



Form ADV Part 2A

Brochure Cover Page

**Franklin Street Advisors, Inc.
801-39635**

1450 Raleigh Road
Suite 300
Chapel Hill, NC 27517

Phone: (919) 489-2600
Email: compliance@franklin-street.com
Web: www.franklin-street.com

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This brochure provides information about the qualifications and business practices of Franklin Street Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at the address and phone number listed above.

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.

Franklin Street Advisors, Inc. is a registered investment adviser. Registration does not imply any level of skill or training. Additional information about Franklin Street Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 Summary of Material Changes: This section describes important updates to this document made since the updating amendment filed with the SEC in March 2023. The information below represents what Franklin Street Advisors, Inc. (“FSA”), views as the material changes to our disclosures.

Item 10 Other Financial Industry Activities and Affiliations: MainStreet Advisers (MSA) & H2C Securities (H2C) were removed because they are no longer affiliated with Fifth Third Bank.

Item 17 Voting Client Securities: For accounts invested in the Firm’s Sustainable, Responsible Equity strategy, FSA follows the recommendations of MSCI ESG.

A complete copy of this Brochure is available at any time by contacting compliance@franklin-street.com.

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Franklin Street Advisors, Inc. (SEC No. 801-39635)

Item 4 Advisory Business

Franklin Street Advisors, Inc. (FSA or the Firm) was formed in 1991 to provide independent strategic investment advice. Effective November 1, 2018, FSA was acquired by Fifth Third Acquisition Holdings, LLC, ultimately a wholly owned subsidiary of Fifth Third Bank, National Association, and Fifth Third Bancorp.

Fiduciary Duty

FSA is offering its services to you in its capacity as a registered investment adviser under the Investment Advisers Act of 1940 (Advisers Act). Under the Advisers Act, FSA has a fiduciary responsibility to you, our client. Consequently, we are required to act in your best interests and strive to provide you with the material information about FSA's advisory services, investment practices, conflicts of interest and fees a client should understand before selecting FSA as their investment adviser. This Brochure is an important part of that disclosure obligation, and we encourage you to read it carefully.

Because FSA provides investment advisory services to pension and other employee retirement benefit plans and individual retirement account (IRA) holders, we are subject to the requirements of the Employment Retirement Income Security Act of 1974 (ERISA). Therefore, we reasonably expect to provide services in our capacity as a "fiduciary" under Section 3(21) of ERISA and/or under Section 4975 of Internal Revenue Code (Code) of 1986, and as an "investment manager" under section 3(38) of ERISA with respect to certain retirement accounts as defined by ERISA and the Code.

Advisory Services

FSA specializes in delivering high touch investment management services to high-net-worth individuals and institutional investors with unique needs. We combine strong asset allocation skills and experience managing a wide network of clients to construct and deliver customized investment solutions formulated to address clients' unique goals and constraints.

FSA employs an open architecture platform to execute asset allocation solutions and provide clients access to a wide range of investment opportunities including global equity, opportunistic fixed income, commodities, real assets and alternative asset classes. FSA also provides managed separate accounts with in-house equity management and taxable and tax-exempt fixed income management. By combining our in-house resources with open architecture solutions, we seek to optimize our portfolio management services for our clients.

Account Establishment and Review

Prior to becoming a client, you will meet with a Financial Adviser to review your financial goals, risk tolerance and circumstances to determine whether FSA's advisory program can meet your investment needs. To obtain our investment management services, you will be required to enter into a formal written investment management agreement (Agreement) with FSA that establishes our investment advisory relationship with you as a client and describes the scope of our responsibilities to your account(s) as well as the fees for those services. The Agreement will also

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describe the process and circumstances under which this relationship may be terminated, ending FSA's fiduciary obligations to you as your investment advisor. This Agreement is only valid upon acceptance by FSA.

