



Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure  
Item 1 – Cover Page

## HANCOCK WHITNEY INVESTMENT SERVICES, INC.

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Hancock Whitney Investment Services, Inc. If you have any questions about the contents of this brochure, please contact our Compliance Office at (504-586-7290). You may also reach us at [brokeragecompliance@hancockwhitney.com](mailto:brokeragecompliance@hancockwhitney.com). 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.

We are a Registered Investment Adviser with the United States Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about Hancock Whitney Investment Services, Inc. (HWIS) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "investment adviser firm" and type in our firm name). The results will provide you with both Parts 1 and 2A of our Form ADV.

**THE ACCOUNTS AND INVESTMENTS DESCRIBED IN THIS BROCHURE ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("FDIC"); ARE NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, HANCOCK WHITNEY BANK, HWIS, OR ANY OF ITS AFFILIATES; AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.**

## **Item 2 Summary of Material Changes**

The following are the material changes made since our last annual amendment on March 30, 2020:

- On September 25, 2020, HWIS entered into a settlement with the Securities and Exchange Commission (“SEC”) arising out of HWIS’ mutual fund and money market fund share class selection practices. Additional information about this settlement is included in Item 9 A – Disciplinary Reporting.

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## Item 4 Services, Fees and Compensation

Hancock Whitney Investment Services, Inc. ("HWIS" or "we") is a corporation organized on October 12, 1995, under the laws of the State of Mississippi. HWIS is a wholly-owned subsidiary of Hancock Whitney Corporation, a publicly traded entity, headquartered in Gulfport, Mississippi. HWIS is an affiliate of Hancock Whitney Bank ("Hancock Whitney Bank").

HWIS is registered as an investment adviser with the United States Securities and Exchange Commission ("SEC"). HWIS is also a broker-dealer registered with the SEC and each state in which it conducts business, and is a member of the Financial Industry Regulatory Authority ("FINRA"). As of March 27, 2020 HWIS provided discretionary advisory services to accounts with assets under management of approximately \$556,474,004.

We, through investment adviser representatives (each a "HWIS Representative" or "IAR"), provide investment advisory services to our clients. Below is a description of the investment advisory services we offer, including, but not limited to, our fee schedules, a description of how fees are charged, whether fees are negotiable, when compensation is payable, refund policies and other applicable information. For more detail on any product or service, please call our compliance office or speak with your Representative.

In the event of any discrepancy or conflict between the information contained in this brochure and the advisory agreement, the advisory agreement shall control.

### **A. Hancock Whitney Investment Services Asset Management Wrap Fee Program**

HWIS provides investment advisory services on a discretionary basis to individuals, corporations, and other entities. We provide our investment services to you through a wrap-fee program (the "Wrap-Fee Program"). This is a program that provides clients with advisory and brokerage execution services for one all-inclusive fee (the "Fee"). This means that the cost of HWIS' investment advisory services and the cost of executing brokerage transactions are "wrapped" into a single fee based on the value of the client's portfolio. Based on the information that you provide, we will present an investment strategy to you in an Investment Policy Statement ("IPS") that you must approve. The IPS will set forth your investment objectives, goals, and guidelines for the Client Account.

In the HWIS Wrap-Fee Programs, a client enters into an agreement with HWIS (the "Asset Management Account Agreement") whereby HWIS will continuously manage a client's portfolio based on the risk tolerance of the client. The HWIS Wrap-Fee Program includes the following services:

- identification and analysis of the client's investment objectives;
- a managed account based on client's specific goals and investment objectives;
- continuous management of the client accounts;
- on-going communication with clients through calls, meetings, account statements and performance updates;
- brokerage services through HWIS' affiliated broker-dealer; and
- custody services for client accounts through Fidelity Clearing and Custody.

HWIS has established a product/due diligence committee to perform due diligence and monitoring of existing and new product sponsors and portfolio managers. HWIS has discretion to refine its advisory product offerings and introduce new products as part of its continuous efforts to meet the investment needs of its clients, respond to changing market conditions and take advantage of recent technological or other innovations.

The investment advice varies depending upon clients' individual life situations, objectives and preferences. HWIS shall manage only the securities, cash and other investments held in a client's account designated in the Asset Management Account Agreement /IPS (the "Account"). HWIS shall not consider any other securities, cash or other investments owned by the client.

In providing the contracted services, HWIS does not verify any information received from clients or from clients' professionals (e.g., attorney, accountant, etc.) and HWIS is expressly authorized to rely on the information clients provide. Furthermore, unless clients indicate to the contrary, HWIS shall assume that there are no restrictions on our services, other than to manage client accounts in accordance with client designated investment objectives/risk tolerance. It is your responsibility to promptly notify HWIS if there are ever any changes in your financial situation or investment objectives, for the purpose of reviewing, evaluating, and/or revising our previous recommendations or services.

HWIS makes no guarantee, either oral or written, that your investment objectives will be achieved. HWIS shall not be liable for any error in judgment and/or for any investment losses in a client's account in the absence of malfeasance, negligence or violation of applicable law. HWIS shall not be responsible for any loss incurred by reason of any act or omission of a client, custodian, any broker-dealer, or any other third party.

## **B. Client Selection of a Suitable Portfolio**

During the initial discussions with the prospective client, a suitability questionnaire (which may be in the form of a financial plan or letter of instruction ("LOI") and new account form will be completed to indicate the client's financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon, among other characteristics. The HWIS Representative will also answer any questions the client may have about HWIS, the model portfolios, and how the Program operates. Based on discussions with us and the answers to the questionnaire, we will recommend an appropriate asset allocation model and wrap fee program model for which the investment objectives, risk tolerance, and asset classes are best for the client. We will present this investment strategy to you in an Investment Policy Statement ("IPS"), which sets forth your investment objectives, goals, and guidelines for your Account. The IPS will be attached and incorporated into your Asset Management Agreement with HWIS.

We currently use the following target risk categories/assessments:

- Conservative Income
- Conservative
- Conservative Growth
- Moderate
- Moderate Growth
- Aggressive
- Aggressive Plus

The above target risk categories are available as Foundation, Enhanced, Tax Aware or FSP models.

- **The Foundation Series** models are designed to offer a more traditional asset allocation structure of equity and fixed income securities and are primarily focused on U.S. Markets.
- **The Enhanced Series** models combine the traditional asset allocation structure of equity and fixed income securities but also include alternative investments including liquid alternatives and satellites and contain more exposure to international markets than do the Foundation models.
- **The Tax Aware Series** models are simply versions of either the Enhanced or Foundation Series models that are designed to be tax continuous in selecting the investments and constructing the portfolios in order to manage/mitigate the tax consequences for clients. (Note: Clients should be aware that HWIS does not provide tax advice and clients should seek the advice of a qualified tax professional.)
- **Third Party/Partner FSP Programs** – HWIS offers model portfolios from several outside managers including socially responsible ESG portfolios, low cost ETF portfolios, and equity income portfolios.

