



SVB INVESTMENT SERVICES INC.

Regulation Best Interest Broker-Dealer Disclosure Obligation to Retail Customers

SVB Investment Services Inc.

505 Howard Street, 3rd Floor
San Francisco, California 94105

Contact Information:

Dennis McCarron
Sr. Director Compliance, Chief Compliance Officer

SVB Investment Services Inc.

Email: jmccarron@svb.com Telephone: 617-928-6799

Website Address: www.svb.com/private-bank Date of Reg BI Disclosure Obligation: April

22, 2022 SVB Investment Services Inc., is dually registered financial services firm offering services as a Member FINRA / SIPC and as an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). Due to a corporate filing name change effective April 22, 2022, the new name of SVB Investment Services, Inc. is SVB Investment Services Inc.

Additional information about SVB Investment Services Inc., also is available on FINRA Broker Check at <https://brokercheck.finra.org/> and the SEC's website at <https://adviserinfo.sec.gov/>. You can search this site by a unique identifying number known as a CRD number. The CRD number for SVB Investment Services Inc. is 168116.

Table of Contents

- 1. About SVB Investment Services Inc. and Regulation Best Interest3
- 2. Scope and Terms of our Relationship with You When Making Recommendations As a Broker-Dealer3
 - A. The Capacity In Which We Will Be Serving You.....3
 - B. Our Brokerage Services4
- 3. Material Fees and Costs5
 - A. Principal Fees For Our Brokerage Services5
 - B. Additional Fees5
- 4. Risks.....6
- 5. Material Facts Relating to Conflicts of Interest 13

1. About SVB Investment Services and Regulation Best Interest

SVB Investment Services Inc. (“**SVB Investment Services**”, “**SVBIS**”, **we** or **us**) is a broker-dealer registered with the Securities and Exchange Commission (“**SEC**”) and a member of FINRA and SIPC. We are also registered with the SEC as an investment adviser. We are a wholly owned subsidiary of Silicon Valley Bank, a California state-chartered bank and a member of the Federal Reserve System. Silicon Valley Bank is the principal banking subsidiary of SVB Financial Group (“**SVBFG**”), a publicly held bank holding company.

The SEC has promulgated Regulation Best Interest, which requires a broker-dealer and the registered representatives of the broker-dealer – whom we sometimes refer to as **Financial Professionals** or **FPS** in this document – when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer, to act in the best interest of the retail customer at the time the recommendation is made, without placing the financial or other interest of the broker-dealer or the FP making the recommendation ahead of the interest of the retail customer. One of the ways a broker-dealer must fulfill its obligations under Regulation Best Interest is by disclosing the material facts relating to the scope of the terms of its relationships with retail customers, including the fees and costs that apply to the retail customers’ transactions, holdings and accounts, and the material facts relating to conflicts of interest that are associated with the broker-dealer’s recommendations.

The purpose of this document is to provide these material facts about our brokerage services to retail customers like you to help you evaluate our recommendations and to help you make more informed investment decisions.

2. Scope and Terms of our Relationship with You When Making Recommendations as a Broker-Dealer

A. The Capacity in Which We Will Be Serving You

Your relationship begins with your FP working with you to understand your financial status, financial resources, investment experience, investment goals and time horizon and risk tolerance, among other factors (“**Investor Profile**”). This information is important in order to make financial services recommendations that are in your best interest.

SVB Investment Services is dually registered with the SEC as a broker-dealer and an investment advisor. Depending on your needs and investment objectives, your FP will provide services through a brokerage relationship, investment advisory relationship or both. There are important differences between these relationships as it relates to types of services and fees, such as the following:

- We act in our capacity as a broker-dealer when you open a brokerage account with us and we execute securities transactions on your behalf. The principle fees you pay will be a per transaction fee which will be charged at the time of your transaction. We may make recommendations to you to buy, sell, or hold securities. We may also take orders from you to buy or sell securities where we have not made any recommendation to you. In either case, all activity in your brokerage account is conducted on a non-discretionary basis, meaning you make the ultimate decision regarding to buy, sell, or hold any investments. When recommendations are provided as part of our brokerage services, we will not separately charge you for the advice. We do not as part of our brokerage services monitor your account(s) or investments for you. Because we do not provide ongoing monitoring of your account(s) portfolio as part of our brokerage services, it will

be important for you to review your brokerage account(s) regularly. If you prefer ongoing monitoring of your accounts or investments, you should speak with your FP about whether an advisory services relationship would be more appropriate for you.

