

Services and Compensation Disclosure

Updated as of 11/21/2017

Guide to Fees and Services

This disclosure is being provided to satisfy the Department of Labor's fee disclosure requirements under section 408(b)(2) of the Employee Retirement Income Security Act of 1974 (ERISA). This disclosure contains a description of services provided to the plan and/or its participants as well as sources of compensation received by us or our affiliates. We realize not all plans are subject to this requirement. We are providing this disclosure to all plans, regardless of our regulatory obligation, in order to provide greater transparency of our fees and services.

The terms "participant," "you," and "your" are used throughout this document to refer to the person(s) or organization(s) who engage us for the services described herein. The terms "we," "our," and "us" refer to Carolinas Investment Consulting LLC together with our affiliates. Each affiliate is a separate legal entity, none of which is responsible for the obligations of the other.

I. Description of Services

We may provide some or all of the following services to the plan:

Investment services, including establishing objectives, asset allocation analysis, investment policy statement review and design: We may assist you in preparing an Investment Policy Statement and establishing your investment objectives, policies and constraints, risk tolerance, and appropriate benchmarks. You will be responsible for review and final approval of the Investment Policy Statement and resolve any questions with your Financial Advisor prior to approving it. No assurance has been or can be given that you will achieve the investment objectives reflected in your Investment Policy Statement.

Investment Manager and Mutual Fund evaluation, search and selection and ongoing Investment Manager review and due diligence: We may provide recommendations and investment research to assist in determining plan investment options and portfolio design. We may also provide ongoing evaluation of selected investment managers and mutual funds.

Investment Performance Review: We may provide reports on a periodic basis outlining performance history for the investments held within the plan. These reports may include a combination of: Market Commentary; Plan Asset Allocation Summary; Risk and Return Analysis; Investment Cost Analysis; Investment Research; and overall review for comparison to the Investment Policy Statement and stated market benchmarks.

Plan Services: We may provide general plan services, such as reviewing the plan features and operations in connection with plan goals and objectives, and educating plan fiduciaries and plan sponsors on general guidelines, information and investment alternatives. In addition, we may assist in the coordination of services with Third Party Administrators and/or Actuaries.

Employee Services: We may provide services to the plan participants to build awareness of the benefits and features of your retirement plan. These services may include: Conducting Enrollment Meetings; Assistance with Overall Investment Education; as well as promoting Retirement Readiness.

Brokerage services may also be provided to your retirement plan. When we act in the capacity of a broker for your retirement plan, the primary service we provide to you is our trading capabilities for your account. You direct all trading in your brokerage account. Within this type of account, we also may

provide incidental services such as research reports and other similar services. If we provide brokerage services to you or the plan, we charge commissions and other related fees to each account. Commissions and other account fees are direct compensation received by us. Our current commission schedule is provided below by product type. Unless otherwise specified, the applicable commission is based on the dollar amount of the trade.

Important Note: The information included in this disclosure describes the services that we would expect to provide to you with respect to the plan. The disclosure is not intended as, and does not constitute an agreement for, services from the firm, and it does not create a contractual relationship or provide any type of guarantee with respect to the pricing of any services. Any future services relating to the plan would be provided in consultation with you, and they would be subject to your cooperation, and reporting of timely and accurate information by us.

We do not act as a fiduciary or registered investment advisor for the plan unless we have entered into an Advisory Agreement with you which explicitly provides that we will act as a fiduciary. If your plan is held in an Advisory Program, please see the applicable Advisory Program Agreement and our Form ADV, Part 2A for specific language regarding our fiduciary status under that Program.

II. Compensation

We may receive direct and indirect compensation in connection with plan accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid other than directly from the account and may impact the value of the associated investment in your account. The sections below describe the direct and indirect compensation that we receive in connection with various investments that may be available to you in connection with our services. In many cases, the descriptions that follow refer to a prospectus or offering documents.

A. Stocks, Rights, and Warrants

Stocks, Rights, and Warrants compensation is received as direct compensation when we provide brokerage services to your plan (not applicable to plans under Advisory Programs or to plans held with a RecordKeeper). Commission is charged to the participant – and received by us and your Financial Advisor for trades of stocks, rights, and warrants.

The minimum commission on purchases or sales of stocks, rights and warrants is \$50.00, regardless of the number of shares to be purchased or sold. The schedule below details the standard commission charged based on the principal value of the trade. Commissions may be negotiated under certain circumstances.

| <u>Transaction Size</u> | <u>Commission</u> |
|-------------------------|----------------------------|
| \$0-\$999 | \$25 |
| \$1,000-\$19,999 | \$50 |
| \$20,000-\$49,999 | \$100 + 0.22% of principal |
| \$50,000-\$499,999 | \$155 + 0.11% of principal |
| \$500,000+ | \$255 + 0.09% of principal |

B. Option Rates Equity and Index

Options compensation is received as direct compensation when we provide brokerage services to your plan (not applicable to plans under Advisory Programs or to plans held with a RecordKeeper). The minimum charge is \$50 or 0.05% of principal, whichever is less. The maximum charge is 0.30% of principal.

