place strict limits on the receipt and provision of gifts, travel, and entertainment by WBI personnel. Occasionally, WBI personnel participate in entertainment opportunities related to legitimate business purposes, subject to the requirements and limitations set forth in the Code and the Gifts and Entertainment Policies and Procedures. Such requirements and limitations are intended to ensure that WBI employees avoid actual or potential conflicts of interest between their personal interests and those of the firm and its clients.



Political Contributions

WBI employees are not permitted to make or solicit political contributions for the purpose of obtaining or retaining business with government entities. WBI employees, on their own behalf and on behalf of their spouses and immediate family members sharing the same household, are required to obtain approval from WBI before making a personal political contribution to any federal, state, local or U.S. territorial candidate, official, party or organization. Such personal contributions may support political candidates or officials who share the firm's views related to its business interests, but it is a violation of WBI's policy for any employee to require another employee to contribute to, support, or oppose any political group or candidate.

Other Potential Conflicts of Interest

WBI recommends transactions to, and makes investment decisions on behalf of, clients based solely on investment considerations, including whether the investments are suitable for the client and are consistent with the client's investment objectives, policies and restrictions. Accordingly, WBI may invest a client's account in a manner that competes or conflicts with the investment of another client's account. For example, WBI may buy or sell a position in a client's account while undertaking for another client's account the same or a differing, including potentially opposite, investment strategy.

To the extent permitted by law and/or account guidelines, WBI from time to time will invest client accounts in securities issued by companies with which WBI has material business relationships, including companies that act as a Sponsor, that distribute or place orders on behalf of clients for shares of the Affiliated ETFs, or that are, or are related to, WBI clients. In addition, at times WBI personnel will buy or sell securities that WBI has recommended to, or purchased or sold on behalf of, clients. WBI also from time to time will buy or sell on behalf of clients or recommend to clients the purchase or sale of securities in which it or its personnel have a financial interest, the Affiliated ETFs. These transactions are subject to the requirements and limitations set forth in the Code and related policies, as well as to the requirements of the Advisers Act, the Investment Company Act and/or other applicable laws. While it is WBI's policy that our clients' interests come first our ability to place and/or recommend transactions may be restricted by applicable regulatory requirements and/or our internal policies designed to comply with such requirements.

From time to time, WBI personnel may come into possession of material, non-public information ("MNPI") which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, WBI personnel may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether that person is a client. Accordingly, should WBI personnel come into possession of MNPI with respect to an issuer, WBI may be prohibited from communicating such information to, or using such information for the benefit of, clients, which could limit the ability of clients to buy, sell or hold certain investments. WBI shall have no obligation or responsibility to disclose such information to, or use such information for the benefit of, any person (including clients). WBI has implemented procedures that prohibit the misuse of such information (e.g., illegal securities trading based on the information). Similarly, no employee who is aware of MNPI which relates to any other company or entity in circumstances in which such person is deemed to be an insider or



is otherwise subject to restrictions under federal securities laws may buy or sell securities of that company or otherwise take advantage of, or pass on to others, such as MNPI.

Item 12 – Brokerage Practices

Below we describe our core business practices relating to trading and brokerage. In addition, we provide information regarding certain conflicts of interest that arise in connection with the execution of trades for client accounts and describe the policies and procedures that we have designed and implemented to help us manage these conflicts of interest.

Account Custodian

WBI will generally require clients accessing WBI's investment services through a SMA, including clients of HG and clients of unaffiliated Introducing Advisors, to establish brokerage accounts with an acceptable nationally recognized registered broker-dealer to maintain custody of client assets and to effect trades for their accounts. In the case of clients of Introducing Advisors, the decision to establish an account with a particular broker-dealer is made by the Introducing Advisor, not by WBI. WBI is not affiliated with any of the broker-dealers serving as qualified custodians.

The primary factor in suggesting a broker-dealer to serve as custodian is that the services of the broker-dealer are provided in a cost-effective manner. To the extent that WBI may be trading through the particular broker-dealer, WBI will also consider the various factors that go into its evaluation of whether the broker-dealer is capable of providing best execution. Best execution of client transactions is an obligation WBI takes seriously and is an important decision in suggesting a broker-dealer to serve as custodian. The factors that WBI considers in determining best execution are described in further detail below. Overall custodial support services, timeliness in correcting a trade error, and statement preparation are some of the other factors considered when approving a broker-dealer to serve as custodian.

The broker-dealer will generally provide WBI with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets is maintained in accounts at the broker-dealer and is not otherwise contingent upon WBI committing to the broker-dealer any specific amount of business (assets in custody or trading). The broker-dealer's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Acceptable broker-dealers generally make available to WBI other products and services that benefit WBI but may not directly benefit its clients' accounts. Some of these other products and services assist WBI in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation 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 WBI's fees from its clients' accounts; and assist



with back-office functions; recordkeeping and client reporting. While clients may not appear to receive a direct benefit from these services, many of these services are used to service all or a substantial number of WBI customers' accounts.