Initially, your Financial Adviser will gather from you important financial and personal information that they will use in determining their best advice regarding how to manage your account(s) according to your wealth management needs. On an ongoing basis, your Financial Adviser will be available to answer questions regarding the investment management of your account. In addition, on at least an annual basis, you will have the opportunity to meet with your Financial Adviser to review your accounts and financial goals. In the interim, it is important to promptly notify FSA if there is any change in your financial circumstances, investment objectives, or you wish to modify any restrictions on your account(s). This will allow FSA the opportunity to evaluate and revise, if necessary, our previous recommendations to ensure they are in line with your financial goals as they evolve. In performing its services, FSA shall not be required to verify any information received from you or from your other designated professional advisers and is expressly authorized to rely on the information provided.

Periodically, FSA will send you communications about your account. It is important that you read and review any such communications from our Firm, which could include notices, performance reports, trade confirmations and account statements, to ensure you are informed of any important changes to your account or our business. We also encourage you to compare any account statements you receive from FSA with those you receive from your custodian. You are encouraged to reach out to your Financial Adviser with any questions regarding the communications you receive from FSA.

Investment Restrictions

The client may impose reasonable security restrictions on FSA's investment management services. Instructions requesting security restrictions must be delivered to FSA in writing and be signed by the client. However, FSA does reserve the right to decline investment restrictions that we deem unreasonable. Examples of unreasonable restrictions could be restrictions imposed on individual holdings within an Exchange Traded Fund (ETF) or mutual fund. It is also important to understand that restrictions can cause your account performance to vary from other accounts invested in a similar strategy that do not have such investment restrictions.

AUM

FSA is the investment adviser for Franklin Street Trust Company (FST), an affiliated North Carolina chartered trust company, also acquired on November 1, 2018, by Fifth Third Acquisition Holdings, LLC. The combined assets of FSA and FST under management were approximately \$3,465,042,044 billion as of December 31, 2023.

Item 5 Fees and Compensation

The specific annual investment management fee (the Annual Fee) a client will incur for accessing FSA's investment management services is listed as an exhibit to each client's Agreement. FSA charges an Annual Fee based on a fixed percentage of assets under management in a tiered fee

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structure. Tiered means the fee is calculated by applying different rates to different portions of the total assets. When the account assets reach a new threshold, only those assets above the threshold are charged the lower percentage. The Annual Fee is assessed quarterly in arrears, based on the market value of account assets as of the last business day of the previous calendar quarter, prorated for asset flows. For accounts that begin at any time other than the beginning of a calendar quarter, the first management fee shall be prorated based on the number of days in the quarter. If an account terminates during a calendar quarter, a pro rata fee will be assessed based on the number of days in the quarter the account was under management.

Where applicable, account asset values will be determined based on the trade date and the security valuations provided by the custodians or fund managers. The account asset value(s) used to calculate the Annual Fee can differ from that shown on the client's account statement(s) due to settlement date accounting, treatment of accrued income, distributions and/or necessary adjustments.

FSA usually deducts fees from clients' assets, but a client can elect to receive a bill for fees incurred.

FSA Current Fee Schedules:

Fee Schedule--Accounts Holding Equity, Cash and/or Mixed* Accounts

Assets \$5 million or less 1.00% annual fee

Assets over \$5 million 0.75% annual fee

Minimum Annual Fee \$7,500

*Includes accounts holding assets other than only fixed income securities and/or cash.

Accounts below \$750,000 that are charged the minimum fee would, therefore, experience a fee as a percentage of their assets that is greater than the published fee schedule.

Fee Schedule--Accounts Holding Fixed Income and Cash Assets Only

All assets \$5 million or less 0.50% annual fee

All assets over \$5 million 0.375% annual fee

Minimum Annual Fee \$7,500

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Accounts below \$1,500,000 that are charged the minimum fee would, therefore, experience a fee as a percentage of their assets that is greater than the published fee schedule.

Fees are negotiable based on factors such as the size of the account and related accounts and the relative expense of servicing the account. FSA, in its sole discretion, may waive the minimum account size and/or minimum annual fee. Current clients' fees will vary, higher or lower, from the fee schedules shown above depending on the fee schedule in effect and/or negotiated at the time of account opening. FSA charges a fixed fee for certain advisory services or security recommendations. Clients or FSA can terminate the relationship at any time, subject to written notification.

For a select number of clients, FSA is hired to provide due diligence on client-directed investments. For a consulting relationship, FSA will be paid a flat fee or other negotiated fee. FSA also manages assets on a discretionary basis for the same clients that pay a fee for consulting services.