### C. HWIS Wrap Fee Programs

We offer four different Wrap Fee programs.

- **HWIS RPM** (Representative as Portfolio Manager) is a professionally managed investment Program in which the HWIS Representative creates a portfolio from a list of HWIS approved mutual funds and ETFs based on an agreed asset allocation model. The asset allocation models are developed by the Trust and Asset Management team of Hancock Whitney Bank.
- **HWIS FSP & HWIS Partner FSP (Fund Strategy Portfolios)** is a professionally managed investment Program that allows the client to choose either a passive indexed based portfolio comprised of ETFs and mutual funds or an actively managed portfolio consisting of mutual funds. HWIS offers both in house FSP programs and outside third party offerings. The in house portfolios are developed, managed and re-balanced by the Trust and Asset Management team of Hancock Whitney Bank. The third party FSP offerings are managed and re-balanced by the program sponsor which may include Blackrock, Vanguard, or Envestnet/PMC.
- **HWIS SMA** (Separately Managed Account) is a professionally managed investment Program that is managed by our affiliate Hancock Whitney asset management team, or by an outside professional asset management firm ("Third-Party Manager"). Investments may include mutual funds, stocks, bonds and exchange-traded funds.
- **HWIS UMA** (Unified Managed Account) is a professionally managed investment Program that can include multiple types of investments in a single account. Investments may include mutual funds, stocks, bonds and exchange-traded funds, and Third-Party or in house SMA managers.

We will work with you to choose the program that best meets your needs based on your investment objectives, risk tolerance, financial situation, and amount of assets to invest.

#### HWIS Wrap Fees and Minimum Account Sizes

Here is a brief comparison of the different Wrap Fee programs:

Program	RPM	FSP	3 <sup>rd</sup> Party FSP	SMA	UMA
<b>Minimum Account Size</b>	\$25,000	\$25,000	\$25,000	\$250,000	\$500,000
<b>Acct Value/Fees</b>					
• \$0-\$99K	1.45%	1.6%	1.71%	1.97%	1.97%
• \$100-\$499K	1.45%	1.58%	1.71%	1.97%	1.97%
• \$500K-\$999K	1.45%	1.56%	1.68%	1.96%	1.96%
• \$1-\$1.999MM	.85%	0.95%	1.06%	1.32%	1.32%
• \$2-\$4.999MM	.85%	0.94%	1.04%	1.30%	1.30%
• \$5-\$9.999MM	.75%	0.83%	.93%	1.18%	1.18%
• >\$10MM	.55%	0.63%	.73%	1.18%	1.18%

The Client fee will be calculated as a percentage of the average daily balance of the previous month of the client's account, according to the schedule shown above. This tiered fee structure will result in a blended rate for the Account.

Fees and account minimums can be individually negotiated, and clients with the same model and account value or size may be charged different amounts. Within its discretion is HWIS' ability to waive any conditions, minimums, or other restrictions contained in this brochure as HWIS deems appropriate with respect to each individual account and client. If you and HWIS agree to a customized fee schedule, the customized fee will be assessed to the entire account, and the tiered fee approached described above will not apply.

## **HWIS RPM Program**

In the HWIS RPM program, our Representative works with you to create a client portfolio by choosing from a list of HWIS approved mutual funds and ETFs based on your risk tolerance and objectives utilizing the asset allocation model that you choose. The asset allocation models for this program were developed by the Trust and Asset Management team of Hancock Whitney Bank, an affiliate of HWIS. The minimum account size of for this program is \$25,000. Rebalancing for this program is done by the HWIS Advisor.

Please note, for the RPM program, the Custodian imposes an annual charge of \$75 when the account balance falls below a certain dollar amount (\$150K). This could result in the client fee percentage being higher than the amounts displayed above when balances are below \$150k.

## **HWIS FSP Program**

The Fund Strategy Portfolio (“FSP”) are model portfolios developed, managed and re-balanced by the Trust and Asset Management team of Hancock Whitney Bank. FSP encompasses four primary platforms:

- **Strategic Index Portfolios**, which are passive indexed based portfolios comprised of ETFs and mutual funds;
- **Active Managed Portfolio (“AMP”)**, which are actively managed portfolios comprised of mutual funds;
- **Active Managed Portfolio Peer (“AMP Peer”)**, which are actively managed portfolios comprised of mutual funds, but exclude any Horizon Funds (See Items 6 and 9 below for additional disclosures related to the Horizon Funds); and
- **Tax Aware Portfolio**, which are actively managed portfolios comprised of ETFs and mutual funds that are designed to be tax efficient in selecting the investments and constructing the portfolios in order to manage/mitigate the tax consequences for clients.

The minimum account size of this program is \$25,000. There are two additional fees charged by the Qualified Custodian and Platform Manager for FSP accounts that fall below certain minimum values. These fees will result in a percentage fee slightly higher than the schedule above. FSP Program Clients with account balances below \$94,000 will be charged a fee of \$75 annually. In addition, client accounts that fall below \$42,000 will be charged an additional custodian fee of \$50.

## **Partner FSP Program**

HWIS offers third party FSP Programs by three program sponsors. These programs are designed to provide alternatives to the Hancock Whitney FSP offerings and to provide offerings in certain asset categories that are not served by the Hancock Whitney offerings. These programs are

**PMC Impact Portfolios** – ESG/Socially Responsible Investing Strategies – PMC Impact Portfolios are designed for investors with environmental, social, and governance priorities. PMC monitors and rebalances the portfolios. The minimum investment for this program is \$50,000.

**Blackrock Multi-Asset Income Managed Portfolio Strategies** – Core solutions designed to generate attractive total return via income and capital appreciation while seeking to manage portfolio volatility. Blackrock monitors and rebalances the portfolios. The minimum investment for this program is \$25,000.

**Vanguard ETF Strategic Model Portfolios** – Diversified index investments using ETFs for potential tax efficiency, transparency and low cost. Vanguard monitors and rebalances the portfolios. The minimum investment for this program is \$25,000.



## **HWIS SMA Program**

The SMA program allows you, in consultation with our Representative, to select from a list of approved outside or Hancock Whitney money managers to manage your account. When a manager is chosen, the manager has discretion to invest all or a portion of the client's portfolio in mutual funds, ETFs or individual securities. Rebalancing for this program is done automatically. HWIS requires a minimum account size of \$100,000, for the SMA program. If the account falls below the minimum account size, the Platform Manager will charge an additional annual fee of \$250 and may impose trade restrictions on the account. In that instance, your fees will be higher than the schedule above.