By directing business to suggested broker-dealers, WBI may be able to negotiate lower commission rates for its clients than are typically available to clients opening accounts at these custodians on their own. Suggested broker-dealers also generally make available to WBI other services intended to help WBI manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, broker-dealers may make available, arrange and/or pay for these types of services rendered to WBI by an independent third party providing these services to WBI. As a fiduciary, WBI endeavors to act in its clients' best interests. However, WBI's general requirement that clients maintain their assets in accounts at an acceptable broker-dealer may be based in part on the benefit to WBI of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the broker-dealer, which may create a potential conflict of interest between WBI and the client.

While clients are generally required to use the services of a suggested broker-dealer, a client may direct WBI to use a qualified custodian selected by the client upon express acceptance of WBI. If WBI is also directed to trade through the custodian selected by the client, WBI may not be able to obtain the best prices and execution for the client's transactions and such transactions may not be "bunched" (or aggregated) for purposes of execution with other orders for the same securities for other accounts managed by WBI. Clients who direct WBI to trade through a particular qualified custodian may pay higher transaction costs and/or receive less favorable prices than would otherwise be the case if the clients had not designated a particular qualified custodian.

Brokerage Execution

WBI will arrange for the execution of securities brokerage transactions for Client accounts through Millington and other broker-dealers that WBI reasonably believes will provide "best execution". Price, taking into account commissions and other costs, is an important factor in WBI's best execution evaluation, however WBI also considers the quality of brokerage services offered; including execution capability, ability to minimize market impact, timeliness and responsiveness, willingness to commit capital, creditworthiness, financial stability, clearance and settlement capability, and the provision of research and other services in its broker-dealer selection and execution evaluation. Accordingly, although WBI will seek competitive rates, it will not necessarily obtain the lowest available price or transaction cost.

Millington employs certain persons as registered representatives who are also related persons of WBI and Millington, and these individuals will receive compensation based on WBI Trading Inc.'s revenue, which is predominately generated by the trade order flow WBI is routing to Millington. This revenue will include payment for order flow, which is compensation that Millington receives for providing liquidity to certain market centers from WBI customer orders that are routed to these market centers. While using Millington



for order execution may present a potential conflict of interest because WBI has a financial incentive to direct trades to its affiliated broker/dealer, Millington, any orders placed with Millington are done so consistently with WBI's duty to seek best execution. In addition, WBI monitors client transactions to ensure the effectiveness of its best execution procedures.

Broker dealers used by WBI, including its affiliated broker dealer Millington, typically route orders to market centers that execute on a net basis. A "net" transaction is one in which the market center, after having received an order to buy (or sell) a security from Millington, buys (or sells) the security at one price and then sells to (or buys from) Millington at a different price, with the difference representing the market center's compensation for executing the transaction. Millington acts as agent in all transactions and passes the price received from the market center or other destination, including any implicit mark-up or down, to its customers, including WBI. The market center then compensates Millington in the form of PFOF. Trades executed by those market centers on a net basis do not include explicit transaction costs such as commissions, but, do include implicit transaction costs impacted by the size of any bid/ask spreads, implicit mark-up/downs, and other proprietary profits earned by those market centers. The market centers utilized by Millington will generally adjust execution prices to account for the PFOF arrangements (higher for purchases, lower for sales). Currently, Millington receives the following monetary payments which are paid, at the same level, by all market centers that receive orders routed by the firm: \$0.0125 per share for all equity security executions and \$0.0150 per share for all exchange traded product ("ETP") executions. The fact that Millington receives PFOF generally will result in a less favorable price for customers of Millington, including WBI, than what customers would otherwise receive in the absence of the PFOF arrangement. However, best execution is based on a range of factors including, but not limited to, price.

Where WBI is providing investment advisory services to clients through Platforms, WBI will not be in a position to negotiate brokerage commissions for transactions that are executed by or through the Sponsor. In those situations where WBI has the discretion to select broker-dealers to execute trades for Platform accounts, WBI generally will place such trades through the Sponsor because the Platform fee paid by each client typically covers only execution costs on trades executed through the Sponsor or its affiliates. Please refer to Item 4 - WBI Investments Advisory Business Information (Services of Affiliates) and Item 10 - Other Financial Industry Activities and Affiliations (Affiliation with Millington Securities, Inc.) of the Brochure for more information.