Additional Fees

In addition to the investment management fees described in the previous section, clients will typically bear additional costs associated with their account's portfolio of investments. These charges can include custodial charges, transaction costs, transfer agency fees, and any tax consequences of such investments.

One example of such charges a client will incur is the portion of the fees and expenses charged by the mutual funds and/or ETFs (collectively, Funds) that are allocated to your account. These fees and expenses will generally include the Fund's investment management fee, shareholder servicing fees, administrative fees and distribution fees (typically called 12b-1 fees based on Rule 12b-1 of the Investment Company Act). A description of the Fund's total fees and expenses (a Fund's "expense ratio") is included in the relevant prospectus for each Fund. A single mutual fund may offer more than one share class to investors. While each share class represents a similar ownership interest in the mutual fund's portfolio, the fees you will pay vary depending on the class that is chosen. We seek to invest client assets in the lowest cost mutual fund share class available. However, the availability of share classes may be limited based on the investment program sponsor or the custodian of the account, as certain custodians may only make certain share classes available. Therefore, you should not assume that you will be invested in the share class with the lowest expense ratio the mutual fund offers.

A client could invest in a mutual fund directly, without our services, at a lower cost. In that case, the client would not receive the services provided by our Firm, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. The client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and evaluate the additional cost of professional investment advisory services.

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

FSA does not currently charge performance-based management fees for any of its advisory services.

Item 7 Types of Clients

FSA provides investment management services for: individuals, including high net worth individuals, pooled investment vehicles, corporations, pension plans, non-profit entities, insurance companies, governmental entities, trusts and endowments. FSA also provides investment advisory services for select model-based separately managed account programs of affiliated and unaffiliated financial advisors. In these programs, we typically provide a model portfolio to the program manager, who is then responsible for executing transactions and coordinating account guidelines and restrictions with the underlying separate account client. In exchange for these services, we receive a fee from the affiliated or unaffiliated financial advisor.

Minimum relationship size is \$1 million.

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

The Investment Policy Committee meets at least quarterly to assess the current global investment environment and to formulate asset allocation strategies for equities, fixed income investments and alternative investments.

FSA employs a dedicated team of analysts and portfolio managers that is responsible for sourcing and managing the Firm's investment products. The investment team's members collectively offer extensive experience and knowledge. The Firm employs a disciplined manager-research process, aimed at ensuring that its portfolio construction strictly follows each strategy's objectives.

We have three recommended Strategic Asset Allocation models available for clients: Growth, Moderate and Conservative. Each model has strategic and tactical allocations among Global Equities (Domestic Large Cap, Domestic Small/Mid Cap, Non-US Developed and Non-US Emerging), Global Fixed Income (US Treasuries/Agencies, Agency and Non-Agency Mortgage-Back Securities, Investment Grade, High Yield, Global Sovereigns, Non-US Developed, Non-US Emerging and Preferred Securities), Real Return Assets (Natural Resources/Commodities, Inflation Protected Securities and Real Estate) and Diversifying Assets.

In addition to our Strategic Asset Allocation models, FSA also constructs portfolios for clients with specific investment mandates. Examples of specific investment portfolios are: Equity Income, taxable and tax-exempt core, and unconstrained fixed income portfolios.

The strategies presented above pose risks, and many factors affect individual account performance. Strategies that pursue investments in equities will be subject to stock market volatility, and strategies that pursue fixed income investments will see values fluctuate in response to changes in interest rates. All strategies are ultimately affected by impacts to the individual issuers, such as changes in issuer's credit quality, or changes in tax, regulatory, market or economic developments.

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Risk of Loss

It is important for you, as the client or prospective client, to understand that past performance is not predictive of future results. Investing in securities always involves the risk of loss. Financial markets fluctuate, and at times substantially. Although we do our best to manage and mitigate the risks, there are certain risks that we cannot control, and we cannot guarantee any level of performance or outperformance. In addition, certain strategies involve more risk of loss than others, and it is important for you to speak with your Financial Adviser about your personal risk tolerance and financial goals. Therefore, clients and prospective clients should be prepared to bear investment loss, including loss of the principal investment.