- We act in our capacity as an investment adviser when you open an advisory account with us and, for a separate advisory fee, we provide ongoing investment advice and manage and monitor the investment portfolios in your advisory account. Because Regulation Best Interest is a rule that applies to a broker-dealer and its registered representatives when making a recommendation, the focus of our disclosures in this document will be our brokerage business and the services and recommendations we provide to you as a broker-dealer, rather than our investment advisory business and the services and recommendations we provide to you as an investment adviser. For more information about our investment advisory business, please refer to our Form ADV disclosures, available [here].

Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. For a relationship summary that explains how our brokerage and investment advisory services and fees differ, please refer to our Client Relationship Summary on Form CRS, available at svb.com/private-bank in the disclosure section of the website.

B. Our Brokerage Services

All of our FPs are “dual-hatted” in the sense that they are authorized to act on behalf of SVB Investment Services’s broker-dealer and SVB Investment Services investment advisor. Some are “triple-hatted” in the sense that they are authorized to act on behalf of our broker-dealer and investment advisor and, in addition, our parent company, Silicon Valley Bank.

You should discuss with your FP what type of relationship – brokerage (**BD**), investment advisory (**RIA**) or both (**BD & RIA**) – would be best for you given your financial situation and investment objectives and needs. When discussing account types that may be suitable for you, your FPs will take into account the range of accounts that we can offer you (*i.e.*, both brokerage and advisory, taking into account any eligibility requirements such as account minimums), and not just brokerage accounts.

When we act as your broker, our primary role is to execute trades for you based on your instructions. If your FP makes a recommendation regarding whether to buy, sell or hold securities, you should know that he or she will always be acting in his or her capacity as a registered representative of our broker-dealer. If he or she is acting in a different capacity when making such a recommendation, the FP will provide clear oral disclosure to you of that fact at the time of the recommendation. When you trade securities in your brokerage account, you make the ultimate decision regarding whether to buy, sell, or hold any investments.

Brokerage accounts have no required minimum account balance. We offer the ability to trade a wide variety of securities products to our brokerage clients, as follows:

- exchange-traded and over-the-counter (“**OTC**”) stocks and exchange-traded funds (“**ETFs**”);
- mutual funds and unit investment trusts;
- security options;
- access to securities offered as part of an initial public offering (“**IPO**”);

- bonds; and
- private placement securities representing interests in affiliated or unaffiliated alternative investment vehicles as well as other issuers.

We will provide access to margin trading to eligible customers. We will also advise clients on hedging against existing holdings and concentrated portfolios using option strategies. We will advise regarding liquidity and transfer restrictions, and on the purchase or sale of positions held in company stock options or benefit plans. On a case-by-case basis, we may provide clients with specific financial planning and we may provide clients with advice regarding Rule 10b5-1 plans and how they can establish a plan with their employer if applicable.

We trade securities only as your agent. We do not trade securities as a principal, by which we mean, we do not buy securities from you or sell securities to you as your counterparty.

We do not handle or custody client funds or securities and we are not involved in the clearance and settlement of transactions. When you place a securities order with us, we will immediately send equity orders to our clearing broker – Fidelity’s National Financial Services LLC (“**NFS**”) – for execution in most cases; and for orders in fixed income securities, we will execute them on Bloomberg and will route all transactions to NFS for clearing and settlement.

For more information about the types of brokerage accounts and services we offer, please refer to your NFS Brokerage Application and SVB Brokerage Agreement. You should also always feel free to call your FP to ask questions.

3. Material Fees and Costs

A. Principal Fees for Our Brokerage Services

The principal fees and costs you will pay for our brokerage services are commissions, which are transaction-based fees charged each time you buy or sell securities. Commissions may be charged on a per share basis, per trade basis or both. Regulatory and exchange-based fees may also apply.

Depending on the type of securities transaction, we will charge you commissions on a per share basis, per trade basis or both. The amount we charge will depend on the type of securities transaction and the size of your transaction, among other factors. The commissions we charge you for executing a securities transaction always will be disclosed on your written confirmation statement.

Because we are compensated for transactions, there is an incentive to encourage you to trade more frequently and in greater amounts.