## **HWIS UMA Program**

The UMA program allows the HWIS Representative to build a client portfolio by choosing from a list of approved managers as well as a list of approved mutual funds and ETFs. When a manager is chosen, the manager has discretion to invest all or a portion of the client's portfolio in mutual funds, ETFs or individual securities. The asset allocation models for this program were developed by the Trust and Asset Management team of Hancock Whitney Bank, an affiliate of HWIS. Rebalancing for this program is done by the HWIS Representative. The minimum account size for this program is \$250,000. If the account falls below the minimum account size, the Platform Manager will charge an additional annual fee of \$250 and may impose trade restrictions on the account. In that instance, your fees will be slightly higher than the schedule above.

## **Legacy Accounts**

Accounts opened before the introduction of the Foundation and Enhanced models are referred to as legacy accounts and contain a traditional portfolio of equity and fixed income securities (mutual funds and ETFs) based on the client's investment objectives/risk tolerance. These accounts have a different fee schedule and have access to some mutual funds that are not available for our newer accounts, but generally follow the above in terms of portfolio management and style. We refer to these accounts as "Legacy Accounts".

## **Partners in Your Account**

HWIS serves as your investment adviser. In addition, HWIS serves as a registered broker-dealer to your account. In that capacity, HWIS provides brokerage services and acts as broker/agent in executing securities transactions at the direction of HWIS the Adviser and receives a portion of your Fee for those services.

Fidelity Clearing and Custody Solutions, LLC serves as custodian for the Client Accounts ("Fidelity" or the "Qualified Custodian") to take possession and maintenance of the cash, securities and other assets in client accounts. You will complete a separate application to open the brokerage account with HWIS. Fidelity receives a portion of your Fee for those services.

To facilitate the Program, HWIS uses Investnet Asset Management, Inc. ("Investnet"), a SEC registered investment adviser, as "Platform Manager". Investnet implements asset allocations in your portfolio and provides tools and reports used by us to review and analyze your account. Investnet is not affiliated with HWIS. A copy of Investnet's Form ADV Part 2A is provided to you at the time of account opening, and upon request and provides more information about Investnet. Investnet also receives a portion of your Fee for those services.

The Trust and Asset Management team of Hancock Whitney Bank (the "Bank"), an affiliate of HWIS, provides asset allocation models, investment due diligence, ongoing management, and periodic re-balancing of accounts to the Program for which it receives a portion of your Fee.

For more information, see Item 9(B) at page 17.

### **D. Disclosure Document, Asset Management Account Agreement, and Application**

To open an account, you will receive the following disclosure documents and forms:

- HWIS’s Brochure (Form ADV Part 2A [wrap fee brochure])
- The HWIS Representative’s ADV Part 2B, which provides disclosures specific to the HWIS Representative assigned to the account
- Asset Management Account Agreement
- Fidelity Clearing and Custody Solutions, LLC (the “Qualified Custodian”) Application
- Envestnet Asset Management, Inc. Brochure (Form ADV Part 2A)
- ADV Part 2A for any third party managers

Upon receipt of all account documents in proper form and receipt by the Qualified Custodian of the client’s funds, HWIS will invest the client’s account in accordance with the model portfolio the client selects, modified, if necessary, to reflect client’s individual needs and circumstances.

HWIS has the discretion to recommend other types of investments where HWIS deems such investments appropriate based on client-stated investment objectives. Accounts are managed on an individualized basis. Further restrictions and guidelines imposed by clients, which must be in writing, may affect the composition and performance of a client’s investment portfolio. Performance of client portfolios may not be identical with other clients of HWIS.

#### **E. Risk of Loss**

Investing in securities is inherently risky. This includes the risk that you could lose the value of your investments. We strive to reduce risk where possible through diversification and asset allocation. This diversification, however, does not reduce all risk. We believe it important that clients appreciate such risk and they communicate their tolerance for risk and loss to us.

Fluctuations in the price of investments are a normal characteristic of securities markets. The HWIS Managed account programs should be considered long-term investments and thus long-term performance, and performance consistency are the major goals. All investments in securities include a risk of loss of money invested (principal) and any unrealized profits (i.e., profits in the account that have not been realized, sometimes called “paper profits”).

HWIS cannot predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that clients’ goals or objectives will be achieved. Further, we cannot promise you that our advisory services will provide a better return than other investment advisers or strategies.

#### **F. Investment Discretion**

HWIS, including the HWIS Representative, the Qualified Custodian, Envestnet and any agreed-upon managers, has authority and discretion under the Asset Management Account Agreement to buy, sell, retain and exchange investments, and exercise such other powers to manage and execute transactions for your account in a manner consistent with the model portfolio selected by the client.

HWIS, including the HWIS Representative, the Custodian, Envestnet, and any agreed-upon sub-managers have full discretion to adjust or change the asset classes which comprise any model portfolio, the percentage that each asset class represents of each model portfolio, and the securities purchased or available for each asset class. HWIS, including the HWIS Representative, also has the discretion to invest the client’s assets in cash or cash equivalents, and may effect temporary “sweep” transactions of all un-invested cash balances in the client’s account to a money market mutual fund, which may be managed by the Qualified Custodian, an affiliate of the custodian, or an affiliate of HWIS.

#### **G. Fees**

In consideration for the investment management services provided under the Wrap-Fee Programs, you pay to HWIS a fee (the “Fee”), which is based upon the average daily balance of the prior month of client’s account. The Fee is payable monthly, in advance, beginning upon deposit of any funds or securities in the account. The first payment is prorated for

the actual number of days the account is open through the period end date on the last business day of the month that the account was funded. It will also include an advanced fee for the following month. Thereafter, the fee is calculated monthly based on the average daily balance of the account as of the close of the last trading day of the previous calendar month using the annualized percentages shown in Item 4 above, and is payable between the 7th and 10<sup>th</sup> business day. The Qualified Custodian pays HWIS's fees upon receipt of HWIS's invoice, without further inquiry and without notifying or obtaining the client's consent. All fees will be shown on the monthly statements provided by the Qualified Custodian to the client. Refer to the advisory agreement for additional information and disclosure regarding advisory fees.

HWIS pays a portion of the fee it receives from clients to the HWIS representative assigned to the account, which could total as much as 42% of the client fee. As such, the representative has an incentive to recommend the wrap fee programs, which may be more costly for the client than paying for advice and brokerage transactions separately. In addition, the representative may receive more for recommending a wrap fee product than a non-wrap fee/brokerage product.