Principal Investment Risks

The risk involved for different client accounts will vary based upon each client's investment strategy and the types of investments or securities allocated to their account(s). The following is a summary of the principal risks involved in strategies recommended by FSA but is not intended to be a complete list or explanation of all the risks involved in a FSA investment strategy or security selected for allocation. Therefore, your investment may be subject to additional and different risk factors not discussed below:

- **Alternative Investments Risk** – Alternative investments do not correlate with market returns. As a result, they can be speculative and volatile. These are not liquid investments. Liquidity challenges arise from the material restrictions frequently placed on transfer and from a lack of a secondary market for the investments. In addition, it can be difficult to get transparency into the investment's valuation process. Given these risks, alternative investments are intended only for experienced and sophisticated investors who are willing to bear the high economic risks of the investment.
- **Back-Tested and/or Model Performance Risk** – To the extent that a strategy was presented using back-tested and/or model performance results, it is important to understand there are significant and fundamental limitations with these investment projections. Such results do not represent actual trading, and, in our efforts to account for this fact, we could over or underestimate market fluctuation and its associated impact. Projections are also calculated with the benefit of hindsight. As a result, it is likely that a client's actual results will differ materially from (higher or lower) than the back-tested and/or model projections.
- **Business Risk** - The risks associated with a particular industry or a particular company within an industry. For example, oil-drilling and refining companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Credit Risk** - At times, the debt issuers of fixed income securities default on their repayment obligations. In addition, the credit quality of a fixed income security can be downgraded by a ratings agency, which would limit the fixed income security's liquidity and decrease its market value.
- **Cybersecurity Risk** - A portfolio is susceptible to operational and information security risks due to the increased use of the internet. Cyberattacks include, but are not limited to,

infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption.

- **ESG Investing Risk** – The goal of an Environmental, Social, and Governance (ESG) strategy is to achieve positive performance while screening for exposure to ESG-focused investments, outcomes or themes. As a result, ESG strategies may reduce or increase the weight of a portfolio’s allocation to certain industries or investments while forgoing others. Therefore, an ESG strategy’s performance results can vary in relation to similar strategies that do not have the ESG-related investment mandate.
- **ETF and Open-end Mutual Fund Risk** – As a general matter, the risks of an investment in ETFs and mutual funds reflect the risks of their individual underlying investments. In addition, ETFs can face liquidity challenges that can cause a disparity between the bid-ask prices, causing additional cost to the investor when buying or selling an ETF. This liquidity concern can also cause the ETF to trade at a large premium or discount from its NAV (net asset value). Both ETFs and mutual funds can have performance divergence from the benchmarks they are designed to track.
- **Equity Market Risk** – Equity securities are subject to frequent changes in valuation and are often more volatile than other asset classes. Equity valuation is subject in part to the associated fluctuations in the market confidence of its issuers.
- **Foreign and Emerging Markets Risk** - Investments in foreign and emerging markets have considerable risks. Risks associated with investing in foreign and emerging markets include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of the investment, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets. Historically, these risks have tended to be more pronounced in emerging market countries than in more developed foreign countries.
- **Inflation Risk** - When inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- **Interest-rate Risk** - Fluctuations in interest rates will cause investment prices in fixed income securities or instruments to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Investment Style Risk** – The popularity and use of investment styles fluctuates with consideration to various market factors and changes in investor preferences. Therefore, two investment portfolios allocated to similar asset classes can diverge in performance because they employ different investment styles.
- **Liquidity Risk** - The risk that certain investments are difficult to purchase or sell when a client may want to because they are not publicly traded or the market for them is limited due to product restraints or market developments. For example, Treasury Bills are highly liquid, while real estate properties are not.