B. Additional Fees

In addition to the principal fees described above, you may also be charged a per transaction fee and an annual custodial and account maintenance fee by NFS, which we may waive in our sole discretion. Any fees charged by NFS will be deducted from your brokerage account when incurred and will be disclosed to you on your account statement.

Additional fees may apply when you transact securities, including various assessments and usage fees, such as:

- processing and handling fees for trades;
- wire fees;
- transfer fees;
- fees for using a margin account; and
- bank charges.

These fees will vary depending on the type of transaction and are subject to change. We will provide you with a current schedule of fees upon your request. Please ask your FP if you have any questions about these fees.

Finally, when you purchase or sell mutual funds, exchange traded funds and other alternative investments, you will be charged your *pro rata* share of the management fee and other amounts that are included in the expense ratios for such investments. These costs will be disclosed to you in the fund prospectuses prior to or at the time of the investment.

4. Risks

When we and our FPs as your broker-dealer provide you with a recommendation of any securities transaction or investment strategy involving securities, we have to act in your best interest and not put our interest ahead of yours. At the same time, you have ultimate decision-making power over your investments and you should carefully consider your financial situation and goals, risk tolerance and time horizon when evaluating the recommendations we provide you. Investing in securities involves risk of loss that you should understand and be prepared to bear. Investment performance can never be predicted or guaranteed, and the value of your investments may fluctuate, potentially significantly, due to market conditions and other factors. It is, therefore, important to understand the risks associated with securities transactions we may recommend to you.

When evaluating investment risk, financial loss may be viewed differently by each client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. It is important for you to understand the risks associated with each recommendation and investment type available and you should carefully consider them before making investment decisions. ***While the following risks address many of the risk types you should consider, they are not all-inclusive.*** Given the fact-specific nature of particular investments and your financial circumstances, goals and risk tolerance, you should consider each recommendation carefully in light of the totality of factors relevant to you and if you have any questions, discuss them with your FP. Various risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on you if there is in fact an occurrence.

No Assurance of Investment Returns or Principal Preservation.

There can be no assurance that investments will generate any returns or that principal balances will be preserved. Investing in securities of any kind involves a risk of loss, including the risk of a total loss of principal. Investments in securities (including money market funds) are generally subject to a variety of risks, including interest rate risks, credit risks and general market risks; therefore, any actual returns that are generated are inherently unpredictable. There can be no assurance or guarantee that principal balances will be preserved or that investments will generate returns that will be commensurate with your expectations, investment objectives or investment strategies.

- **Financial Services Industry Risk.**

Investments in banks and other financial services companies are subject to various risks generally associated with the financial services industry, such as credit risk, interest rate risk and industry-related regulatory developments.

- **Prepayment Risk and Extension Risk.**

The principal on mortgage-backed securities, other asset-backed securities or any debt security with an embedded call option may be prepaid at any time, which could reduce yield and market value. The rate of prepayments tends to increase as interest rates decline, which could cause the average maturity of the portfolio to shorten. Extension risk may result from a rise in interest rates, which may make mortgage-backed securities, asset-backed securities and other callable debt securities more volatile.

- **Use of Private Collective Investment Vehicles Not Registered with the SEC.**

Managers of privately placed collective investment vehicles have broad discretion in selecting investments. There are few limitations on the types of securities or other financial instruments that may be traded, and no requirement to diversify. The funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities, which may or may not be adequately disclosed by the fund manager.

- **Use of Margin.**

To the extent that you trade on margin, the market value of your account and corresponding fee payable by you to SVB Investment Services will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients trading on margin are advised of the potential conflict of interest whereby your decision to trade on margin could correspondingly increase the management fee payable to SVB Investment Services if the asset values increased in a bullish market.

- **Derivatives Risk.**

Derivatives can be highly volatile and involve risks in addition to the risks of the underlying investment, index or rate. Derivatives involve special risks, including correlation, counterparty, liquidity, operational, accounting and tax risks. Investing in derivatives also requires a specific skill set and may result in losses. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses. Gains or losses from derivatives can be substantially greater than the derivatives' original cost.

- **Short Selling Risk.**

Short selling may expose the portion of your assets committed to these activities to unlimited risk. Unlimited risk occurs where no upper limit exists on the price to which a security may rise. In response to the volatility of global financial markets, regulators have taken action to restrict taking short positions on certain securities. The levels of restriction vary across different jurisdictions and are subject to change in the short- to medium-term. These restrictions have made it difficult, and in some cases impossible, for a number of market participants either to continue to implement

their investment strategies or to control the risk of their open positions. As a result, our clients may be constrained in fulfilling their investment objectives.

