



OLD NORTH STATE TRUST, LLC

Firm Brochure

(Part 2A of Form ADV)

March 31, 2016

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This brochure provides information about the qualifications and business practices of Old North State Trust, LLC. If you have any questions about the contents of this brochure, please contact us at: 800-679-3996, or by email at: info@oldnorthstatetrust.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Old North State Trust, LLC is available on the SEC's website at www.adviserinfo.sec.gov.



OLD NORTH STATE TRUST, LLC

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 800-679-3996 or by email at info@oldnorthstatetrust.com.



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Advisory Business

Firm Description

Old North State Trust, LLC (ONST) was founded in 1994 as a Registered Investment Advisor and received its charter from the NC Commissioner of Banks and began operating as a trust company in February of 2004.

ONST provides comprehensive trust and wealth management services to individuals, business and family groups, endowments and foundations. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

ONST is strictly a fee based administrative and wealth management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities.

Principal Owners

Denis R. de St. Aubin, founder and Chairman of ONST has ownership of more than 25%. All other members have less than 25%.

Types of Advisory Services

ONST provides investment services, also known as asset management services; manages investment advisory accounts; furnishes investment advice through consultations; furnishes guidance to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

ONST manages client assets through its various investment advisory services and its trust services. As of 12/31/2015, ONST managed approximately \$201.7 million in assets. ONST estimates that approximately \$128.4 million in assets are managed on a discretionary basis, and approximately \$73.3 million in assets are managed on a non-discretionary basis. However, this excludes approximately \$25.2 million in assets that are held in self-directed IRA accounts. The majority of the assets (more than 90%) are managed through ONST's trust services, which are regulated by the NC Commissioner of Banks.



Tailored Relationships

The goals and objectives for each client are documented in our client files. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Fees and Compensation

Description of Fee Billing for Investment Management Accounts

ONST offers continuous investment advice to clients based on individual goals and objectives as a primary part of its business. ONST bills its investment advisory clients in advance for certain services. With respect to such advance payments, ONST provides in its management agreements with clients that the clients may terminate the relationship at any time, subject to written notification, and upon termination, the prorated portion of any prepaid fees will be returned to the client.

The description below discloses the various fees that ONST generally charges for its investment advisory services. [However, ONST's fees may vary from the applicable schedules below due to the particular circumstances of the client or as otherwise negotiated with particular clients.]

The annual management fees listed below are normally payable quarterly in advance and are based on a percentage of the ending market value of account assets (including cash equivalents) from the prior quarter. There are breakpoints in the fee structure, so that additional assets are billed at progressively lower rates. ONST does not have a minimum account size, but does have a minimum annual fee of \$1,500.00 which is negotiable. These fees are exclusive of trust billings.

Annual Management Fees:

<u>Assets</u>	<u>Applicable Rate</u>
Up to \$250,000	1.20% of Assets
Next \$750,000	0.80% of Assets
Next \$1,000,000	0.70% of Assets
Next \$1,000,000	0.60% of Assets
Over \$3,000,000	Negotiated

Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of his or her investment account.



Fees for Trust Services are payable monthly, in arrears, based on a percentage of the value of all client's assets under ONST's investment supervision as of the last trading day of the prior month. ONST does not have a minimum account size for most accounts, the exception being Special Needs Trust accounts, but does have a minimum annual fee of which is negotiable.

Annual Trust Service Fees and Minimums:

- Irrevocable Trust Accounts

<u>Assets</u>	<u>Applicable Rate</u>
First \$1,000,000	1.40% of Assets
Over \$1,000,000	1.10% of Assets

Minimum Annual Fee of \$4,000

- Revocable Trust Accounts

<u>Assets</u>	<u>Applicable Rate</u>
First \$1,000,000	1.30% of Assets
Over \$1,000,000	1.00% of Assets

Minimum Annual Fee of \$3,500

- Agency Accounts

<u>Assets</u>	<u>Applicable Rate</u>
First \$1,000,000	1.30% of Assets
Over \$1,000,000	1.00% of Assets

Minimum Annual Fee of \$3,500

- Individual Retirement Arrangement Accounts

<u>Assets</u>	<u>Applicable Rate</u>
First \$1,000,000	1.40% of Assets
Over \$1,000,000	1.10% of Assets