HWIS also pays a portion of the fee it receives from clients to the Trust and Asset Management team of Hancock Whitney Bank, an affiliate of HWIS. These payments are intended to pay for their services as overlay manager and for due diligence services associated with the RPM, FSP, SMA, UMA and the Partner FSP Programs. If the client chooses a third party manager, including the Partner FSP program, a portion of the client's fee will be paid to the third party manager.

Fees are subject to negotiation between the client and HWIS. Clients that have negotiated a different fee arrangement with similar amounts of assets under management will pay differing Fees. Fees vary from client-to-client based upon a number of factors, including, but not limited to: (1) the client type; (2) pre-existing relationship, or number of other accounts; (3) assets under management; and (4) the service requirements associated with the account. As a result, one client may pay a different fee, which could be higher or lower, from another client for the same services. As such, clients with the same dollar amount of assets under management could have different fee schedules with HWIS.

### **Cost to Clients**

The cost of the services which are provided under the HWIS managed account program may or may not exceed the aggregate cost of such services if they were to be purchased separately. There is also a potential conflict in that limiting the amount of trading in an account can increase HWIS' net income from the Fees. Given these factors, the HWIS Representative has an incentive to recommend the wrap fee programs offered in this brochure.

While these services may be cheaper if sold separately, the client would not have the benefit of the ongoing management provided by the program, including the asset allocation services, rebalancing and due diligence services that are part of the program.

### **Custodial, Platform, Mutual Fund Fees**

All fees paid to HWIS are separate and distinct from the internal fees and expenses charged by mutual funds, ETF's and SMA's that are ultimately borne by you (see Item 9 below for special disclosure regarding the Horizon Funds). These fees and expenses are described in each individual fund or ETF's prospectus or summary disclosure document. These fees will include a management fee, other internal expenses, and a possible distribution fee. Clients should also understand that certain mutual funds offered in this Program have the ability to impose short-term trading charges for redemptions made within short periods of time. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by HWIS to fully understand the total amount of fees to be paid by the client and evaluate the advisory services being provided.

HWIS endeavors to invest client funds into the cheapest share class available when constructing portfolios consisting of mutual funds and money market funds, in an effort to avoid the receipt of 12b-1 fees, as well as any related revenue sharing payments and cash sweep fees. Receipt of these fees and revenue sharing payments creates a conflict of interest by incentivizing the purchase of these mutual funds and money market funds when a lower-cost share class of the same fund that does not pay such fees or revenue sharing, or pays lower amounts of those fees and revenue sharing, is available. To mitigate this conflict, it is HWIS's policy that no mutual fund or money market fund shares that pay 12b-1 fees or

generate cash sweep fees or revenue sharing payments will be purchased or held in HWIS managed accounts. Nevertheless, there could be occasions where unintended 12b-1 fees, cash sweep fees or revenue sharing payments are received by HWIS from shares held in HWIS managed accounts. In such circumstances, these fees will be rebated back to the client and deposited into the client's account.

In addition to fees paid to HWIS, the custodian also charges various fees based on account maintenance (custodial) issues including transfers, withdrawals, and termination fees. Some of these fees were previously discussed in the section above describing the RPM and FSP programs. For the RPM program, Envestnet imposes a Platform Fee of \$75 annually when the account balance falls below \$150,000. In the FSP program, Envestnet imposes a platform fee of \$75 annually when the balance falls below \$94,000. Also, Fidelity charges a custodial fee of \$50 annually for accounts that fall below \$50,000. The custodian will also charge an annual fee for maintenance of qualified retirement accounts such as an IRA. The current IRA maintenance fee is \$35 annually. In addition, the fee for closing an account is \$125. These fees will be disclosed in the custodian contracts and related documents. Each custodian can also collect additional revenue from the mutual fund families in which client accounts are invested.

### **Changes to Advisory Fee**

The advisory/client fee for the programs described in this brochure will remain in place until 30 days after HWIS has notified client in writing of any change in the amount of the Advisory/Client Fee. At the end of such 30-day period, the new fee will become effective unless the client terminates the advisory agreement.

### **Possibility of Lower Fees**

Clients should be aware that lower fees for comparable services may be available from other adviser firms. In addition, as previously discussed, lower fees may be available if the client decided to pay separately for advice and trade execution/brokerage services via HWIS, the affiliated broker/dealer, or another firm. In certain circumstances, HWIS can agree to negotiate its fees. HWIS can charge different clients receiving the same services different fees. The above fee schedules in item 4 above are the Firm's basic fee schedules charged to clients absent negotiable circumstances.

## **Item 5 Account Requirements and Types of Clients**

HWIS provides investment advisory services on a discretionary basis to Individuals, including high net worth individuals, corporations or other business entities. Over 90 percent of our business is related to individual clients. Each of the four Wrap Fee Programs have different minimum account sizes and fees. In addition, Fidelity and Envestnet impose additional charges if the accounts in the RMP and FSP fall below certain minimums. For more information, see Item 4(C) starting on page 7.

### **A. Additions and Withdrawals**

You can make additions to the account at any time, subject to HWIS's right to terminate an account that falls below the minimum account size. Additional assets received into the account after it is opened shall affect the balance in the account, which will subsequently affect the fee, as the fee is determined by the average daily balance in the account. Client can withdraw account assets upon notice to HWIS, however cash may not be immediately available due to industry securities settlement procedures. No fee adjustments shall be made for partial withdrawals or for account appreciation or depreciation within a billing period. HWIS will not impose a start-up, or penalty fee in connection with the account. In the event of withdrawal of all or substantially all of the assets from the account or the termination of the account, customary commission, fees and other expenses associated with liquidating or transferring the account will be charged to the client and deducted from the final payment.

### **B. Terminations & Refunds**

An advisory agreement can be canceled at any time, by either party, for any reason, upon written notice to the other party, as provided in the advisory agreement. The client has the right to terminate the advisory agreement without penalty

within five business days after entering into the agreement. For the calendar month in which the advisory agreement is terminated, the advisory fee will be prorated and refunded based on the number of days that the advisory agreement was in effect during such month.

### **C. Brokerage Practices**

HWIS requires that all clients establish their investment accounts with the Qualified Custodian. Orders for the purchase and sale of securities in a client's Discretionary Service Accounts will be executed by HWIS, in its capacity as broker-dealer, as introducing broker-dealer for the Qualified Custodian.

