



ADV Part 3 – Client Relationship Summary (Form CRS) August 2020

WBI Investments, Inc. (“WBI”) and The Hartshorne Group (“Hartshorne”) are affiliated investment advisors registered with the Securities and Exchange Commission (SEC). The services provided and fees charged by WBI and Hartshorne 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?

Hartshorne and WBI provide investment advisory and investment management services, respectively, to both institutional and retail clients. This Client Relationship Summary ¹ is intended for retail clients and prospective clients.

Hartshorne offers personalized investment advisory services to clients in the form of comprehensive financial planning, financial analysis of specific planning topics, and ongoing wealth management and financial administration services. Hartshorne also acts as an Introducing Advisor, which refers clients to investment managers, including to WBI. The frequency and scope of periodic reviews depends on the nature of Hartshorne’s engagement with the client and is negotiated individually with each client but will occur at least annually. Hartshorne generally requires a minimum investment of \$500,000 to \$10 million depending on the type of services you select.

For Additional Information: Please refer to Item 4 of Hartshorne’s ADV Part 2 Brochure.

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, Small Accounts Program 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. WBI generally requires 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.

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?

¹ The information and statements included in this Client Relationship Summary: (i) are summary in nature and are limited in substance and number 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.



What fees will I pay?

Hartshorne

Hartshorne's fees vary depending on the services selected. Fees are negotiable and may be fixed or hourly. Prior to engaging Hartshorne to provide financial planning and/or consulting services, you will be required to enter into a Financial Analysis Agreement with Hartshorne, which sets forth the terms and conditions of the engagement, the services to be provided, and the fees/fee schedule. Hartshorne typically requires a retainer equal to one half of the estimated analysis fee at the time the Financial Analysis Agreement is executed, with the balance payable upon delivery of the analysis.

Hartshorne may also receive a portion of the management fee paid to unaffiliated or affiliated investment managers (such as WBI) for its role as an Introducing Advisor. This management fee varies depending on the total amount of assets under management and the type of investment strategy utilized.

It is important to note that Hartshorne's fees do not offset any fees WBI charges for its management programs.

For Additional Information: Please refer to Item 5 of Hartshorne's Form ADV Part 2 Brochure.

WBI

WBI's SMA fees are negotiable, asset-based, ongoing and expressed as a percentage of the total assets being managed. Fees are documented in your Investment Management Agreement ("IMA") and will vary depending on the market value of assets under management, the program type and the specific type of investment management services to be rendered. The total management fee includes the fee paid to WBI plus an asset-based service fee paid to an Introducing Advisor (such as Hartshorne), to compensate it for introducing clients to WBI, for performing ongoing administrative services and for providing continuing contact and service to the client.

In addition to WBI's management fee, you will pay other customary fees borne by unaffiliated or affiliated ETFs for administration, distribution, transfer agent, custodial, legal, audit and other expenses related to investments in ETFs. To avoid receiving two layers of management fees in those situations where clients invest in the Affiliated ETFs, WBI will either: (i) waive the WBI management fee charged at the account level; or (ii) credit the portion of the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fee owed WBI.

If you elect to use the Cy Portfolio Optimization tool, you will also pay a program fee for the non-advisory, administrative services provided by WBI in maintaining the Cy Program. The program fee is in addition to any investment management or advisory fees received by WBI. The program fee will vary based on the size of the account and the Introducing Advisor's firm or affiliation. The program fee will be set forth in either your IMA or the Cy Program documentation. Cy program fees will not be offset by management fees paid directly to WBI or collected by WBI from the Affiliated ETFs. The Cy Program's total advisory fees include the fees paid to both the Introducing Advisor (such as Hartshorne), WBI as investment manager, and the independent investment managers, if applicable, for their services and participation in the Cy Program.



Separate and apart from the above, you may also pay additional fees such as platform fees, account maintenance/custodial fees charged by the broker dealer that holds your account and management fees for unaffiliated products (such as mutual funds and ETFs) that may be held in your account.

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.

It is important to note that WBI's fees do not offset any fees Hartshorne charges for its financial planning services

For additional information: Please refer to Item 5 of WBI's ADV Part 2 Brochure.

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 and/or Hartshorne act 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 and Hartshorne** have an incentive to encourage you to increase the assets in your account.
- Because **Hartshorne and WBI** are under common ownership, certain of the owners of Hartshorne also have an ownership interest in WBI. The common owners of Hartshorne and WBI will benefit from fees paid to WBI and, as a result, are incentivized to refer Hartshorne clients to WBI. Furthermore, given its affiliation with WBI, Hartshorne may be less likely to recommend moving client money out of the Affiliated ETFs than it would be for investments in other securities not managed by WBI if the Affiliated ETFs have poor performance.
- **Hartshorne** has a conflict of interest in that it is incentivized to refer clients to investment managers (including WBI) that have agreed to pay a referral/solicitor fee to Hartshorne.
- **WBI** may invest a client's account in a manner that competes or conflicts with the investment of another client's account. For example, WBI may buy or sell a position in a client's account while undertaking for another client's account the same or a differing, including potentially opposite, investment strategy.



- **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. However 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 available through the Cy Program.

For additional information: Please refer to Hartshorne's and WBI's ADV Part 2 Brochures for information on these and other conflicts.

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 and Hartshorne's financial advisors, as well as 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 and Hartshorne's Forms ADV Part 1, available at <https://adviserinfo.sec.gov/> and WBI's Part 2 brochure, available at https://wbiinvestments.com/wp-content/uploads/WBI_Form_ADV_Part_2.pdf, for more information. Visit 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:

WBI: 800-772-5810 or visit wbiinvestments.com

Hartshorne: 877-583-2189 or visit hartshornegroup.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?