



## ADV Part 3 – Client Relationship Summary (Form CRS)

March 31, 2023

WBI Investments, LLC (“WBI”) is an investment advisor registered with the Securities and Exchange Commission (SEC). Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which provides educational materials about broker-dealers, investment advisers, and investing.

### What investment services and advice can you provide me?

WBI provides investment management services to both institutional and retail clients. This Client Relationship Summary<sup>1</sup> is intended for retail clients and prospective clients.

WBI provides fee only discretionary investment management services through a variety of offerings, including Separately Managed Accounts (“SMAs”), Sponsored Investment Management Platforms, Investment Wrap Platforms, Affiliated ETFs, and the proprietary Cy Portfolio Optimization Program. Account reviews are conducted at least annually. Quarterly review reports are delivered or made available to you by WBI. We generally require a minimum account of \$100,000 except for the Small Accounts Program, which requires a \$10,000 minimum account.

**For Additional Information:** Please refer to Item 4 of WBI’s ADV Part 2 Brochure which can be requested by calling 800-772-5810. Our affiliate introducing advisor, Hartshorne Group, LLC’s relationship summary can be requested by calling 877-583-2189.

### Conversation starters: Ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your experience, including your licenses, education and other qualifications? What do those qualifications mean?

### What fees will I pay?

WBI’s fees are negotiable and expressed as a percentage of the total assets being managed. In addition to our management fee, you will bear your Introducing Advisor fees as well as transaction fees when investments are bought or sold, including custody fees and fund management fees and expenses. You also will pay other customary fees borne by unaffiliated or affiliated ETFs for administration, distribution, transfer agent, custodial, legal, audit and other expenses. In certain situations, this may result in WBI receiving two layers of fees when you invest in affiliated ETFs.

If you elect to use the Cy Portfolio Optimization tool, you will also pay a platform fee to WBI’s affiliated software development firm, CyborgTech, LLC. WBI receives compensation from CyborgTech, LLC for maintaining the platform and providing advisory and administrative services to Cy accounts. The platform fee will be set forth in your investment management agreement. Cy platform fees will not be offset by fees paid directly to WBI or collected from the affiliated ETFs. The Cy Program’s total fees include the fees paid to both the Introducing Advisor, WBI as investment manager, and the independent investment managers, if applicable, for their services and participation in the Cy Program.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs reduce any amount of money you make on your investments over time.

**For additional information:** Please refer to Item 5 of WBI’s ADV Part 2 Brochure which can be requested by calling 800-772-5810.

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<sup>1</sup> The information and statements included in this Client Relationship Summary: (i) are summary in nature and are limited in substance and # of pages by SEC Form CRS; (ii) do not create or modify any agreement, relationship, or obligation between you and us or our financial professionals; and (iii) are subject to the more complete terms and conditions of our agreements and disclosures.

**Conversation starters:** Ask your financial professional:

- Help me understand how these fees and costs might affect my investments.
- If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

## **What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?**

When WBI acts as your investment advisor, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- Accounts with more assets typically pay more in fees; therefore, **WBI** has an incentive to encourage you to increase the assets in your account.
- **WBI's** Affiliated ETFs incur management fees at varying rates. As a result, WBI, as discretionary manager to SMA and Platform Accounts, can increase or decrease its level of compensation by adjusting the asset allocation and Affiliated ETF selections, creating a conflict of interest.
- **WBI's** SMAs and Affiliated ETFs may be included in a Cy Program optimized portfolio allocation. The inclusion of WBI creates an incentive to favor WBI products in order to generate greater revenue for WBI. In an attempt to mitigate this conflict, Cy's optimization process analyzes WBI Products using the same methodology as that applied to other independent manager portfolio strategies or investment products.
- **WBI** has soft dollar arrangements with broker-dealers where the broker-dealer uses credits generated from commissions paid to pay for certain products and services on our behalf. There may be a conflict of interest with regard to products obtained with soft dollars because of the incentive to use your commissions to purchase these products that we otherwise would purchase directly.

**For additional information:** Please refer to WBI's ADV Part 2 Brochure for information on these and other conflicts which can be requested by calling 800-772-5810.

**Conversation starter:** Ask your financial professional - How might your conflicts of interest affect me, and how will you address them?

## **How do your financial professionals make money?**

WBI's employees, including those employees who manage the strategies used for your account, receive a salary and may also be eligible for additional bonus compensation based on both quantifiable and discretionary criteria.

## **Do you or your financial professionals have legal or disciplinary history?**

Yes. Please see WBI's Form ADV Part 1 and Part 2 Brochure, available at <https://adviserinfo.sec.gov/> or by requesting a copy by calling 800-772-5810. Visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation starter:** Ask your financial professional – As a financial professional, do you have any disciplinary history? For what type of conduct?

## **Additional Information**

For more information about our services or to receive an up-to-date copy of Form CRS, please contact us at: 800-772-5810 or visit [wbiinvestments.com](http://wbiinvestments.com)

**Conversation starters:** Ask your financial professional:

- Who is my primary contact person?
- Is he or she a representative of an investment advisor or a broker dealer?
- Who can I talk to if I have concerns about how this person is treating me?