C. Mutual Funds

We currently offer a broad universe of mutual funds varying in share class structure and investment style. If the plan invests in mutual funds, we may receive direct and indirect compensation in connection with such mutual fund investments when we provide brokerage services to your plan (not applicable to plans under Advisory Programs or to plans held with a RecordKeeper), as described below.

1. 12b-1/Shareholder Service Fees

Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets, under a distribution and servicing arrangement, to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These fees are asset based fees charged by the fund family. These fees vary but the majority of these fees are under 1%. These fees may be passed on to us and may in turn be passed on to your Financial Advisor as a commission.

2. Front-end Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)

Front-end sales charge fees may be charged and paid to us when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0% to 5%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation.

CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges normally range from 0% to 5%. CDSC periods can range 0 to 10 years. This charge typically only exists on share classes that do not have a front-end sales charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor.

You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment values of the fund. Please note that 12b-1s and similar fees or compensation received in connection with our affiliated funds are not received or are rebated on ERISA assets held in Advisory Program accounts.

D. Annuities

Our annuities consist of fixed, index and variable annuities. Under arrangements with insurance companies, we receive commissions from the insurance companies for the sale of annuities, as well as trail commissions, and they are considered indirect compensation. Commissions and trails paid to us vary by share class and may vary by insurance carrier. Within variable annuities there are usually multiple commission options a Financial Advisor can select. The annual fees and charges on the contract that will be paid in the aggregate are not affected by the commission option selected by your Financial Advisor. In general, the greater the commission paid, the lower the trail; and the lower the commission; the greater the trail. For specifics regarding the exact option chosen for a particular annuity, contact your Financial Advisor.

Fixed, index and variable contract annuities, commission options range from 0% to 7% while trail commission options range from 0% to 5%.

E. Alternative Investments Information

Our Alternative Investments funds consist of Hedge Funds, Hedge Fund of Funds, Managed Futures, Private Equity, Private Real Estate and Commodity Funds. These products are comprised of 3rd party and proprietary offerings which are available in different interests/units. Annual trails and upfront commission paid to Financial Advisors and us will vary based on the particular interest or share class selected. Annual trails and upfront commissions are considered indirect compensation, and are paid by the issuer or manager of the fund under our agreement with them. The following section provides more detail on fees and expenses for each of the product types within the different fund types:

Managed Futures/Commodities:

maximum placement fees and annual trails range from 0% to 5%.

Hedge Funds:

maximum placement fees and annual trails range from 0% to 5%.

Private Equity/Private Real Estate:

maximum placement fees and annual trails range from 0% to 5%.

These fees shown above represent the normal range of fees paid to us for each offering category. Not all individual product offerings within these categories have the same range and investors typically incur costs that are within the specified range without going over the maximum amount listed. Placement fees are considered to be direct compensation while annual trails are considered to be indirect compensation. Please refer to the offering documents for each individual offering for specific information regarding these fees and others which may apply for a particular fund.

F. Unit Investment Trusts (UITs)

Our UITs consist of Equity and Fixed-Income UITs. We, along with our Financial Advisors, are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The types of fees received by us are described below and are disclosed via the prospectus issued by the UIT provider. Your Financial Advisor can provide you a copy of the most recent prospectus.

The UIT provider deducts fees as direct compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus. Your purchase may qualify for breakpoint discounts based on the amount of transaction.

G. Bank Deposit Sweep Program

The Bank Deposit Sweep consists of interest-bearing accounts at three affiliated banks, each a depository institution regulated by bank regulatory agencies under various federal banking laws and regulations.

We benefit financially from cash balances held in the Bank Deposit Sweep. As with other depository institutions, the profitability of the banks is determined in large part by the difference or "spread" between the interest they pay on deposit accounts, such as the Bank Deposit Sweep, and the interest or other income they earn on loans, investments and other assets. The banks may pay rates of interest on the Bank Deposit Sweep that are lower than prevailing market interest rates. The participation of the affiliated banks in the Bank Deposit Sweep is expected to increase their respective deposits and, accordingly, overall profits.

Deposits in the Bank Deposit Sweep from your account are not segregated from other deposit funds, so attributing an exact earnings or interest factor applicable to your account's sweep

deposits is not possible. Earnings on the float (or the corresponding reduction in borrowing, depending on anticipated funding needs) depends on numerous factors such as current interest rates, Federal Funds rates, credit risk, and the duration of the particular debt instrument. We receive fees and compensation from the affiliated banks and/or their other affiliates in connection with the Bank Deposit Sweep.