Soft Dollar Program

WBI may enter into Soft Dollar Arrangements with certain executing broker-dealers. These executing broker-dealers will designate a portion of brokerage commissions, if any, towards a credit that can be used to provide WBI with certain research and brokerage services-related products and services. These credits are known as "Soft Dollars". Soft Dollars can be used for research products such as software that provides WBI with analyses of securities portfolios, market research, data services and market data, and written information and analysis concerning market and economic conditions. Soft Dollar brokerage services relate to the execution of a trade from the point at which WBI transmits an order to a broker-dealer for execution



through the point at which the funds or securities are delivered or credited to the advised account. Examples could be trade analytical software, trade confirmation software, and other services that relate to the communication of the trading information.

The use of brokerage commissions to obtain investment research services and to pay for certain of WBI's administrative costs and expenses may create a conflict of interest between WBI and clients because the Soft Dollars offset certain of WBI's expenses. To the extent that WBI is able to acquire these products and services without expending its own resources (including management fees paid by clients), WBI's use of Soft Dollars would tend to increase WBI's profitability. In selecting executing broker-dealers, WBI conducts ongoing reviews and analysis of the execution quality to ensure that our clients are receiving best execution.

Aggregation of Client Orders

Transactions for each client account generally will be affected independently, unless WBI decides to purchase or sell the same securities for several clients at approximately the same time. WBI does frequently combine or aggregate such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among WBI's clients differences in prices and transaction fees or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among WBI's clients in proportion to the purchase and sale orders placed for each client account on any given day. Because managed accounts are held at a number of different custodian/broker dealers, WBI may conduct trading activity through a broker-dealer which is not affiliated with the Platform Sponsor (if applicable), but which primarily includes its affiliated broker-dealer Millington. The broker-dealer then allocates completed trades, at WBI's direction, among the various custodian/broker dealers at which the accounts being traded are held.

WBI typically releases its model portfolio holdings information to an OPM daily. On model rebalance/reconstitution days, model changes will be disseminated to all model recipients (including WBI) after market close, but before market open on the following day. Model recipients are responsible for adjusting existing model portfolio accounts to conform to the communicated changes. .. Model portfolio clients may experience account performance that is different from the results obtained when WBI exercises investment discretion due to the timing and implementation of orders by the OPM.

On those occasions when WBI places trades directly with an unaffiliated broker-dealer, neither WBI, nor its supervised persons, will receive any portion of the commissions and/or transaction fees charged by the designated broker-dealer to the client. However, in return for effecting securities transactions through the designated broker-dealer, WBI may receive certain investment research products and/or services which assist WBI in its investment decision-making process for the client. (See the discussion of Soft Dollars above.) The brokerage commissions and/or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, WBI's investment management fee.



Trading Error Policy

WBI has implemented procedures designed to prevent operational trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of WBI to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by WBI if the error was caused by WBI trading operations. The remedy for an error caused by WBI may be in the form of a credit against future WBI investment management fees. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. WBI may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

WBI will never retain any portion of any gains made as a result of trade error corrections or profit in any way from trade errors.

If the gain does not remain in the account and Charles Schwab is the custodian, Charles Schwab will donate the amount of any gain \$100 and over to charity. Charles Schwab will pay for any losses under \$100. If a loss occurs greater than \$100 due to an error made by WBI, WBI will pay for the loss. Charles Schwab will retain the gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in an account, they may be netted.

If the gain does not remain in the account and Pershing is the custodian, Pershing or the client's introducing broker-dealer will maintain gains that may result from correcting a trade error and in some instances, may use such gains to offset overall losses Pershing or the introducing broker-dealer incurs from trading errors.

Item 13 – Review of Accounts

The client's Introducing Advisor generally reviews managed SMA and Platform accounts with the client on a mutually agreed upon schedule.

All clients are encouraged to discuss with WBI, or the client's Introducing Advisor, the client's investment objectives, needs and goals, and to keep WBI informed of any changes regarding the client's situation. All clients are encouraged to meet, at least annually, with WBI or the client's Introducing Advisor to comprehensively review investment objectives and performance.

Clients will receive account statements and transaction confirmation notices at least quarterly from the qualified custodian at which their accounts are maintained. In addition, WBI may provide performance



reports for clients with SMA and Platform Accounts (where included as a Platform feature) summarizing account performance.

It is important for clients to review all account statements received directly from the custodian. Further, clients are urged to compare position and performance reports provided by WBI against the account statements received directly from the custodian. If at any time a client does not receive the most recent account statement(s) or does not have access to account statements, the client should contact his or her Introducing Advisor immediately.

The underlying portfolios held in client accounts and recommended by WBI are reviewed on an on-going basis by the WBI Investment Committee. Accounts are managed by WBI in accordance with parameters set forth and determined by the WBI Investment Committee. Steven Van Solkema, Chief Investment Officer, oversees the day-to-day management of WBI's investment services.

