

Brokerage or Advisory Account: Which is the best fit for you?

UnionBanc Investment Services® LLC (UBIS) is a member of the Financial Industry Regulation Authority (“FINRA”) and is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and investment adviser. As such, we can offer you both retail brokerage and investment advisory accounts. To help you decide which type of account may best meet your individual financial needs and goals, we’ve outlined some key differences between these two types of accounts.

Retail brokerage accounts

Our role

As a broker-dealer, our primary role is to accept orders and execute trades in your account at your direction. The decision to buy, sell, hold, or exchange any security is solely your decision, and we will not use discretion when placing any trade for you; in other words, we will not place any trades without your input or acknowledgement.

In our brokerage capacity, we must act in your best interest when making an investment recommendation and treat you fairly. In this capacity, if we recommend that you buy, sell, hold, or exchange a security, we must first determine that the recommendation is suitable, in your best interest, and appropriate for you based on your investment objectives, time horizon, tolerance for risk, and other financial considerations, such as tax status. We provide our services when you request them and when we have an opportunity or idea that we want to bring to your attention. It is your responsibility to monitor your account on an ongoing basis and to keep us informed of any changes that could affect your investment profile.

Clients’ role

Clients are responsible for monitoring their accounts on an ongoing basis and keeping us informed of any changes that could affect their investment profiles.

Fees

In a brokerage relationship, clients typically pay a commission for each transaction and/or we will receive compensation from the issuer or sponsor of the product. Additionally, depending on the type of investment selected, clients might also incur other fees and expenses charged by the issuers and product sponsors. The amount of the commission varies and is dependent on the type of investment selected. We do not charge a separate fee for any recommendation that we may provide because they are a part of, and considered to be incidental to, the brokerage services that we provide.

Investment advisory accounts

Our role

As an investment adviser, our primary role is to provide you with investment advice for a fee. This may include the recommendation to use a certain investment strategy or the portfolio management services of a third-party manager.

We have a fiduciary relationship with you and are obligated to act solely in your best interest, and to disclose and avoid incurring material conflicts of interest. It is important to note that we have different but similar fiduciary duties depending on the type of account. Although we are fiduciaries under the Investment Advisers Act of 1940, for certain accounts, such as Individual Retirement Accounts (“IRAs”) or 401(k) plans, we may be a fiduciary under the Employee Retirement Income Security Act (“ERISA”) or the prohibited transactions provisions under the Internal Revenue Code.

We provide investment advice and monitor your portfolio on an ongoing basis. In our role as an investment adviser, we meet with you as frequently as necessary, but at least annually to review your investments and confirm with you that they are still appropriate for your needs and goals, and if appropriate, together we can make any needed changes.

We offer several discretionary investment management services through the Managed Account Solutions Program including the Fund Strategist Portfolio, Unified Managed Account, Choice Unified Managed Account, and Separately Managed Account. These services provide discretionary investment management which means that you are not asked to provide approval for specific trades.

Fees

In an advisory relationship, clients pay an annual fee, billed quarterly in advance of each quarter that covers fees related to various services, such as clearing, custody, trading, technology, and monitoring for your account. The fee is typically based on a percentage of the value of the account.

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Brokerage and investment advisory services are available through UnionBanc Investment Services LLC, a registered broker-dealer, investment adviser, member FINRA/SIPC, and subsidiary of U.S. Bancorp. Non-deposit investment and insurance products:

• NOT FDIC Insured • NO Bank Guarantee • May Lose Value

Which type of account is right for you?

Here are a few questions to help you decide whether a brokerage or advisory account best meets your needs.

If you can answer “yes” to one or more questions below, a **brokerage relationship** may be the right choice for you. However, decisions should be based on all relevant circumstances:

- Do you prefer to make investment decisions yourself and only need a registered broker to execute the trades?
- Do you require only limited or occasional advice and prefer to independently trade and monitor your account?
- Do you plan to buy and hold your securities for a long period of time?
- Do you prefer to pay a commission when trades are placed versus an ongoing fee?
- Are you interested in using margin as a strategy to leverage your portfolio?
- Do you want the ability to trade options as a hedge or income strategy?

If you can answer “yes” to one or more questions below, an **advisory relationship** may be the right choice for you. However, decisions should be based on all relevant circumstances:

- Do you want or need a financial advisor to manage your investment portfolio?
- Do you want to engage a financial advisor in a fiduciary capacity to provide ongoing investment advice?
- Do you anticipate the number and size of your holdings to require active trading?
- Do you prefer to pay a consistent annual fee assessed quarterly rather than paying commissions for each trade?
- Do you require performance reporting?

It is important to note that if you do not have, or anticipate having, active trading within your investment advisory account on an ongoing basis, it may be more cost-effective for you to establish or maintain a retail brokerage account.

In making your decision, keep in mind that your financial needs and goals may change as you move from one stage of life to the next. An effective way to make sure that the type of account you select continues to be the right choice for you is to review your situation with your UBIS Financial Advisor or broker at least annually over the course of your relationship with us.

Disclosure documents for our brokerage and investment advisory services provide valuable information and are available on request. Please ask your Financial Advisor, or call Client Services at 800-634-1100, to receive a copy of our *Form CRS, Guide to Brokerage Services* or our *Form ADV Part 2A Brochures*. We also encourage you to refer to the Securities and Exchange Commission (SEC) bulletin, [Standards of Conduct for Broker-Dealers and Investment Advisers Conflict of Interest](#).

For more information:

We're here to help. If you have questions and would like to talk to a UBIS representative, call 800-634-1100.