Minimum Annual Fee of \$4,000

- Special Needs Trust Accounts

<u>Assets</u>	<u>Applicable Rate</u>
First \$1,000,000	1.50% of Assets
Next \$1,000,000	1.00% of Assets
Over \$2,000,000	.80% of Assets



Minimum Annual Fee of \$7,500
Minimum Account Size \$500,000

- Trustee Only Accounts
Annual Fee .60% of Assets
Minimum Annual Fee of \$3,000
- Self-Directed IRA Accounts
Annual Fee .60% of Assets
Minimum Annual Fee of \$2,000
- Irrevocable Life Insurance Trust Accounts (Unfunded)
Annual Fee of \$2,750
- Estate Administration Services (Market Value of Assets are based on gross estate)

<u>Assets</u>	<u>Applicable Rate</u>
First \$2,000,000	3.00% of Assets
Next \$3,000,000	2.00% of Assets
Over \$5,000,000	1.00% of Assets

Minimum Annual Fee of \$7,000

- Unique Assets
Managed – 1.00% annually
Beneficiary Occupied Real Estate - \$500/year flat fee
Sale of Asset - If no agent involved 6.00% - If agent involved 3.00%
Rental Property – If no property manager involved 7.00% of annual income – If property manager involved 2.00% of annual income
Oil/Gas Leases – 1.00% annual gross revenue
Leases – Negotiation without broker 4.00% of income –
Negotiation with broker 2.00% of income
Closely Held assets negotiated on an individual basis

Where special services are rendered, including consulting services regarding tax, real estate, closely held business interests, financial planning matters or other trust or financial related matters or for extraordinary services provided in the course of account administration, a fee of \$150 per hour plus out of pocket expenses will apply.



For significant involvement in bill paying which exceeds 10 checks per month there will be a charge of \$10 per check for those in excess of 10 per month.

Other Fees

Custodians (Charles Schwab & Company and Fifth Third Bank) may charge transaction fees, if applicable, on purchases or sales of certain mutual funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for such trades.

ONST, in its sole discretion, may waive its minimum fee and/or charge a lesser investment management fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Mutual Fund Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by the client to ONST.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Termination of Agreement

A client may terminate the management agreement at any time by notifying ONST in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, ONST will refund any unearned portion of the advance payment.

ONST may terminate the management agreement at any time by notifying the client in writing. If the client made an advance payment, ONST will refund any unearned portion of the advance payment.



Types of Clients

Description

ONST generally provides investment advice to individuals, business and family groups, endowments, foundations, pension and profit sharing plans, trusts, estates, and charitable organizations.

Client relationships vary in scope and length of service.

Account Minimums

ONST does not have a minimum account size, but does have a minimum annual fee of \$1,500.00 for investment advisory services and \$2,000.00 to \$7,500.00 for trust services which are negotiable.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods primarily consist of fundamental analysis but may include charting, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that ONST may use include, but are not limited to, Morningstar Advisor Workstation & Informa Investment Solutions which provide portfolio optimization and investment research for mutual funds, ETFs, stocks and indices, Value Line for stock information, and Schwab Institutional which provides ONST access to equity research produced by Standard & Poor's, Ned Davis, Argus, and Credit Suisse.

Investment Strategies

The primary investment strategy for client accounts is long-term strategic asset allocation which utilizes mutual funds, both actively managed and of the index variety, exchange-traded funds, stocks and bonds. Diversification across various asset classes and regions is considered where it may be appropriate to limit a client's concentration in a single asset class and region.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement



that documents his or her objectives and his or her desired investment strategy.

Other strategies may include long and short-term purchases, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular fundamental factors. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar did yesteryear, because purchasing power is eroding at the rate of inflation. As a result, investments whose returns are more fixed in nature become less attractive in an inflationary environment.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies operating in an environment vulnerable to sudden price swings depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from



a steady stream of customers who buy electricity under almost any circumstances.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a firm's operations increases the risk of less profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

There are no legal or disciplinary actions to report for the last ten years.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

ONST's primary business is providing trust services, which incorporates financial advice and discretionary investment management. As a state chartered trust company, ONST is supervised by the NC Commissioner of Banks. ONST is audited annually with its recent audit occurring in March 2016.