Investment Committee

The primary responsibilities of the Investment Committee (IC) are:

- Develop WBI's investment philosophy
- Collaborate on the principles of portfolio design and investment management
- Identify the investment objectives WBI's investment portfolios will pursue
- Establish the risk/return profiles for WBI's investment portfolios
- Monitor the execution of WBI's portfolios for tracking of expected outcomes
- Collaborate to arrive at a consensus view on WBI's investment outlook and forecasts, and to identify promising opportunities
- Prioritize investment research, process development, and staff utilization initiatives
- Monitor and confirm the continuing alignment of the investment products and company activities with WBI's business objectives
- Address and resolve operational and administrative issues as needed

The IC consists of four voting members, representatives of the portfolio management, trading, and research teams, and periodic representation from members of the marketing team. The voting members are:

- Don Schreiber, Jr., Co-CEO and Co-Portfolio Manager. Mr. Schreiber is the founder and majority owner of WBI.
- Matthew Schreiber, Co-CEO and Chief Investment Strategist. Mr. Schreiber has a minority equity interest in WBI.
- Steven Van Solkema, President, Chief Investment Officer and Co-Portfolio Manager. Mr. Van Solkema serves as the Chair of the IC and has a minority equity interest in the firm.
- Robert Confessore, Vice President. Mr. Confessore also has a minority equity interest in WBI.

Several of the voting members have significant personal assets invested in one or more of WBI's investment portfolio strategies. In addition to these IC members, other employees have elected to have personal WBI investment accounts and/or to make investments in the Funds or Affiliated ETFs. It is the responsibility of



the Chief Investment Officer and Co-Portfolio Managers to oversee the implementation of WBI portfolios' investment design and processes, set the agenda for IC meetings, including the preparation and distribution of relevant research and background materials, and to supervise and conduct ongoing research and portfolio design initiatives with the assistance of the research staff and other team members as needed to meet the goals established by the IC.

Item 14 – Client Referrals and Other Compensation

Certain clients that engage WBI's services as a result of referrals from Introducing Advisors may pay more or less to obtain WBI's investment management services than do other clients, since a portion of the overall fee may be determined by the Introducing Advisor. In such situations, where the client pays more, the engagement shall result in an additional charge to the client in excess of what the client would have paid if the client were to engage the services of WBI independent of the Introducing Advisor's introduction. Variations in the Introducing Advisor's compensation may be due to the Introducing Advisor's role as an unaffiliated investment adviser or investment adviser representative for the consulting and monitoring services the Introducing Advisor may provide to the client on an ongoing basis relative to the client's engagement of WBI. Such arrangements, and their terms and conditions, are exclusively determined between the client and the Introducing Advisor, and WBI will not be a party to these arrangements. Retail clients may pay more or less to obtain WBI's investment management services than clients referred to WBI by an Introducing Advisor.

WBI pays to some broker-dealers and investment adviser firms a fixed annual participant provider fee to be listed on the broker-dealer or investment adviser's platform of approved third party managers. The platform listing permits the broker-dealer or investment adviser's representatives to recommend WBI's investment management services to their clients. The fixed annual participant fee is payable regardless of the number, if any, of a broker-dealer or investment adviser's clients that engage WBI's services. In addition, the broker-dealer or investment adviser may also receive a small percentage (generally 0.10% to 0.25%) of WBI's investment management fee for those platform assets referred by the broker-dealer or investment adviser's representatives to WBI. WBI may enter into similar arrangements with additional broker-dealers or investment advisers, pursuant to which WBI will be added to the respective firm's third-party manager platforms. WBI may also agree to serve as sub-advisor to an unaffiliated investment adviser.

In addition to the fee arrangements described above, WBI provides Introducing Advisors with certain non-cash economic benefits or incentives. These services and benefits are generally available to all unaffiliated Introducing Advisors, but not all Introducing Advisors will necessarily utilize the benefits and services. Benefits include strategic business planning services provided by WBI. Services are provided through complimentary workshops, seminars and other consultations. In addition, Introducing Advisors may receive certain software and other services from Advisor Toolbox, Inc., an affiliate of WBI. Advisor Toolbox software may be purchased by Introducing Advisors or provided to the Introducing Advisor on a complimentary basis. Additional details regarding WBI's strategic business planning services and Advisor Toolbox, Inc. are provided in Item 10 above. An Introducing Advisor's decision to recommend WBI may



be based on the receipt of the additional services and benefits and not completely based on the Introducing Advisor's objective analysis of WBI's portfolio management performance and factors relating solely to the Introducing Advisor's client's investment mandates. Therefore, an Introducing Advisor's receipt of benefits and services provided by WBI and Advisor Toolbox creates a conflict of interest between Introducing Advisors and their clients.

WBI receives client referrals from HG. In these situations, HG serves as an affiliated solicitor to WBI. HG has an economic incentive to refer clients to WBI. However, HG may also refer its clients to unaffiliated third-party money managers. HG clients will receive a copy of the HG Form ADV Part 2. HG clients that are referred to WBI for its investment management services must execute the WBI IMA which will list HG as the Introducing Advisor.