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- **Management Risk** – The value of the client’s investments portfolio is subject to the success and failure of their investment manager’s strategies, research, analysis and asset selection.
- **Market Risk** - The risk that the markets a portfolio invests in will go down. The value of an investment may decline due to a variety of factors not specifically related to the issuer of the security including general market conditions, economic policies and political events.
- **Pandemic Risk** - The outbreak of the novel coronavirus in 2020 rapidly became a pandemic and resulted in disruptions to the economies of many nations, individual companies, and the markets in general. This pandemic, other epidemics, and pandemics that may arise in the future could result in continued volatility in the financial markets and have a negative impact on investment performance.
- **Political Risk** - Investments are subject to fluctuations in price related to changes in government policies or from political unrest or governmental instability of the investment’s originating country.
- **Reinvestment Risk** - The risk that future proceeds from investments will have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Small and Medium Companies Risk** - Securities of smaller and mid-size issuers can perform differently from the market as a whole and can be subject to more abrupt price changes than larger, more established companies.
- **Technology Reliance Risk** - FSA’s investment strategies, operations, research, communications, risk management, and back-office systems rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Despite our monitoring, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable and result in consequences such as the inability to trade for or monitor client accounts and portfolios.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FSA or the integrity of its management. FSA has no information applicable to this item.

Item 10 Other Financial Industry Activities and Affiliations

FSA is a wholly owned, indirect, subsidiary of Fifth Third Bank, National Association (the Bank), which is ultimately owned by Fifth Third Bancorp (NASDAQ: FITB). The Bank is a diversified financial services company with four main businesses: Commercial Banking, Branch Banking, Consumer Lending and Wealth and Asset Management. FSA’s affiliates, including Fifth Third Wealth Advisors (FTWA), FST, Fifth Third Securities, Inc. (FTS), MainStreet Investment Advisors, LLC (MSA), and Fifth Third Insurance Agency, Inc. (FTIA), provide an array of financial products and services to clients.

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FSA will leverage the broader capabilities of the Bank for operational support, including information technology, human resources, business continuity, legal, finance, compliance, enterprise risk management and internal audit. FSA shares some of the same technology, which involves the sharing of client information across the organization. In doing so, employees of FSA may also serve in additional capacities across affiliates and perform dual roles across several affiliated organizations. Certain employees of the Bank serve as Members of FSA Board of Directors while also serving on the Board of Directors of various other affiliated entities. The CCO of FSA is also the CCO of the other Registered Investment Advisor affiliates.

In addition, FSA will enter into intercompany agreements with certain of its affiliates, including but not limited to the Bank, MSA, and FSA, to access investment management, research, investment advice, sub-advisory and model delivery services. In using the services of affiliates, a conflict of interest exists between the obligations to FSA's clients and the incentive to make recommendations, or take actions, that benefit one or more of our other affiliates. Additionally, there are negotiations among the affiliated entities with respect to the allocation of resources and the officer's or director's time.

Franklin Street Trust Company

FST, an affiliate of FSA and wholly owned, indirect subsidiary of the Bank, and Fifth Third Bancorp, is a non-depository trust bank chartered by the State of North Carolina and fully regulated by the State of North Carolina Banking Commission. FSA is hired by FST to provide investment management services for clients of FST.

FST is the Managing Member of FSP Manager of Managers LLC I and FSP Manager of Managers LLC II. A select group of clients that are accredited investors or qualified purchasers have become members. The President and certain other Directors of FSA also serve on the Board of Directors for FST.

Fifth Third Bank, National Association

The Bank is a diversified financial services company with four main businesses: Commercial Banking, Branch Banking, Consumer Lending and Wealth and Asset Management.

Fifth Third Securities, Inc.

FTS is a registered broker-dealer, FINRA member and a direct, wholly owned subsidiary of the Bank. FTS is also an investment adviser registered with the U.S. Securities and Exchange Commission (SEC) under the Advisers Act. Registration as an investment adviser does not imply any level of skill or training. FSA operates independently from FTS, although the two entities share certain resources, such as technology applications and support services. FSA generally does not trade with FTS for its client accounts but can do so if instructed by a client. Certain members of the Board of Directors for FSA also serve on the Board of Directors for FTS.

Fifth Third Insurance Agency, Inc.

Fifth Third Insurance Agency, Inc. (FTIA) is a wholly owned, non-bank subsidiary of the Bank. Banking and insurance decisions are made independently and do not influence each other. FSA

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operates independently from FTIA, although the two entities share certain resources, such as technology applications and other support services provided through the Bank. Clients are under no obligation to engage FTIA or its insurance agents for separate services and products. Certain members of the Board of Directors for FSA also serve on the Board of Directors for FTIA.