- **Tax Risks.**

Certain investments or investment strategies that SVB Investment Services may recommend may result in negative tax consequences, may involve tax treatment that may not be clear, or may be subject to re-characterization by the Internal Revenue Service, including certain sales of private company stock. SVB Investment Services does not provide tax advice and all clients are advised to consult with their tax, accounting and legal advisors in this regard.

- **Economic Risk.**

You are likely to be exposed to risks relating to weakness in various global economies and the economic cycle. Numerous factors, such as market volatility, interest rates, commodity prices, equity prices, currency prices, credit spreads and deflationary and inflationary pressures may be affected by the economic cycle and long-term economic trends. Predictions about financial market conditions and economic factors are highly uncertain, and the presence, duration and impact of any market or economic conditions could have a materially adverse effect on such investments.

- **Financial Market Disruptions.**

In recent years, disruptions in the global financial markets, the scope and severity of which are without precedent in recent financial history, have had materially adverse, and in certain cases catastrophic, consequences for the values, liquidity and stability of certain types of investments. Similar or dissimilar disruptions may occur in the future, and their duration, severity and ultimate effect are difficult to forecast. These disruptions could lead to additional regulations or laws, which could have a material adverse effect on your investments.

- **Correlation Risk.**

Certain investments will experience returns that individually or in the aggregate are correlated (possibly highly) with various market indices, including various equity, debt or other markets around the world. On the other hand, there may be periods of time when account returns are not correlated with various market indices or the returns of other investment strategies.

- **Interest Rate Risk.**

The value of your investment portfolios may decrease as interest rates fluctuate.

- **Volatility Risk.**

The performance of investment strategies SVB Investment Services recommends may be volatile (both in absolute terms and relative to realized returns), potentially resulting in increased risks, including the risk of substantial losses. Such strategies may have volatility, a greater chance of extreme losses or negative returns, lower average returns, correlation with certain macroeconomic risk factors, asset class concentrations and/or other significant risks, whether in absolute terms, relative to expected returns or relative to certain other strategies that are recommended by SVB Investment Services.

- **Liquidity Risk.**

High volatility and/or the lack of deep and active liquid markets for a security may prevent our ability to place trades at all or at advantageous times or prices. Some securities (including ETFs, as described below) that hold, or trade derivatives and other financial instruments may be adversely affected by liquidity issues as they manage their portfolios. You may not be able to sell securities in a timely manner or at a desired price, or because of a lack of demand or a lack of market.

- **Credit Risk.**

Your investments may be exposed to credit risk. Exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of account securities. The underlying value of securities may decline as a result of certain events, such as if the issuer defaults on its obligations in any material manner, or if the issuer's credit rating is materially downgraded.

- **Risk of ETFs, Mutual Funds, and Other Pooled Investment Vehicles.**

You may invest in ETFs, mutual fund shares or other index- and non-index-related securities or pooled investment vehicles. These investment products are subject to the risk that they may not effectively achieve the performance of the index, industry or other market they are intended to track, if they do intend to achieve such tracking. Investing in any pooled investment vehicle also involves, in addition to all the risks involved in investing in securities generally (as described under "Securities Investment Risks" below), the risk that the expenses charged to the pooled vehicle reduce its return, that the pooled vehicle's managers are not successful at their stated program, that those managers face conflicts of interest, that the investment is illiquid and that the pooled vehicle's non-investment operations become subject to error and mismanagement, resulting in losses for the pooled vehicle. In any event, such pooled vehicles can be expected to incur additional costs, fees and expenses, thus reducing the returns to clients on investments in those vehicles. These securities may also have exposure to derivative instruments, which may not perform as expected, along with other investment risks described in their prospectuses, statements of information and other disclosure documents.

- **Money-Market Fund Risk.**

Although money-market funds seek to preserve the value of clients' investment at \$1.00 per share, the share price may fall below \$1.00 as a result of changes in credit quality, issuer default, redemption restrictions or pressures, and other similar events. The SEC and other regulatory agencies continue to review the regulation of money market funds, and may take additional regulatory action in the future. These changes may affect the securities and markets in which money market funds invest. These changes may also impact a money market fund's ability to implement its investment strategies as well as its future operations, expenses and/or yields.