Item 15 – Custody

Account Statements

WBI is not a broker-dealer and does not take possession of client assets. WBI client assets are housed at qualified custodians, typically nationally recognized brokerage firms. WBI has limited power of attorney to place trades on the client's behalf.

WBI has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are **urged** to compare the statements against reports received from WBI. When clients have questions about their account statements, they should contact WBI, their Introducing Advisor, or the qualified custodian preparing the statement.

Debit of Fees

WBI is deemed to have custody of client funds and securities because WBI is given the authority to have fees deducted directly from client accounts. WBI has policies and procedures in place to ensure fees are calculated correctly in accordance with the clients' agreed upon rates. Please refer to Section 5 – Fees and Compensation of this Brochure for more information.

Item 16 – Investment Discretion

WBI retains discretionary authority over investment decisions in client accounts. WBI defines discretion as the ability to implement its intended model portfolio strategy. In a discretionary account, WBI is authorized, without prior consultation with the client, to buy, sell, and trade in stocks, bonds, mutual funds, affiliated and unaffiliated ETFs, ETNs, contracts relating to the same, on margin (only if written



authorization has been granted) or otherwise, and to give instructions in furtherance of such authority to trading counterparties and/or the custodian of the account.

The client has the ability to impose reasonable restrictions on the management of a discretionary account, including the ability to instruct WBI not to purchase certain securities. Restrictions on the underlying securities held in mutual funds and ETFs, including the Affiliated ETFs, will not be considered reasonable and will not be accepted. Imposing account restrictions may adversely affect account performance as compared with other unrestricted accounts managed in accordance with the same strategy.

Accounts are managed under the terms of the IMA which grants WBI discretion. Until the agreement signed by the client and accepted by WBI, accounts will not be considered under management.

Item 17 – Voting Client Securities

WBI Investments Proxy Voting Policy

Unless the Client provides WBI with written notification to the contrary, or unless otherwise prohibited from doing so by the Account's custodian, WBI will vote proxies for all securities in the account. The proxies will be voted in accordance with WBI's Proxy Voting Policies and Procedures ("Proxy Voting Policies") which provide that proxies on securities will be voted for the exclusive benefit and in the best economic interest of clients as determined by WBI in good faith. Such voting responsibilities will be exercised in a manner that is consistent with the general anti-fraud provisions of the Advisers Act, as well as WBI's fiduciary duties under federal and state law to act in the best interest of clients.

On certain routine proposals (for example, those which do not change the structures, bylaws or operations of a company), WBI will generally vote in the manner recommended by management. Non-routine proposals, (such as those affecting corporate governance, compensation and other corporate events) and shareholder proposals, will generally be reviewed on a case-by-case basis. WBI has engaged an unbiased third-party proxy voting service to make proxy voting recommendations to WBI. WBI will generally vote proxies in accordance with these recommendations but reserves the right to exercise its own judgment on a case-by-case basis. If WBI determines that voting a particular proxy would create a material conflict of interest between its interests or the interests of any of its affiliated parties (*e.g.*, where the proxy affects the ultimate compensation received by WBI or its affiliates), WBI will vote such proxy based solely upon the recommendations of the independent third-party proxy voting service.

Clients may obtain a copy of WBI's complete proxy voting policies and procedures upon request. Clients may also obtain information from WBI about how WBI voted any proxies on their behalf.

Clients may elect to retain proxy voting responsibilities by notifying WBI in writing of that election. To the extent a client has authorized an Independent Manager to manage a portion of the client's portfolio, the Independent Manager, and not WBI, will generally be responsible for voting proxies with respect to the investments in the portion of the account over which the Independent Manager exercises discretion.



Legal Actions

Clients retain the right under the applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for a client. WBI will not initiate such a legal proceeding on behalf of any of its clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether its clients should join a class-action lawsuit. WBI recommends clients seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. WBI's services do not include monitoring or informing its clients of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for any of its clients. However, upon a client's specific instruction, WBI may provide factual information related to the individual client's investment history in the security underlying the individual or class-action lawsuit. At no time should such assistance by WBI be deemed as a substitute for consulting with legal counsel.

Item 18 – Financial Information

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



Item 1 – Cover Page: Brochure Supplement (Part 2B of Form ADV)

WBI Investments

Supervised Persons

Don Schreiber, Jr., Matthew Schreiber, Steven Van Solkema, and Robert Confessore

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October 2020


This Brochure Supplement provides information about Don Schreiber, Jr., Matthew Schreiber, Steven Van Solkema, and Robert Confessore that supplements the WBI Investments, Inc. (WBI) Brochure. You should have received a copy of that Brochure. Please call us at (732) 842-4920 or emailoperations@wbiinvestments.com if you did not receive WBI's Brochure or if you have any questions about the contents of this supplement.