Fifth Third Wealth Advisors LLC

FTWA is a wholly owned subsidiary of the Bank that provides independent strategic investment advice. FTWA is also an investment adviser registered with the SEC under the Advisers Act. FTWA specializes in delivering high touch investment management services to high-net-worth individuals. FSA operates independently from FTWA, although the two entities share certain resources, such as technology applications and compliance services, provided through the Bank. Certain Directors of FSA also serve as Managing Members for FTWA. The Chief Compliance Officer for FSA also serves as the Chief Compliance Officer for MSA and FTWA.

Pursuant to an intercompany agreement, FSA provides equity model portfolios to FTWA for inclusion on its investment management platform. We receive an asset under management-based fee from any clients of FTWA who invest in one of these model portfolios. Providing FTWA model portfolio strategies creates a conflict of interest in that there is a mutual incentive to increase revenue by promoting FSA services to affiliates under common ownership of the Bank. These conflicts are minimized by FSA by charging a fee that is aligned with the market and reasonable in relation to the scope of services and nature of the investment advice provided to FTWA.

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

FSA has adopted a Code of Ethics (the Code) for all supervised persons of the Firm describing its high standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items and personal securities trading procedures, among other things. All supervised persons at FSA must acknowledge the terms of the Code annually or as amended.

FSA will, in appropriate circumstances, consistent with clients' investment objectives, recommend to investment advisory clients, the purchase or sale of securities or private funds (Manager of Managers LLC I Series Fixed Income, Opportunistic Fixed Income and Global Equity funds and LLC II Series Opportunistic Fixed Income and Global Equity funds) in which FSA or its affiliates have a position or interest. FSA's employees and persons associated with FSA are required to follow FSA's Code. Subject to satisfying this policy and applicable laws, officers, directors and employees of FSA and its affiliates can trade for their own accounts in securities that are recommended to and/or purchased for FSA's clients. FSA does not participate in principal or agency cross transactions.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of FSA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as

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exempt transactions, based upon a determination that these would not materially interfere with the best interest of FSA's clients. In addition, the Code requires preclearance of many transactions and, subject to de minimis exceptions, restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code to reasonably prevent conflicts of interest between FSA and its clients.

FSA's clients or prospective clients can request a copy of the Firm's Code by contacting compliance@franklin-street.com.

Item 12 Brokerage Practices

FSA will typically require clients accessing its investment management services to establish custodial accounts with national entities that will serve as a qualified custodian for their assets and effect trades on their behalf.

While cost-effectiveness is a primary consideration in suggesting a broker-dealer, FSA will also consider custodial support services, trade error correction capabilities, quality of investment research, industry reputation, statement preparation and administrative services when evaluating whether to approve a broker-dealer to serve as a custodian for our clients. Therefore, FSA will not select a broker-dealer on the basis of its commission rate alone or the ability to select the lowest possible commission rate for any individual transaction.

In addition, commissions will vary based on account minimum balance, share quantity traded, executing brokers, and whether a client has elected to receive electronic delivery of account documents from the custodian. FSA has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. FSA generally seeks competitive commission rates; it will not necessarily pay the lowest commission. Transactions may involve specialized service on the part of the broker or dealer involved and thereby entail higher commissions than would be the case with other transactions requiring more routine services.

Transactions for each client account are generally affected independently. However, at times, FSA can be managing multiple strategies trading in the same securities. When consistent with our policies and aligned with our best execution responsibilities, FSA can elect to combine different client orders for identical securities of the same issuer to be executed as a single aggregated or "blocked" order. This practice enables FSA to seek more favorable commission rates or prices that might not have been obtained had the order been placed for each client independently. Each client participating in a blocked order will receive an average share price and will share in commissions and/or other transaction costs on a pro-rata basis. Generally, orders are executed and then allocated to each account as requested by the portfolio manager. Trades are allocated by custodian and/or block trade. Where the order is partially filled, the partial fill will be allocated pro rata among the participating client accounts based on the size of each account's original order, subject to rounding. It is the Firm's policy to allocate investment opportunities, to the extent practical, to similarly

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situated client accounts over time, in a manner that FSA believes is fair and equitable to each client's account.