Client authorizes HWIS, including the HWIS Representative, Qualified Custodian, Envestnet, or Third-Party Manager, in its discretion, to bunch or aggregate orders for the client's account with orders of other clients and to allocate the aggregate amount of the investment among accounts in the manner which HWIS shall determine appropriate, permissible and in accordance with applicable law and the rules of any exchange or self-regulatory organization. Most commonly, HWIS/Third-Party Manager will cause aggregated orders to be effected through an "average price account" or similar account such that each account participating in the order shares in the securities purchased or sold, price, and transaction costs pro rata (unless pro rata would be unfair under the circumstances). When portfolio decisions are made on an aggregate basis, HWIS/Third-Party Manager can, in its discretion, place a large order to purchase or sell a particular security for the account and the accounts of several other clients. Because of the prevailing trading activity, it is frequently not possible to receive the same price or execution on the entire volume of securities purchased or sold.

The effect of aggregation can operate, on some occasions, to the client's disadvantage. Aggregated orders allow HWIS/Third-Party Manager to execute equity trades in a timelier, more equitable manner and to reduce overall commission charges to clients because transaction costs are shared on a pro-rated basis among all accounts included in the block.

#### **SMA and UMA Accounts**

For SMA and UMA accounts, the Third-Party Managers have discretion over all or a portion of your account. HWIS executes trades at the direction of the Third-Party Managers. In these cases, HWIS acts solely as a broker-dealer, not as an investment advisor. The use of HWIS as broker-dealer could be considered a conflict of interest. However, the HWIS best execution committee reviews all transactions quarterly to ensure that best execution is achieved. Also, this conflict is further mitigated because HWIS does not benefit financially for executing trades for managed accounts.

#### **Trading Away and Additional Trading Costs**

You will not pay additional trading costs when HWIS executes a trade order in your Wrap Fee Program account as broker-dealer. For this reason, the Third-Party Managers may determine that HWIS' execution capabilities as broker-dealer provide the most favorable option for placing trade orders in your account. However, the Third-Party Managers may choose to execute trades with another broker-dealer if the Third-Party Managers reasonably believe another broker-dealer can obtain a more favorable execution under the circumstances. This practice is frequently referred to as "trading away," and these types of trades are frequently called "step-out" trades. Step-out trades are executed at another broker-dealer and cleared and settled at HWIS via our clearing firm, Fidelity Custody and Clearing.

#### **Trade Rotation**

A Third-Party Manager may manage other wrap fee, institutional and other accounts that are not part of the HWIS Wrap Fee Program. To avoid buying or selling the same security for all client accounts through multiple broker - dealers, the Third-Party Manager may decide to aggregate all such client transactions into a block trade that is executed through one broker-dealer. This practice may enable the Third-Party Manager to obtain more favorable execution, including more favorable pricing, than would otherwise be available if orders were not aggregated. Using block transactions may also assist the Third-Party Manager in potentially avoiding an adverse effect on the price of a security that could result

from simultaneously placing a number of separate successive or competing client orders. This practice generally results in “trading away” from HWIS, as described previously.

Third-party managers may also use a trade rotation process in which one group of clients may have a transaction effected before or after another group of clients. Third-party managers implement their trades with certain clients, custodians or sponsors using a trade rotation process to minimize the impact of their trading on the securities or markets in which they trade. These trade rotation practices may result in a transaction being effected for your account near or at the end of the Third-Party Managers’ rotation, resulting in your account bearing the market price impact, if any, of those trades executed earlier in the rotation. This may result in you receiving a less favorable net price for the trade.

Certain Third-Party Managers have adopted trade rotation policies that allow them to send trades for SMA and UMA accounts after they have implemented trades for client accounts managed by them or after they have otherwise completed trading for those accounts. An SMA or UMA client should understand that an Account pursuing a strategy offered by those Third-Party Managers will have trades executed for the client’s Account at the end of the Third-Party Managers trade rotation on a regular and consistent basis. As a result, trade orders for such an Account will significantly bear the market price impact, if any, of those trades executed earlier in the Third-Party Manager’s rotation and the performance of the Account will differ, perhaps in a materially negative manner, from the performance of client accounts managed by the Third-Party Manager.

In addition, and for the same reasons described above, the performance of an account, as reported by the Third-Party Manager, will differ, perhaps in a materially negative manner, from the actual performance realized by a HWIS Client Accounts pursuing the same strategy. HWIS does not make or control any investment manager’s trade rotation policies, and they do not monitor, evaluate or review any investment manager’s compliance with the manager’s trade rotation policies or whether such trade rotation policies result in inequitable performance of client Accounts. A client selecting a Third-Party Manager is urged to obtain a copy of the Third-Party Manager’s Form ADV Part 2A Brochure and review the description of the Third-Party Manager’s trade rotation policy contained in that document. A copy of a Third-Party Manager’s Brochure can be obtained by contacting your Representative.

#### **ERISA Accounts**

If the account is maintained on behalf of a plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA") or similar government regulation, client should refer to the advisory agreement and account opening documents for additional information and disclosures specific to ERISA accounts.

#### **D. Custody**

Accounts are custodied at our clearing firm, Fidelity Clearing and Custody Solutions, LLC (“Fidelity” or “Qualified Custodian”). Fidelity is a qualified custodian as that term is defined in Rule 206(4)-2(d) (6) of the Investment Advisers Act of 1940. HWIS does not maintain custody of clients’ funds or securities, with the exception of deduction of HWIS’ fees from clients’ accounts that are authorized in the advisory agreement between clients and HWIS. Clients will receive account statements directly from the custodian and should carefully read the statements for accuracy.

The Qualified Custodian will take possession of the cash, securities and other assets in the account. The Custodian will send a statement at least quarterly indicating all amounts disbursed from the account (including the amount of any fees paid to HWIS), all transactions occurring in the account during the period covered by the statement, and a summary of the account positions and portfolio value at the end of the period. The Custodian will send copies of the account statements to HWIS, along with an indication that the statements have been sent to the client. Please note that while HWIS and its representatives will provide you with account information from time to time, these are not official statements. Official account statements are only provided by the custodian.

Clients authorize Fidelity to deduct from client’s account and to pay to HWIS the advisory fee, following the submission of a bill by HWIS to Fidelity showing the management fee. Fidelity then sends to clients a monthly statement showing the amount of the management fee paid to HWIS. Clients are responsible for reviewing all such fee disclosures.

## Item 6 Portfolio Manager Selection and Evaluation

HWIS selects mutual funds, ETFs, and Third-Party Managers based on the due diligence performed by the Trust/Asset Management team of Hancock Whitney Bank and approval by the HWIS Due Diligence Committee. Before we include an investment or manager on our platform, we review several aspects of their business. We study their investment philosophies, history and performance, and maintain up-to-date information on their investment performance results. Third Party Managers provide us with information on their background, performance results and investment practices. We also use third party research, including PMC/Investnet and Morningstar Direct for analysis. In addition, we interview potential managers. The selection process focuses on consistency of performance within the asset class being reviewed.