- **Securities Investment Risks.**

All securities and other account investments carry some level of risk, including the risk that you could lose your entire investment. Prices of securities can be volatile and a variety of risks, including market, currency, economic, political, technological, regulatory, social, and business risks, can adversely affect the value of and return on any account investments.

The investment risks of certain types of securities include the following:

- **Market Risk.**

Market events or other external factors, including political, economic and social conditions, may impact the value of securities or other investments.

- **Sector Risk.**

To the extent that you invest more heavily in particular sectors, industries or sub-sectors of the market, the performance of your accounts will be especially sensitive to developments that significantly affect those sectors, industries or sub-sectors. An individual sector, industry or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events and may otherwise not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.

- **Equities.**

Common and preferred stocks represent equity ownership in a company. Stock markets are volatile. The price of equity securities will fluctuate and can decline and reduce the value of an equities investment portfolio. The value of equity securities purchased could decline if the financial condition of the companies in which you invest declines or if overall market and economic conditions deteriorate. They may decline due to factors that affect a particular industry or industries, such as labor shortages or an increase in production costs and competitive conditions within an industry, or due to general market conditions that are not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or generally adverse investor sentiment.

- **Fixed Income.**

Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of such securities tends to decrease. Conversely, as interest rates fall, the market value of such securities tends to increase. This risk will typically be greater for securities based on longer-term interest rates than for securities based on shorter-term interest rates. Fixed income securities may experience a decline in income when interest rates decrease. During periods of falling interest rates, an issuer may be able to repay principal prior to the security's maturity (i.e., prepayment), causing the vehicle to have to reinvest in securities with a lower yield, resulting in a decline in the vehicle's income. Additionally, fixed income securities may be subject to liquidity risk, whereby a security is difficult to purchase or sell or becomes difficult to sell after being purchased. This risk has been especially pronounced in recent times due to disruptions in the global debt markets and is elevated for high-yield fixed income securities (sometimes called "junk" bonds).

- **Asset-Backed Securities Investment Risk.**

The impairment of the value of the collateral underlying certain asset-backed securities may adversely affect the value of the securities.

- **Developed Country Securities.**

Investment in developed countries may subject a portfolio to regulatory, political, currency, security, demographic, and economic risk specific to those countries. Developed countries may be impacted by changes to the economic health of certain key trading partners, regulatory burdens, debt burdens and the price or availability of certain commodities. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other countries or regions.

- **Non-U.S. Securities.**

International investments involve special risks not typically associated with trading in investments relating to markets and/or issuers solely in the U.S. Depending on the particular countries and investments involved and on the nature of the particular transactions executed outside of the U.S., these special risks may include: changes in exchange rates and exchange control regulations; downgrades in sovereign credit ratings; devaluations or non-convertibility of non-U.S. currencies; failures or disruptions in central banks, banking systems, markets or financial exchanges; changes in monetary policies, interest rates or interest rate policies; political, social and economic instability; adverse diplomatic developments; investment and repatriation restrictions; the nationalization and/or expropriation of assets; government intervention in the private sector; default by public and private issuers on their financial obligations (and limited recourse in connection with such defaults); the imposition of non-U.S. taxes; discrimination against foreign investors; less liquid markets; less information; higher transaction costs; less information regarding legal and regulatory risks; less uniform accounting and auditing standards; greater price volatility; less reliable clearance and settlement procedures; and/or less government supervision of exchanges, brokers, market intermediaries, issuers and other markets and market participants, than is generally the case in the U.S.

- **Foreign Currency Transaction Risk.**

As foreign securities are usually denominated in foreign currencies, we may recommend strategies intended to protect clients' portfolios from adverse currency fluctuations. We may also recommend strategies intended to increase exposure to certain currencies. Such currency transactions involve additional risks, and if unsuccessful, may decrease the value of your assets.

- **Real Estate-Related Securities.**

Real estate-related securities may be adversely affected by factors affecting the real estate industry, which may include changes in interest rates and social and economic trends. They may also be subject to the risk of fluctuations in income from underlying real estate assets, poor performance by managers, prepayments and defaults by borrowers, adverse changes in tax laws and, with respect to certain real estate-related securities, their failure to qualify for the special tax and regulatory treatment granted under the federal tax and securities laws (if so desired).