Fixed income portfolio managers generally allocate securities based upon the following methods: target durations, portfolio characteristics, sector weightings, cash flows, and/or investment policy. Due to a limited supply of certain securities and differing portfolio characteristics among accounts, fixed income portfolio managers also use any other method as long as it is fair and reasonable, no client is unduly favored over another, and all clients are treated fairly over time. Some fixed income accounts have certain restrictions or requirements that prevent them from participating in an aggregated trade. As a result, trading and execution costs can be different (higher or lower) from those accounts participating in the aggregated transaction.

Clients can at times direct FSA to select a custodian they prefer, subject to FSA's express acceptance. In such an instance, the client should be aware that FSA's ability to negotiate for best prices and use aggregated transactions ("block orders") to trade larger quantities of the same securities across multiple FSA accounts will be limited. Therefore, clients who direct FSA to trade through a particular qualified custodian may bear higher transaction costs and can receive less favorable prices than they might have obtained if the clients had used one of FSA's preferred custodians.

Best Execution

As a fiduciary, FSA arranges securities transactions for client accounts at broker dealer destinations that FSA reasonably believes will provide best execution. While price is an important factor in its best execution evaluation, FSA will also consider a number of other factors including the level execution of capability required by the planned transactions, ability to minimize market impact, creditworthiness, clearance and settlement services, the provision of research, the broker-dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold, and the reputation and perceived soundness of the broker-dealer.

Soft Dollars

FSA can enter into what is known as "Soft Dollar Arrangements" with certain of its selected executing brokers. In such an arrangement, these broker dealers will designate a portion of any brokerage commission generated towards a credit that can be used to provide FSA with certain research and brokerage related products or services. These "credits" are known in the industry as "Soft Dollars." FSA seeks to comply with Section 28(e) of the Securities Exchange Act of 1934, which provides a "safe harbor" allowing an investment adviser to pay more than the lowest available commission for brokerage and research services if it determines in good faith that: (1) the brokerage and research services fall within the definitions set forth in Section 28(e); (2) the brokerage and research services provide lawful and appropriate assistance in the investment decision-making process; and (3) the commission paid is reasonable in relation to the brokerage and research services provided.

It is also important to understand that the brokerage and research services obtained with soft dollars are not necessarily utilized for the specific account that generated the soft dollars and can be shared across multiple accounts. Some clients, including, but not limited to directed brokerage

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clients, and clients who restrict the use of soft dollars, benefit from the research and brokerage products obtained from soft dollars despite the fact that their trade commissions may not be used to pay for these services. FSA does not attempt to allocate the relative costs or benefits of brokerage and research services among client accounts because it believes that, in the aggregate, the brokerage and research services it receives benefit all clients and assists FSA in fulfilling its overall investment responsibilities. In addition, certain research and the benefits of investment ideas from that research are shared with our affiliated companies. One client's commissions may not be generated in the same proportion as its usage of a shared service. Client commission services are not used exclusively in connection with the accounts that pay the commissions to the broker-dealer providing the services. Also, Portfolio Analysts and Portfolio Managers across FSA and its affiliated companies share investment ideas and strategies of their respective firms, some of whom will be informed by research paid for with commissions generated only by equity accounts.

The use of client commissions to pay for research and brokerage services presents a conflict of interest because FSA receives a benefit that it does not have to pay for from its resources, and it creates an incentive to select brokers based on receiving brokerage and research services rather than other best execution considerations. To address this conflict of interest, FSA performs a periodic evaluation of soft dollar arrangements, which focuses on the quality and quantity of brokerage and research services provided by brokerage firms and determines whether the commissions paid for such services are fair and reasonable.

Trade Errors

It is FSA's policy to correct trade errors expeditiously and in a manner that is consistent with our fiduciary obligation to act in the best interest of our Clients. In instances where the Client does not cause the trade error, the client will be made whole. In cases where the client does cause 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.