Depending on the program, the client's portfolio may include shares of the Horizon Funds or Hancock Separately Managed Accounts (SMAs), even in instances where other mutual funds/SMAs performed better or had lower internal expenses. Hancock Whitney Bank, an affiliate of HWIS, owns, sponsors, and manages the Horizon Funds. Although HWIS's recommendations will be guided by its duties as a fiduciary to act in the best interests of its clients, the existence of the economic benefits to Hancock Whitney Bank and its affiliates from investments by clients in the Horizon Funds/SMAs is a conflict of interest for HWIS and should be considered by the client before investing in the account. HWIS addresses this conflict of interest by ensuring that the Horizon Funds are vetted via the HWIS Due Diligence Committee in the same manner as all other managers.

HWIS Representatives and firm management monitor accounts to gauge the appropriateness of the securities held in relation to client needs and objectives. Additionally, HWIS recommends periodic meetings with clients to review client accounts, objectives and needs.

At least annually, the HWIS Representative will attempt to meet with the client directly or by phone to determine if there have been any changes in the client's personal or financial situation, risk tolerance, or investment objectives. If the client is unable to meet with the HWIS Representative, the HWIS Representative has discretion to re-balance the client's portfolio to ensure the client's investments are consistent with the model portfolio and client investment objectives.

### A. Portfolio Manager Performance

HWIS monitors the performance of portfolio managers, including those managers that are employees/affiliates and outside managers. If necessary, portfolio managers, SMA Managers, mutual funds, or ETFs will be removed or added based on a review of the manager/product from a performance standpoint relative to the asset class in question.

### B. Account Performance

The Custodian provides clients with the following written reports:

- A monthly report showing units, cost, market value, projected annual income and current yield, as well as transactions which occurred in that month including additions, withdrawals, income and management fees deducted;
- A quarterly performance report with year-to-date performance and summary of additions, withdrawals, income and management fees deducted.

In order to ensure that client assets are accurately valued for purposes of calculating fees, securities listed on any national securities exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which they are traded. Any other securities or investments shall be valued in a manner determined in good faith to reflect fair market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets.

Performance information is not reviewed by a third party. Performance information provided to clients is based on internal calculations by the Custodian. HWIS reviews the performance calculations but does not certify the accuracy of this information.

### **C. Rebalancing of Account**

Rebalancing involves the periodic purchase or sale of account assets to reflect the model portfolio selected by the client. Rebalancing may or may not involve consultation with the client. Unless otherwise provided in the advisory agreement or in subsequent instructions from the client, upon rebalancing, the account will reflect the allocation of the model portfolio selected. However, since rebalancing may involve the sale of an existing securities position, there may be tax implications for which the client should consult a tax professional. Rebalancing may be done by the HWIS Representative assigned to the account, or automatically, depending on the program chosen. HWIS reserves the right not to rebalance your portfolio if we believe that doing so may not be appropriate for any reason. As such, you should reach out to your advisor to ensure proper rebalancing based on your circumstances

### **D. Changes in the Client's Circumstances**

Advisory recommendations are based on the client's financial situation at the time the services are provided and are based on financial information disclosed by the client. In the event of any change in the client's personal or financial situation, risk tolerance, or investment objectives, the model portfolio chosen by the client may no longer be appropriate. Clients are advised that if any such change occurs the client should contact the HWIS Representative or HWIS promptly, in order to make the changes to the account information that reflect the changes.

### **E. Performance-Based Fees and Side-By-Side Management**

HWIS does not charge performance-based fees, i.e., advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account.

### **F. Methods of Analysis, Investment Strategies, and Risk of Loss**

HWIS' investment strategy is based on clients' individual goals, financial situation and risk tolerance. HWIS provides asset management services on an ongoing basis based on the Client's individual needs as reported by the Client. Depending on the particular portfolio and strategy, HWIS will use fundamental analysis to select the investments and to determine which investments will be eligible for the Program. Investments are selected on the basis of any or all of the following criteria: performance history, the industry section in which the fund or security invests; the track record of the manager; the fund's or account's investment objectives; the fund's or account's management style and philosophy; and the fund's or account's management fee structure. HWIS utilizes commercially available software and databases to obtain additional information on securities that it recommends to clients.

Varied fluctuations in the price of investments are a normal characteristic of securities markets due to a variety of influences. Managed account programs should be considered a long-term investment and thus long-term performance and performance consistency are the major goals. All investments in securities include a risk of loss of money invested (principal) and any unrealized profits (i.e., profits in the account that have not been realized, sometimes called "paper profits"). In addition, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets HWIS manages that can be out of our control. HWIS cannot guarantee any level of performance or that clients will not experience a loss of account assets.

HWIS does not represent, warrant or imply that the services or methods of analysis used by HWIS can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that clients' goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by HWIS will provide a better return than other investment strategies.



## **G. Voting Client Securities**

As a matter of Firm policy and practice, HWIS does not accept the authority to, and does not, vote proxies on behalf of advisory clients, nor does HWIS take responsibility in any way to ensure client's securities are voted. Clients retain the responsibility for voting their own proxies.

### **Item 7 Client Information Provided to Portfolio Managers**

We will provide client information to Envestnet and Third-Party Managers who are authorized to execute transactions to the extent necessary for Envestnet or the Third-Party Managers to manage the Account (or any portion thereof). HWIS does not provide client information to Third Party Managers who are not authorized to execute transactions for the Account.

### **Item 8 Client Contact with Portfolio Managers**

You may contact your HWIS Representative during normal business hours with questions regarding your account, including questions regarding a Third-Party Manager. You cannot directly contact Envestnet or Third-Party Managers. If you have a complex or non-routine question, we will communicate with Envestnet or the Third-Party Manager on your behalf.

### **Item 9 Additional Information**

#### **A. Disciplinary Reporting**

HWIS is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisor business, or the integrity of our management.