- **Commodities.**

Commodity-linked securities (*i.e.*, commodity-based ETFs) may be adversely affected by changes in the underlying commodity value, supply and demand and governmental regulatory policies, in addition to overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity.

- **Other Risks.**

Certain securities may have exposure, whether intentional or unintentional, to various market movements, and other sources of risk, whether known or unknown. Such sources of risk may include changes in current or future levels and/or volatility of interest rates, inflation rates, currency prices, commodity prices, sovereign credit spreads, corporate credit spreads and equity, fixed income and other markets, as well as correlations between any of these risks.

- **Reinvestment Risk.**

Future proceeds from investments may have to be reinvested at a potentially lower rate of return.

- **Counterparty Risk.**

The counterparties with whom SVB Investment Services invests or may do business, or to which securities have been entrusted for custodial purposes, may encounter financial and/or operational difficulties that may impact their ability to trade, maintain or otherwise service our clients' security positions.

- **Broker-Dealer Regulation.**

As an SEC-registered broker-dealer, SVB Investment Services is subject to a variety of regulatory filing and recordkeeping requirements under the Exchange Act, as well as certain requirements and prohibitions as to its substantive activities. If, in the course of its activities, SVB Investment Services was found to have violated any laws or regulations applicable to broker-dealers, it could be subject to significant penalties and sanctions and its ability to continue offering brokerage services could be compromised.

- **Regulatory Change Risk.**

It is possible that changes in applicable laws and regulations will affect SVB Investment Services and your investments. These changes may include: changes in broker-dealer or securities trading regulation; a change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations. The consequences of such changes on the liquidity and the efficient and orderly functioning of the markets in which SVB Investment Services invests cannot be predicted and may materially diminish the profitability of your investments.

- **Litigation Risk.**

From time to time, in the ordinary course of business, SVB Investment Services and its affiliates may be subject to litigation and/or arbitration, which can be costly and consume resources of SVB Investment Services and/or its affiliates. Any litigation or arbitration could have a materially adverse effect on SVB Investment Services' ability to continue offering brokerage services.

- **Cybersecurity Risk.**

Due to the increased use of technology in our business and the financial services industry in general, SVB Investment Services is subject to cybersecurity risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data or causing operational disruption, including denial-of-service attacks on websites. Cybersecurity failures or breaches with respect to SVB Investment Services or of its third party vendors have the ability to cause disruptions to SVB Investment Services potentially resulting in financial losses to clients and/or violations of applicable privacy and other laws that adversely affect clients.

Your investments may also be subject to other risks specific to certain securities, which are further described in the underlying prospectus or other disclosure statement from the issuer of those securities. You should carefully review all available disclosures of any securities.

5. Material Facts Relating to Conflicts of Interest

When we provide you with a recommendation as your broker-dealer, 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, as explained below. A conflict of interest means an interest that may incline us or our FPs to make a recommendation that is not dis-interested. You should understand and ask us about these conflicts because they can affect the recommendations we provide you.

Compensation of Our Financial Professionals

All SVB Investment Services employees, registered and non-registered, are compensated on a salary-plus-bonus-basis. No employee receives commissions from brokerage transactions.

The bonus for SVB Investment Services senior management, compliance, investment operations, administrative, and clerical staff is based on an assessment of whether they successfully performed their roles and responsibilities and otherwise met the firm's business objectives, rather than any sales or revenues-based metrics. The bonus for our Financial Professionals – our Relationship Managers, Portfolio Managers, and Premier Service Consultants – is based on multiple, non-quantitative factors, such as the firm's overall performance or the individual's contributions to his or her team or the amount of assets under management attributable to the individual. While incentive compensation is not determined in a formulaic manner based on the amount of net new money or return on investments, it could create a conflict of interest to recommend the products and services of our affiliates, rather than to make no recommendation, or to recommend the products and services of our affiliates over that of a third-party's.

In our view, this conflict of interest is mitigated by this disclosure, our and our FPs' legal obligations to act in your best interest when making securities recommendations, as well as, other regulatory

requirements applicable to broker-dealers and investment advisors under which we operate, our internal code of ethics and regular trainings.