Additional information about Don Schreiber, Jr., Matthew Schreiber, Steven Van Solkema, and Robert Confessore is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Employees have earned certifications and credentials that are required to be explained in further detail.

CERTIFIED FINANCIAL PLANNER™

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered  marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice;



and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

CHARTERED FINANCIAL ANALYST®

The Chartered Financial Analyst® and CFA® marks (collectively, the “CFA Marks”) are recognized symbols of professionalism and integrity that distinguish charterholders from other investment professionals around the world. The uses of the CFA Marks are governed by the CFA Institute and its Code of Ethics and Standard VII(B) of the Standards of Professional Conduct and applicable laws. CFA Marks can only be used by charterholders who are dues paying members of the CFA Institute not subject to certain Professional Conduct violations and whose rights to use the CFA designation have not been suspended or revoked.



The CFA charter is the gold standard for the investment industry. Charterholders enjoy a mark of distinction throughout the world. The CFA Program provides the strongest foundation in advanced investment, analysis, and real-world portfolio management skills. This globally recognized, graduate-level credential is held by over 150,000 professionals across 163 countries. Ethics and standards are of paramount importance to the CFA Institute due to their belief that professions can only exist within an industry when those acting with transparency, integrity, candor, and trust reach a critical mass. The CFA Institute has long championed these values. The CFA Institute believes that the investment industry should work for the ultimate benefit of society, and that cannot be achieved without the highest possible standards and ethics. Charterholders gain access to a powerful global network of top industry professionals, demonstrate a recognized commitment to ethics and professionalism, and establish their proficiency in real-world skills for making complex investment decisions. Examinations test for proficiency in topics including ethics and professional standards, quantitative methods, economics, financial reporting and analysis, corporate finance, equity investments, fixed income, derivatives, alternative investments, portfolio management and wealth planning.

To attain the right to use the CFA[®] marks, an individual must fulfill and continuously adhere to the following requirements:

- Enroll in the CFA Program and register for an exam. To enroll, a candidate must meet eligibility requirements, which includes having four years of education and work experience, a valid passport, and living in a participating country.
- Pass the Level I, six-hour examination, which is offered in June or December.
- Pass the Level II, six-hour examination, which is only offered in June.
- Pass the Level III, six-hour examination, which is only offered in June.
- Have four years of professional work experience in the investment decision-making process.
- This work experience can be accrued before, during, or after participation in the CFA Program.
- Provide professional reference statements.
- Obtain membership in a local CFA Society and the CFA Institute.
- Agree to adhere to and sign the Member's Agreement and the Professional Conduct Statement regarding Ethics and Standards on an annual basis.
- Pay annual dues.
- Adhere to the OFAC Compliance Policy. Residents of certain countries may be prohibited by law from becoming a CFA Institute or Society Member.
- Recommended completion of a minimum of 20 hours of CE credit activities, with a minimum of 2 hours in the topics of Standards, Ethics, and Regulations (SER) each calendar year.
- The CFA Institute states that on average, the process of becoming chartered through the program takes four years. Each six-hour examination requires approximately 300 hours of self-study education.



Don Schreiber, Jr., CFP®

Don Schreiber, Jr. was born on May 24, 1955. He attained a Bachelor of Science from Susquehanna University upon his graduation in 1977. In 1984 he received his CFP® designation from the College of Financial Planning. Don holds the Series 65 (Investment Adviser Representative) license, Series 7 (General Securities Representative) license and the Series 24 (General Securities Principal) license, He has previously passed the Series 27 (Financial and Operations Principal), Series 53 (Municipal Securities Principal), and Series 63 (Uniform Securities Agent State Law) examinations.

Don founded WBI Investments, Inc. (formerly Wealth Builders, Inc.) in 1984 and has served as the firm's CEO, ever since. Don has been CEO, and Senior Planner of HG since its separation from WBI in 2010. Don also currently serves as Co-Chief Investment Officer of WBI.

In 2005 Don founded Advisor Toolbox, Inc., a software and intellectual property entity. Advisor Toolbox, Inc. provides strategic business planning services and client acquisition techniques (referred to as non-advisory services) to financial professionals through workshops, seminars, and training events. Don was a registered representative of Multi-Financial Securities Corporation from 2004-2005. Don was a registered representative of Quasar for the purpose of engaging in distribution services for the WBI Funds in 2010-2011. From April 2011 through July 2014 Don served as a registered representative of Raymond C. Forbes & Co., Inc. In January 2014 Don became a registered representative of Millington. Don has been Chief Executive Officer of Millington Securities, Inc. since November 2013.