On September 25, 2020, HWIS entered into a settlement with the SEC arising out of the Firm's mutual fund share class selection practices. Pursuant to this settlement, the SEC entered an order (the "Order") instituting administrative and cease-and-desist proceedings against HWIS, and HWIS consented to the entry of the Order without admitting or denying the findings therein. As described in the Order, from January 2014 through May 2017, HWIS did not adequately disclose a conflict of interest created by its share class selection practices, and failed to adopt and implement written policies and procedures reasonably designed to prevent these deficiencies. Specifically, the Order states that HWIS breached its duties to its clients through its receipt of three types of fees from its advisory clients' investments at various times from January 2014 through May 2017 the ("Relevant Period"): (1) fees received pursuant to Rule 12b-1 under the Investment Company Act of 1940 ("12b-1 fees") as a result of its advisory clients' investments in share classes of mutual funds that paid such fees, when lower-cost share classes of the same funds were available to clients that charged no or lower 12b-1 fees; (2) fees received from its clearing broker as a result of advisory clients' investments in share classes of mutual funds that were eligible for revenue sharing payments by the clearing broker when lower-cost shares of the same mutual funds that were available to the clients for which the clearing broker would have paid no or lower revenue sharing to HWIS; and (3) fees received from its clearing broker as a result of sweeping its advisory clients' cash into share classes of money market mutual funds managed by an affiliate of the clearing broker when different share classes of the same fund would not pay revenue sharing or pay a different amount of revenue sharing to HWIS. The Order provides that HWIS did not adequately disclose receipt of these three types of fees or the resulting conflict of interest in its Form ADV or otherwise. In addition, the Order found that, during the Relevant Period, because HWIS caused certain advisory clients to invest in more expensive share classes of mutual funds or money market funds that paid 12b-1 fees or resulted in revenue sharing payments from the clearing broker when share classes of the same funds were available to the clients that presented a more favorable value under the particular circumstances in place at the time of the transactions, HWIS breached its duty to seek best execution for those transactions. Finally, during the Relevant Period, HWIS also failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices. As described in the Order, however, beginning in January 2017, HWIS initiated the process of converting its clients' mutual fund share classes from share classes that charged 12b-1 fees or paid revenue sharing to share classes that did not, and in June 2017, HWIS caused its clients to begin to receive credits on 12b-1 fees and revenue sharing back to their accounts for the period from June 2017

forward. As a result of the foregoing, the Order found that HWIS violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. Under the terms of the Order, HWIS was censured and ordered 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. In addition, the Order requires HWIS to pay disgorgement and prejudgment interest to affected investors totaling \$1,937,792.08, a civil money penalty of \$400,000, and to fulfill certain related undertakings.

On January 16, 2018, HWIS, as a broker/dealer, completed a settlement with the Financial Industry Regulatory Authority (FINRA) related to our email retention system. Beginning in late 2015, HWIS determined that its email retention system did not meet the standards for electronic records under federal securities laws, given the emails were not maintained in a “write once, read many” format. HWIS self-reported this issue to FINRA in early 2016. Despite the fact that no email records were lost or altered, HWIS agreed to settle the matter and consented to a censure and a fine in the amount of \$100,000.

## **B. Other Financial Industry Activities and Affiliations**

### **Other Affiliations**

HWIS serves as your investment adviser. In addition, HWIS serves as a registered broker-dealer to your Account, and that capacity, provides brokerage services and acts as broker/agent in executing securities transactions at the direction of HWIS the Adviser.

In addition, Hancock Whitney Bank, an affiliate of HWIS, is a registered investment adviser and the Trust and Asset Management team of Hancock Whitney Bank provides consulting services in connection with the management of client portfolios. Hancock Whitney Bank is also the adviser to the Horizon Mutual Funds. HWIS and Hancock Whitney Bank are both subsidiaries of Hancock Whitney Corporation.

Although HWIS’ recommendations will be guided by its duties as a fiduciary to act in the best interests of its clients, the existence of the economic benefits to Hancock Whitney Bank and its affiliates from investments by clients in the RPM, FSP, SMA and UMA Programs should be considered by the client before investing. While the added benefit to HWIS and its affiliates created by this structure poses a conflict for HWIS, the benefit of having these services in-house creates added benefit and synergies for HWIS.

You should be aware that HWIS, its affiliates and its financial advisors perform services for you and other clients outside Wrap Fee Programs, including execution of brokerage transactions (e.g., the purchase or sale of securities or insurance products), research, the retail distribution of securities (e.g., mutual funds), the participation in principal transactions and certain underwritings and other investment advisory services. HWIS and its affiliates may receive compensation, including fees and commissions, associated with these services. HWIS has a financial interest in our clients’ transactions and the recommendations we make to clients to buy or sell securities or investment products.

### **Hancock Whitney Trust/Asset Management Team**

HWIS pays a portion of the fees it receives from clients to the Trust and Asset Management team of Hancock Whitney Bank, an affiliate of HWIS. These payments are intended to pay for their services as overlay manager and for due diligence services associated with the RPM, FSP, SMA, UMA and the Partner FSP Programs. The asset allocation models used for the HWIS RPM, HWIS FSP, HWIS SMA and HWIS UMA Programs were created, managed and periodically re-balanced by the Hancock Whitney Bank Trust and Asset Management team. Clients should be aware that the use of the Hancock Whitney Trust/Asset Management Team as overlay manager is a potential conflict of interest. While HWIS’ actions will be guided by its duties as a fiduciary to act in the best interest of the client, the use of an affiliated overlay manager creates an economic benefit for our affiliate company, which must be considered by the client before investing.

### **Horizon Funds & Hancock Whitney SMAs**

In some portfolios we use and recommend Horizon Mutual Funds and Hancock Whitney SMAs. Hancock Whitney Bank

sponsors and manages the Horizon Funds. In some instances, Hancock Whitney Bank employs sub-advisers. In some instances, these sub-advisers which may include Hancock Whitney SMAs, also serve as Third-Party Managers.

Depending on the model and program chosen by the client, all or substantially all of the client's account will be invested in the Horizon Funds, and will be a part of the client's portfolio even in instances where other mutual funds outperformed the Horizon Funds, or where other similar funds had lower internal expenses. An investment in the Horizon Funds will create an extra economic benefit to HWIS and its affiliates including Hancock Whitney Bank. Although HWIS's recommendations will be guided by its duties as a fiduciary to act in the best interests of its clients, the additional economic benefits to Hancock Whitney Bank and its affiliates from investments by clients in the Horizon Funds should be considered by the client before investing in the account. HWIS mitigates this conflict by ensuring that Horizon Funds are vetted in the same manner as all other products and must be approved by the HWIS Due Diligence Committee.

### **Fidelity**

Fidelity is the Qualified Custodian for our client accounts. Fidelity provides HWIS with access to its institutional trading and operations services, which are typically not available to retail investors. Qualified Custodian also makes available to HWIS other products and services that benefit HWIS but do not benefit HWIS's clients' accounts. Some of these other products and services assist HWIS in managing and administering clients' accounts, including software and other technology that provide access to client account data (such as trade confirmations and account statements) facilitate trade execution (and allocation of aggregated payment of HWIS's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting).