H. Investment Advisory Programs

We offer a wide variety of Advisory Programs. In these programs, we act as a registered investment advisor under the Investment Advisers Act of 1940. If your plan is held in an Advisory Program, please see the applicable Advisory Program Agreement and our Form ADV, Part 2A for specific language regarding our fiduciary status under that Program. Below is a listing of the Advisory Programs offered by us and each Program's standard fee schedule, which is based on Assets Under Management (AUM).

1. Separately Managed Account Programs

Investment advisers selected for the following Investment Advisory Programs employ a variety of investment strategies depending on your investment objectives, financial circumstances, risk tolerance and any restrictions you have indicated.

Masters, Managed Account Select and Managed Account Solutions

These are discretionary separately managed Investment Advisory Programs that offer investors guidance for selecting investment managers and ongoing portfolio management.

*Under the Masters Investment Consulting Program and Managed Account Solutions Program, clients will pay a separate Manager's Fee of not more than .55% for participation in the program, which may cause the effective program fee (expressed as a percentage) to be greater than the fee rates shown above).

Private Advisors Network, Managed Account Access, Managed Account Marketplace and Separate Account Network

These are discretionary separately managed Investment Advisory Programs designed to give participants direct access to professional money managers and their investment services.

*Under the Private Advisor Network Program and Separate Account Network Program, clients will pay a separate Manager's Fee for participation in the program, which may cause the effective program fee (expressed as a percentage) to be greater than the fee rates shown above. The Manager's Firm Brochure contains important information regarding fees, conflicts of interest, risks, and other information that prospective investors should review and consider.

Masters, Managed Account Select, Managed Account Solutions, Private Advisors Network, Managed Account Access, Managed Account Marketplace and Separate Account Network charge fees based on a distinct account type, as outlined below. These fees include compensation we receive as advisor and compensation paid to the professional money manager in the form of management fees.

| | Equity, Balanced & Fixed Income Accounts |
|----------------------------|--|
| Total Household Value | Maximum Annualized Fee |
| Up to \$1,000,000 | 1.10% |
| \$1,000,000 to \$2,500,000 | 1.00% |
| Over \$2,500,000 | Negotiable |

2. Mutual Fund Advisory Programs

The following Investment Advisory Programs include investments in certain select mutual fund shares. These include only open-end mutual funds that offer shares at net asset value through Advisory Programs.

FundSource and Pathways Program

These are discretionary mutual fund Advisory Programs that offer managed portfolios of mutual funds tied to specific investment objectives. Portfolios are built from a broad array of mutual funds recommended by Wells Fargo Advisors Manager Strategy Group. You can choose a pre-defined portfolio or create a customized portfolio using recommended funds that best fits your investment goals and risk tolerance.

Custom Choice

A non-discretionary mutual fund Advisory Program that allows investors to construct a portfolio of mutual funds, including institutional share class, no-load and load-waived mutual funds.

FundSource and Custom Choice fee schedule is outlined below.

| Total Household Value | Maximum Annualized Fee |
|----------------------------|------------------------|
| Up to \$1,000,000 | 1.10% |
| \$1,000,000 to \$2,500,000 | 1.00% |
| Over \$2,500,000 | Negotiable |

3. Other Advisory Programs

Asset Advisor

A non-discretionary, participant directed investment Advisory Program that allows you to work with your Financial Advisor to create an individualized investment portfolio.

Private Investment Management (PIM)

A discretionary Investment Advisory Program where a Financial Advisor who has met stringent criteria based on experience and expertise acts as your personal portfolio manager. As your portfolio manager, he or she actively manages your portfolio on an ongoing, discretionary basis using his or her individual investment style.

Non-Separately Managed Accounts at Charles Schwab & Co and Fidelity Institutional Wealth Services.

These accounts may be non-discretionary or discretionary and are participant directed investment advisory accounts that allow you to work with your Financial Advisor to create an individualized investment portfolio.

CIC Horizons Advisory Program

Through the CIC Horizons Advisory Program ("CIC Horizons"), CIC provides portfolio management services through Institutional Intelligent Portfolios™, an automated, online Investment management platform provided by Schwab for use by independent investment advisors. The platform is sponsored by Schwab Wealth Investment Advisory, Inc. ("SWIA"), an affiliate of Charles Schwab & Co., Inc. Through the SWIA platform, CIC offers a Wrap Program ("the Program") through which CIC constructs and manages a wide range of investment strategies, each generally consisting of a portfolio of exchange traded funds (ETFs), mutual funds and cash allocations.

These other Advisory Programs charge fees based on AUM, as outlined below.

| Total Household Value | Maximum Annualized Fee |
|----------------------------|------------------------|
| Up to \$1,000,000 | 1.10% |
| \$1,000,000 to \$2,500,000 | 1.00% |
| Over \$2,500,000 | Negotiable |

For additional information about our investment advisory services, please read our Form ADV, Part 2A Brochure, which is available at <http://www.adviserinfo.sec.gov>. Each participant's specific advisory fee is documented in their Program Agreement with us. Fees are billed against assets in each account.