Proprietary Products and Affiliate Services

Affiliated Investment Advisers and/or General Partners and Broker-Dealers. We are affiliated with entities that manage private funds (private pooled investment vehicles). Such affiliated entities include SVB Asset Management (“**SAM**”), an investment adviser registered with the SEC, and other entities that serve as general partners and/or investment advisers of investment funds (“**SVB General Partners**”). We are also affiliated with SVB Securities LLC, an SEC-registered broker-dealer that acts as private placement agent for these funds. While neither we nor our FPs are compensated directly for making referrals, our corporate group, SVBFG, as a whole earns more compensation and other benefits when you invest in products that our affiliates issue, sponsor, manage or participate in the distribution of, than when you invest in products not affiliated with us. We and our FPs therefore will have an incentive to recommend these investment opportunities over those of a third-party, which creates a conflict of interest.

Banking Related Products and Services of Silicon Valley Bank and SVBFG. We and our FPs may also introduce prospective clients to bank products of Silicon Valley Bank, such as personal or business loans or to automatic cash transfer products, or to products and services offered by SVBFG. Silicon Valley Bank may also invest in or otherwise have an ownership interest in certain SVB Investment Services clients’ companies. While neither we nor our FPs are compensated directly for introducing you to the products and services of Silicon Valley Bank or SVBFG, when you use these products and services, you will be subject to the fees associated with them that our affiliates charge, which will increase the compensation and other benefits earned by our corporate group, SVBFG, as a whole. We and our FPs therefore will have an incentive to recommend these products over those of a third-party, which creates a conflict of interest.

Founders Circle Capital. Affiliates of SVB Investment Services have a financial interest in Founders Circle Capital (“**FCC**”), an SEC-registered investment advisor. We or our FPs may introduce clients to FCC. Although neither we nor our FPs would be directly compensated for any such introductions, due to SVB Investment Services’s indirect financial interest in FCC, we will have an incentive to recommend FCC, which creates a conflict of interest.

In our view, these conflicts of interest are mitigated by this disclosure, our and our FPs’ legal obligations to act in your best interest when making securities recommendations, as well as, other regulatory requirements applicable to broker-dealers and investment advisors under which we operate, our internal code of ethics and regular trainings.

Third Party Sources of Revenue; Third Party Services

Mutual Fund 12b-1 Fees. Some mutual funds may pay 12b-1 fees to us when we recommend them to you or execute those fund shares on your behalf. Such compensation creates a conflict because it creates an incentive for us to recommend mutual funds that pay compensation to its distributors and to recommend mutual fund share classes with higher fees when lower cost share classes may be available in those funds.

Fidelity Funds. We may from time to time recommend that you invest in funds offered by Fidelity, which is affiliated with NFS, our primary custodian. We receive no compensation from Fidelity for such investments, and do not believe that our recommendation of Fidelity funds poses a material conflict of interest, as we only recommend Fidelity funds to our clients if we believe these funds offer attractive investment opportunities and are aligned with our clients’ investment objectives.

In our view, these conflicts of interest are mitigated by this disclosure, our and our FPs' legal obligations to act in your best interest when making securities recommendations, as well as, other regulatory requirements applicable to broker-dealers and investment advisors under which we operate, our internal code of ethics and regular trainings.

Except as noted above, we do not pay referral or solicitation fees to any persons for introducing clients to us. We are not a party to any fee sharing, soft dollar, or marketing dollar reimbursement programs offered by investment product sponsors.

Other Activities of SVB Investment Services and its Affiliates

Our ability to recommend purchases or sales of securities will be limited by the fact that we are not permitted to obtain or use material non-public information in effecting public securities transactions for clients. Our ability to recommend securities transactions may also be limited by reputational or other reasons, including where we or our affiliate(s) are providing, or may provide, advice or services to an issuer of securities, where we or our affiliate(s) or another client account is/are or may be engaged in the same or a related transaction to that being considered by the client, where we or our affiliate(s) or another client account has an interest in an entity involved in a securities transaction, or where a securities transaction or the exercise of rights could affect us or our affiliates or their respective activities.

* * * * *

We hope this disclosure is helpful in enhancing your understanding of our brokerage services as it relates to the material facts relating to the scope and terms of your current/future relationship with us, and that this information will help you evaluate recommendations you receive from us regarding securities transactions and investment strategies involving securities (including account recommendations).

If you have any questions now or in the future about any of the topics discussed herein, do not hesitate to contact us or your FP.