Matthew Schreiber

Matthew Schreiber was born on July 25, 1980. Matthew received a Bachelor of Arts in History and a Master of Education from the University of South Carolina. He was a letterman of the Gamecock track and field team and recipient of the Southeastern Conference All-Academic Award. Matthew holds his Series 65 (Investment adviser Representative) license. Matthew currently serves as President and Chief Investment Strategist of WBI. Mathew joined the firm in 2005 and served as Vice President of Business Development from 2007 to 2012. He is also a representative of HG.

Steven Van Solkema, CFA®

Steven Van Solkema was born on May 12, 1970. He earned his MBA in Finance from New York University's Stern School of Business in 2005 and his BBA in Finance from Baruch College in 1997. Mr. Van Solkema is a Chartered Financial Analyst (CFA®) Charterholder and currently maintains his Series 65 (Investment Adviser Representative) license. He has previously held FINRA's Series 4 (Options Principal), Series 7 (General Securities Representative), Series 24 (General Securities Principal), Series 27 (Financial and Operations Principal), Series 57 (Securities Trader Representative), Series 63 (Uniform Securities Agent State Law), and Series 99 (Operations Professional) licenses.

Steven has over twenty years of portfolio management, trading, quantitative modeling, risk management, operations and compliance experience in equity and fixed income capital markets. Prior to joining WBI



Investments Inc., Steven served almost five years as the Chief Operating Officer and Chief Compliance Officer of Millington Securities, an affiliate of WBI, where he focused on providing high-touch institutional trading services and exchange-traded fund advisory services. Before joining Millington Securities, Steven was a Portfolio Manager and Managing Director at Ally Financial where he directed Agency MBS and interest rate derivative trading, pipeline risk management, mortgage lending, origination, securitization, and rate sheet pricing on the firm's capital markets desk. Steven also served as Chief Operating Officer of Ally Securities, the firm's broker-dealer, where he supervised institutional sales and trading teams, operations, compliance and technology. He was also responsible for strategic initiatives, quantitative credit modeling, product development, balance sheet management and oversight of treasury operations.

Prior to Ally Financial, Steven was a Portfolio Manager and Managing Director at Bear Stearns. He focused on Non-Agency RMBS, CDO, CLO, equity and index derivative securities, including quantitative modeling, trading and valuation. He developed numerous analytical models and implemented profitable trade ideas in structured credit markets with a focus on risk management, relative value analysis and asset correlation. Steven began his career at Goldman Sachs as a Senior Risk Analyst and Project Manager where he analyzed performance attribution, risk management, asset allocation, valuation, and tax harvesting strategies for high-net-worth client portfolios comprised of domestic and international equities, fixed income, foreign currencies and derivatives.

Robert Confessore, CFP®

Robert Confessore was born September 14, 1955. Robert attended the Stevens Institute of Technology where he attained a Bachelor of Science in High Honors Mechanical Engineering upon graduation in 1977. He received his CFP® designation from the College of Financial Planning in 1990. Robert holds the Series 63 (Uniform Securities Agent State Law) license, Series 65 (Investment Adviser Representative) license, Series 24 (General Securities Principal) license, Series 55 (Equity Trader Limited Representative), Series 7 (General Securities Representative) license, and Series 99 (Registered Operations Professional) which were attained by passing the relevant licensing examinations.

Robert joined WBI in 1989 and serves as Vice President. He is also President of HG.

Robert was a registered representative of Multi-Financial Securities Corporation from 2004-2005. He was a registered representative of Quasar for the purpose of engaging in distribution services for the WBI Funds in 2010-2011. From April 2011 until July 2013 Robert served as a registered representative of Raymond C. Forbes & Co., Inc. In July 2013, Robert renewed his registration with Quasar which he maintained until November 2013. In November 2013 Robert became a registered representative of Millington, a dually registered broker dealer and investment adviser that is affiliated with WBI. Robert has been President of Millington since November 2013.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.



Don Schreiber, Jr., CFP®

No events have occurred that are applicable to this item pertaining to Don Schreiber, Jr.

Matthew Schreiber

No events have occurred that are applicable to this item pertaining to Matthew Schreiber.

Steven Van Solkema, CFA®

No events have occurred that are applicable to this item pertaining to Steven Van Solkema.

Robert Confessore, CFP®

No events have occurred that are applicable to this item pertaining to Robert Confessore.

Item 4- Other Business Activities

Don Schreiber, Jr., CFP®

Don spends the majority of his time devoted to the responsibilities of his positions at WBI, HG, and Millington. Don also serves as an Interested Trustee on the Board of the Absolute Shares Trust.