I. Recordkeeping Agreements

Your plan may be funded by a group annuity contract or held under a recordkeeping agreement. In such cases, we provide brokerage services for the plan, including investment of plan assets and ongoing support and services for the brokerage related servicing. We receive compensation from the mutual fund or insurance company. In many cases, the prospectus, policy or contract should be referred to for more details a description of the amount and payment frequency of all fees and expenses charged and paid by the fund or company.

We may receive 12b-1/Shareholder Service Fees (see Section II(C)(1), Deposit-based compensation or Asset-based compensation from the fund or company. This compensation may range from 0.25% to 1.00% per year.

J. Training and Education

Money managers and mutual fund families may provide training and education compensation to offset or reimburse us for costs incurred in conducting comprehensive training and educational meetings for our Financial Advisors. These meetings or events are held to educate Financial Advisors on product characteristics, suitability, and various other topics.

From time to time, managers or product providers will reimburse us for expenses incurred in connection with conducting training and educational meetings, conferences or seminars for Financial Advisors and participants. Also, Financial Advisors may receive promotional items, meals or entertainment or other non-cash compensation from product providers.

Although training and education compensation is not related to individual transactions or assets held in participant accounts, it is important to understand that, due to the total number of product providers whose products are offered by us, it is not possible for all companies to participate in a single meeting or event. Consequently, those product providers that do participate in training or educational meetings, seminars or other events gain an opportunity to build relationships with Financial Advisors; these relationships could lead to sales of that particular company's products.

We receive varying amounts of training and education compensation from companies. There are also some companies that do not provide any training and education compensation to us.

K. Fees Payable Among Unaffiliated Parties

1. Accounts Carried by First Clearing LLC

With respect to any brokerage services provided to the plan's participants through a brokerage account, the firm utilizes an unaffiliated custody and clearing firm, First Clearing, LLC (Clearing Firm), to perform trade execution, clearing, and other related

services. A portion of the firm's compensation from the plan is paid to the Clearing Firm for its services on a transaction basis in accordance with the Clearing Firm's fee schedule.

The Clearing Firm's fee schedule for these services is as follows:
The following services have fees ranging from \$0 to \$50: transaction fees (principal/agency/mutual funds), shipping and handling fees, deposited/cashed item chargeback, and re-deposited item.

Please note that transaction fees do not apply to transactions in new issues or insurance products, delivery-versus-payment (DVP) accounts, automatic investment plans or fee-based advisory accounts (with the exception of trades involving ineligible assets). The transaction fee is charged to all other transactions, including but not limited to equities, bonds, mutual funds, UITs, and options.

The following services have fees ranging from \$0 to \$95: returned items for insufficient funds for command accounts, outgoing wire, account transfers, U.S. Treasury Auctions, no load mutual fund accommodation, and rejection of ineligible physical certificate presented for deposit.

Please note no load mutual fund accommodation fees are for purchases only. They do not apply to eligible trades in fee-based advisory accounts. Also, please note that other administrative fees that may apply (check reorder fees, check copies, etc) are disclosed in the fee schedule provided at account opening.

The following services have fees that are variable: account research or document retrieval fees cost \$15 per hour and \$15 per document, with a one hour minimum. Replacing a certificate lost by the participant costs \$100 + out-of-pocket expenses. For physical certificate issuance, the actual fee charged to us and passed along to the participant cost a minimum of \$250.

2. Accounts Carried by Charles Schwab & Co and Fidelity Institutional Wealth Services

With respect to advisory accounts held at Schwab and Fidelity, any brokerage services provided to the plan's participants are provided by the corresponding custodian. Both Schwab and Fidelity perform trade execution, clearing, and other related services. Both Schwab and Fidelity receive compensation for their services and trade execution and will issue a separate disclosure report to plan sponsors.

III. Participant Information Required under ERISA 404(a)

To the extent that you or another plan fiduciary must provide certain fee information to plan participants as required by ERISA Section 404(a), this disclosure document contains information that you may need to describe any "brokerage windows" or "self-directed brokerage accounts" available as participant investment options in your plan. In addition, the regular account statements and confirmation statements we send in connection with participant accounts will contain information about fees and expenses that are charged at the brokerage account level. However, please note that neither this document nor any other account or confirmation statements provided by us is intended to satisfy your requirements of ERISA Section 404(a). Therefore, you will need to review the information contained in those documents to determine if other supplementary information must also be provided.

If you have questions or need additional copies of this disclosure, please contact us by mail: Carolinas Investment Consulting LLC, 5605 Carnegie Blvd. Suite 400, Charlotte, NC 28209 or by telephone: 800-255-2904.