



First Citizens
WEALTH MANAGEMENT

FCIS Complex Product Guidelines

Effective 01/01/2024

Internal Use Only

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Summary

Certain product types included on the FCIS approved products list or used by clients at other institutions have been determined by FCIS to be complex products. This document provides general information about these offerings, and guidelines for client qualification, household concentration, and account suitability.

Any deviations from these guidelines require RBM written pre-approval prior to solicitation and made available upon request unless otherwise outlined below.

What are Complex Products?

From a general perspective, if a product has certain features or characteristics that make it difficult for an investor to understand then it could be considered complex. Examples may include, but not limited to:

- Product risk or performance is mainly determined using derivative instruments or other non-traditional methods.
- Liquidity is restricted by the sponsor, prospectus or offering documentation.
- Product valuations are periodically calculated such as monthly, quarterly, or annually.

Complex Product Categories

- Market-Linked CDs (MLCD)
- Market-Linked (Structured) Notes (MLN)
- Interval Funds
- Non-traded Closed End Funds
- Non-Traded REITs (Real Estate Investment Trusts)
- Non-Traded BDCs (Business Development Companies)
- Non-Traded Preferred Equities
- Private Placements

MLCDs and MLNs are the only product categories listed above that are found on the FCIS Approved Products list.

Sales Guidelines

Don't Forget:

These aggregate limitations are across all client positions in the household including those held outside of FCIS.

The following guidelines for the recommendation of complex products will be implemented:

- No more than an aggregate 40% of a client's household liquid net worth (LNU) may be in complex products.
- Positions in FDIC-covered offerings should not exceed the lesser of applicable FDIC limits or the overall aggregate 40% of LNU previously mentioned.
- Minimum ticket size is \$10,000.
- Minimum client liquid net worth is \$100,000.

For additional information about Liquid Net Worth, please see guidelines found in the Approved Products section of Wealth Connect.

Suitability Guidelines

The following client account suitability guidelines for the sale of complex products will be implemented as of the effective date:

- **Risk Tolerance:** Moderate or greater
- **Investment Objective:** Growth & Income or greater
- **Time Horizon:** Match or exceed the offering tenor
- **Liquidity Needs:** Low or None

***Reminder:** Suitability is monitored at the account level. Each account that holds complex products should meet these guidelines.*