In addition to these activities, Don is the owner and founder of Advisor Toolbox, Inc., a software and intellectual property entity. Advisor Toolbox distributes a valuation software program created to help financial professionals value and evaluate the strength of their businesses. The software program can be purchased by financial professionals but may also be offered by WBI free-of-charge to financial professionals as an incentive to consider WBI's investment management services. Don is also the author of *Building a World-Class Financial Services Business: How to Transform Your Sales Practice into a Business Worth Millions* which he actively markets in connection with the strategic business planning services provided by WBI. Topics discussed as part of the WBI strategic business planning program include, but are not limited to: building a business, marketing, institutionalizing a business, technology considerations, staffing and employee retention, succession and exit planning, valuing a practice, and developing a written sales process. Typically, these services are provided to investment advisers and broker-dealers that refer clients to WBI's investment management services. A fixed fee may be charged for these non-advisory services; however, WBI retains the discretion to waive or reduce its fee for strategic business planning.

Don is also co-author of *All about Dividend Investing: The Easy Way to Get Started*. In connection with actively marketing the sale of this book, Don makes public and private appearances. Such appearances are also focused on the advisory services provided by WBI. WBI may charge a fee for Don's public or private appearances.

Don is also owner of Dark Horse Trading, Inc. (DHT) and Dark Horse Insurance, Inc. (DHI). DHT is a single purpose passive business entity that owns and leases equipment under a dry lease agreement to a company that actively manages, operates and markets rental, charter or leasing equipment. DHI is a captive insurance company that provides business risk and liability insurance.



Don is also the owner of WBI Technologies, LLC, a Delaware Limited Liability Company established to develop and service technology, potentially generating licensing or related revenue. WBI Technologies, LLC, provides certain technology services to WBI.

Don, through an affiliated entity, is the principal owner of Millington through which WBI may execute customer brokerage transactions and be compensated with payment for order flow. (See Items 10 and 12 of WBI's Form ADV Part 2A Brochure for additional information).

Matthew Schreiber

Matthew Schreiber spends the majority of his time focused on his responsibilities at WBI and HG. Matthew also serves as an Interested Trustee on the Board of the Absolute Shares Trust. Matthew is also CEO of WBI Technologies, LLC, a Delaware Limited Liability Company established to develop and service technology, potentially generating licensing or related revenue. WBI Technologies, LLC, provides certain technology services to WBI.

Steven Van Solkema, CFA®

Steven spends the majority of his time focused on his responsibilities at WBI. He also serves as Treasurer and Principal Financial Officer of the Absolute Shares Trust, and Chief Quantitative Officer of WBI Technologies, which provides certain technology services to WBI.

Robert Confessore, CFP®

Robert spends the majority of his time providing financial planning and consulting services through HG in his capacity as President, and also attending to his responsibilities as Vice President of WBI and President of Millington.

Robert currently serves as the President of Millington through which WBI may execute customer brokerage transactions and be compensated with payment for order flow. (See Items 10 and 12 of WBI's Form ADV Part 2A Brochure for additional information).

Item 5- Additional Compensation

Don Schreiber, Jr., CFP®

As majority owner of WBI and HG, Don may share in the profits of the firm in proportion to his ownership interest. As majority owner of WBI Trading, which owns Millington, Don may share in Millington's profits, which will be derived in part from the payment for order flow remuneration which Millington receives for WBI customer orders.

Matthew Schreiber

As a minority owner of WBI and HG, Matthew may share in the profits of the firm in proportion to his ownership interest. As minority owner of WBI Trading, which owns Millington Securities, Matthew may share in Millington's profits, which will be derived in part from the payment for order flow remuneration which Millington receives for WBI customer orders.



Steven Van Solkema, CFA®

As minority owner of WBI, Steven may share in the profits of the firm in proportion to his ownership interest. As a minority owner of WBI Trading, which owns Millington, Steven may share in Millington's profits, which will be derived in part from the payment for order flow remuneration which Millington receives for WBI customer orders.

Robert Confessore, CFP®

As a minority owner of WBI and HG, Robert may share in the profits of the firm in proportion to his ownership interest. As minority owner of WBI Trading, which owns Millington, Robert may share in Millington's profits, which will be derived in part from the payment for order flow remuneration which Millington receives for WBI customer orders.

Item 6 - Supervision

Don Schreiber, Jr., CFP®

Don Schreiber, Jr. is supervised by Steven Van Solkema. Steven can be contacted at: 732-842-4920 or via email at svansolkema@wbiinvestments.com.

Matthew Schreiber

Matt Schreiber is supervised by Don Schreiber, Jr. CEO of WBI and HG. Don can be contacted at: 732-842-4920 or via email at dschreiber@wbiinvestments.com

Steven Van Solkema, CFA®

Steven is supervised by Don Schreiber, Jr., CEO of WBI. Don can be contacted at: 732-842-4920 or via email at dschreiber@wbiinvestments.com.

Robert Confessore, CFP®

Robert is supervised by Don Schreiber, Jr., CEO of WBI. Don can be contacted at: 732-842-4920 or via email at dschreiber@wbiinvestments.com.