Item 13 Review of Accounts

Accounts are under a continual review via a portfolio management system that values each portfolio. Each account is reviewed regularly by the Client Portfolio Strategist (CPS) responsible for the relationship to determine that investment objectives are being met. The CPS receives monthly evaluations of accounts and quarterly statistical performance comparisons with market indices.

All clients will receive at most monthly and at least quarterly account statements directly from a qualified custodian. On a quarterly basis, clients will receive from FSA a market outlook letter and a report detailing the performance of their account(s). Clients can also review account activity and holdings via a secure internet connection.

Client meetings will be held with a Financial Adviser quarterly, semi-annually or annually, based on the client's preference and will be devoted to reviewing performance, strategy and any changes in goals and objectives. Additionally, special reports such as gain and loss, cash flows, capital

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appreciation, etc., will be available occasionally or regularly to any client with an expressed need for such reporting.

Item 14 Client Referrals and Other Compensation

Through March 31, 2021, FSA participated in the Fidelity Wealth Advisor Solutions® Program (the WAS Program), through which FSA received referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. FSA is independent from and in no way affiliated with FPWA or Fidelity Investments.

FSA will continue to pay an annual referral fee to FPWA of .10% of all “fixed income” assets and .25% of all other assets in the referred account. These referral fees are paid by FSA and not the client. No differential exists between the advisory fees payable to FSA for a referred client and the advisory fees payable by other clients. Based on the fee structure that FSA pays to FPWA, FSA has a conflict of interest with respect to its decision to use certain asset classes in the client’s portfolio.

FSA has agreed to pay FPWA a one-time fee of .75% if FSA transfers custody of referred client accounts to a custodian not affiliated with FPWA. Pursuant to these arrangements, FSA has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when FSA’s fiduciary duties would so require; therefore, FSA may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. These arrangements were fully disclosed to all parties involved.

FSA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to an outside investment firm.

Item 15 Custody

FSA does not maintain physical custody of client assets. Instead, client assets are held at qualified custodians, typically nationally recognized firms. However, FSA is deemed to have custody over client funds and securities under the Adviser’s Act because it has the authority to deduct its investment management fee directly from client accounts.

FSA also serves as investment advisor to certain private investment vehicles and, therefore, are deemed by the SEC to have custody of those assets. In order to avoid any potential conflict of interest that indirect custody of client assets may cause, private vehicles as described above are maintained with a “qualified custodian” and audited annually by an independent auditor who is a member of and subject to inspection by the Public Company Accounting Oversight Board (PCOAB), with such audits delivered to investors in compliance with the SEC’s custody rule.

Item 16 Investment Discretion

FSA generally accepts investment advisory accounts with full investment discretion. Therefore, FSA will make all decisions with respect to the selection and amount of securities bought and sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

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When selecting securities and determining amounts, FSA observes the investment policies, limitations and restrictions of the clients for which it advises. Each investment solution is formulated to address the individual client's goals and constraints.

Clients must provide any investment guidelines and restrictions in writing to FSA.

Item 17 Voting Client Securities

As a part of the Investment Management Agreement, through their custodial agreement, clients normally delegate authority to FSA, in writing, to vote proxies for client securities. Except where prohibited by law, FSA, in its reasoned discretion, delegates some or all of the authority to third parties, including the authority to vote upon corporate events such as a merger, consolidation or tender offer. To avoid conflicts of interest, FSA currently contracts with an independent third party, Broadridge proxy service, which uses Glass Lewis & Co. (GLC), a leading institutional proxy analysis and recommendation firm. FSA votes in accordance with the recommendations of GLC unless the Firm or client expressly directs otherwise. If GLC does not provide a recommendation, FSA's policy is to vote with management unless otherwise directed. For accounts invested in FSA's Sustainable, Responsible Equity strategy, FSA follows the recommendations of MSCI ESG, a leading ESG research and recommendation firm.

Clients can obtain a copy of FSA's complete proxy voting policies and procedures upon request. Clients also can obtain information about how FSA voted any proxies on behalf of their account(s) by contacting our Compliance Department.

Item 18 Financial Information

Registered investment advisers are required in this section to provide certain financial information and disclosures about FSA's financial condition should certain conditions exist.

FSA has no financial commitments that are likely to impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. FSA does not require or solicit prepayment of client fees.