Many of these services generally are used to service all or a substantial number of HWIS's accounts, including non-Program accounts, if any. The Qualified Custodian also provides HWIS with other services intended to help HWIS manage and further develop its business enterprise. These services can include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing.

The availability to HWIS of the forgoing products and services is not contingent upon HWIS committing to Qualified Custodian any specific amount of business (assets in custody or trading); however, clients should be aware of the conflict of interest.

### **Marketing Support Payments**

A potential conflict of interest exists where HWIS has an existing business relationship with the mutual fund families or sub-advisers that are available. HWIS receives revenue sharing from certain vendors that participate in the HWIS managed account program, either as investment providers, or as program providers/vendors, including unaffiliated mutual fund families. The support received from these firms is used to support certain sales and educational meetings put on by HWIS. The money received from these firms/vendors helps with the costs of these meetings, but also provides a forum for these firms to present new products or services to HWIS. We receive revenue sharing and/or marketing support payments from:

- Investnet
- Federated Investors Inc.
- Fidelity Clearing and Custody Solutions (Fidelity)
- BlackRock, Inc.
- Vanguard

HWIS's receipt of revenue sharing creates a potential conflict of interest in the form of additional financial incentives. While HWIS' recommendations will be guided by its duties as a fiduciary to act in the best interest of the client, these revenue sharing arrangements create an economic benefit for HWIS and a conflict of interest, which must be considered by the client before investing. We address this conflict of interest by ensuring that all investment products are vetted via the HWIS due diligence committee and the determination to utilize an investment product is not dependent on the existence or nonexistence of any revenue sharing arrangements.

The money received from these firms/vendors should be considered by clients before investing in the HWIS managed account program. Despite the economic benefit provided by the firm's participating in this program, HWIS reviews the performance of these firm's/vendors independent of any support received. In addition, the decision to add a product provider or vendor to the HWIS program is not dependent on the firm's willingness to participate in this program.

### **C. Code of Ethics, Participation in Client Transactions and Personal Trading**

HWIS has adopted a Code of Ethics expressing the Firm's commitment to ethical conduct. A copy of HWIS's Code of Ethics is available to you upon request. HWIS's Code of Ethics describes HWIS's fiduciary duties and responsibilities to clients, and sets forth HWIS's practice of supervising the personal securities transactions of supervised persons with access to client information.

HWIS and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- Duty to provide advice in the best interest of client;
- Duty to seek best execution;
- Duty to provide advice and monitoring over course of relationship;
- Duty to not place the adviser's interest ahead of its client's interests; and
- Duty to eliminate or make full and fair disclosure of all conflicts of interest

The duty of best interest requires that the adviser (i) make a reasonable inquiry into the client's objectives and (ii) have a reasonable belief that the advice given is in the best interest of the client (which includes a reasonable investigation into the investments recommended). The duty of best execution requires that an adviser seek to obtain the "execution of transactions for each of its clients such that the client's total cost or proceeds in each transaction are the most favorable under the circumstances." We utilize HWIS as broker-dealer to execute transactions where we provide the account management because it is integral to providing our Wrap Fee Program and we believe that it offers good value to our clients. Third Party Managers have their own duty of best execution and may or may not use HWIS to execute transactions.

HWIS (or its principals, officers, affiliates and employees) can act as investment adviser for others, can manage funds or capital for others, can have, make and maintain investments in its or their own names, and can serve as an officer, director, consultant, partner or stockholder of one or more investment partnership, securities firms or advisory firms. In doing so, HWIS may give advice, take action, and refrain from taking action, any of which can differ from advice given, actions taken or not, or the timing of any action, for any particular client.

HWIS requires that all individuals must act in accordance with all applicable Federal and State regulations governing investment advisory activities. Individuals associated with HWIS can buy or sell securities for their personal accounts identical to or different than those recommended to clients. However, it is the expressed policy of HWIS that no person employed by HWIS shall prefer his or her own interest to that of any advisory client or to make personal investment decisions based on the investment decision of advisory clients. Any individual who fails to abide by the Firm's Code of Ethics is subject to potential discipline.

To supervise compliance with its Code of Ethics, HWIS receives and reviews monthly account statements on each securities account maintained by HWIS representatives, including outside accounts. HWIS also requires pre-approval on any outside securities account.

### **D. Review of Accounts**

All accounts are monitored by HWIS Principals, and all portfolios are monitored for compliance with the established parameters. Accounts are reconciled by HWIS's Principals and administrative personnel to ensure that the accounts are correctly allocated according to client's selected portfolio. In addition, the HWIS Representatives also review the accounts regularly.

Fidelity will provide a client with quarterly performance reports. Clients are encouraged to review reports prepared by the custodian and should immediately inform HWIS or your Representative of any discrepancy noted.

At least annually, HWIS will notify the client in writing to contact HWIS if there have been changes in the client's personal or financial situation, risk tolerance, or investment objectives. At least annually, HWIS requires HWIS Representatives to contact the client to determine if there have been any changes in the client's personal or financial situation, risk tolerance, or investment objectives, and if client wishes to impose or modify any reasonable account restrictions.

#### **E. Client Referrals and Other Compensation**

HWIS does not have any arrangement under which we, or a related person, directly or indirectly receive compensation from another for client referrals. However, Hancock Whitney Bank will pay its employees a nominal fee (up to \$25) for each prospective client referred to HWIS in its capacity as a broker-dealer (and not as an investment adviser). Such fee is paid by Hancock Whitney Bank and is not reimbursed or otherwise paid by HWIS. The advisory fee paid by a client who participates in the Program and is referred by a Bank employee will be no different than the fee the client would have been charged if the client had not been referred by a Bank employee. Although such arrangements are not subject to the requirements of SEC Rule 206(4)-3, clients should be aware that Hancock Whitney Bank employees are compensated for such referrals.

#### **F. Privacy Policies**

HWIS does not disclose any non-public, personal information (such as name, address or tax identification number) about its clients or former clients to anyone except as permitted by the Hancock Whitney Corporation Privacy Policy, applicable law or required by regulation. HWIS maintains physical safeguards to protect such unauthorized disclosure and will notify clients of its policies and practices in this regard on an annual basis or at any time at which there is a material change in its policies which would require their consent. HWIS does not sell customer lists. To conduct regular business, HWIS may collect non-public personal information from sources such as information provided by the client to HWIS or to any of its affiliates.

#### **G. Financial Information**

Since HWIS does not have custody of client funds or securities, should HWIS encounter a financial condition that would impair HWIS' ability to meet its commitments under contracts with clients, such financial condition will not have a negative impact on client accounts.

### **Item 10 Requirements for State-Registered Advisers**

Not applicable.