Affiliations

ONST has no financial arrangements that are material to its advisory/trust business or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.



Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of ONST have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will also provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

ONST and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of ONST's Policy & Procedure Manual as well as having oversight by the NC Commissioner of Banks.

Personal Trading

The Chief Compliance Officer of ONST reviews all employee and Board member trades each quarter. The personal trading reviews ensure that the personal trading of employees and Board members do not affect the markets, and that clients of the firm receive preferential treatment relative to ONST employees. Since most employee and Board member trades are small in nature, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

ONST recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

ONST recommends brokerage firms (qualified custodians), such as Charles Schwab & Company and Fifth Third Bank.

Currently ONST requires that investment advisory clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab)—a registered broker-dealer, member SIPC—to maintain custody of clients' assets and to effect trades for their accounts. ONST is independently owned and operated, and not affiliated with Schwab. Schwab provides ONST with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisers on an unsolicited basis at no charge to them, so long as at least \$10 million of the adviser's clients' assets is maintained in accounts at Schwab Institutional, and is not otherwise



contingent upon ONST committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise available only to institutional investors, or would require a significantly higher minimum initial investment. For client accounts maintained in ONST's custody, Schwab usually does not charge separately for custody, but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

For trust services, ONST utilizes Fifth Third Bank for custodial services via an omnibus relationship. This relationship provides access to securities trading. The relationship with Fifth Third Bank is reviewed periodically.

Best Execution

ONST reviews the execution of trades of the custodian annually. Trading fees charged by the custodian are also reviewed on an annual basis.

Moreover, ONST is always seeking the highest quality executions possible. The quality is determined by execution price, speed and access to liquidity.

In reference to commissions, many of our clients are invested in mutual funds and to reduce the cost of investing, Schwab and Fifth Third Bank provide a no-transaction mutual fund platform. Also, their commission rates for securities are neither the lowest nor the highest, but on average are very competitive.

Soft Dollars

Schwab makes available products and services that benefit ONST, but may not directly benefit its clients' accounts. Some of these products and services assist ONST in managing and administering clients' accounts, which include: software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitating trade execution (and allocation of aggregated trade orders for multiple client accounts); providing research, pricing information and other market data; facilitating payment of ONST's fees from its clients' accounts; and assistance with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of ONST's accounts. Schwab Institutional also makes available to ONST other services intended to help ONST manage and further develop its business enterprise. These services may include consulting, publications, and conferences on practice management; information technology; business succession; regulatory compliance and marketing. In addition, Schwab may make available, arrange, and/or pay for these types of services rendered to ONST



by independent third-parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to ONST. ONST requires that clients maintain their assets in accounts at Schwab based, in part, on the availability of some of the foregoing products and services, and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab. While as a fiduciary, ONST endeavors to act in its clients' best interests, a potential conflict of interest may arise.

In selecting Fifth Third Bank, ONST considered the value of research and additional brokerage products and services that Fifth Third Bank can and will provide to our clients as well as to ourselves. Receipt of these additional brokerage products and services are considered to have been paid for with 'soft dollars.' Because such services could be considered to provide a benefit to our firm, ONST may have a conflict of interest in directing client brokerage business. Also, ONST could receive benefits by selecting Fifth Third Bank to execute client transactions, and the transaction compensation charged by Fifth Third Bank might not be the lowest compensation ONST might otherwise be able to negotiate.

The products and services ONST receives from Fifth Third Bank will generally be used in servicing all of our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to Fifth Third Bank for such products and services. In addition, ONST may not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. As part of our fiduciary duties to the client, ONST endeavors at all times to put our client's interests first. However, clients should be aware that the receipt of economic benefits by ONST is considered to create a conflict of interest.

Order Aggregation

Most trades involve mutual funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

For investment advisory accounts, reviews are performed annually by the advisor and Chief Investment Officer or compliance officer. For trust accounts, reviews are performed annually by the Chief Investment Officer or compliance officer. Account reviews can be performed more frequently when market conditions dictate.



Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

For investment advisory accounts, clients receive monthly position statements describing positions, transactions and valuations for the previous calendar month from Schwab, the custodian of all investment advisory assets. In addition, our quarterly newsletter is emailed to all advisory and trust clients. The newsletter includes market commentary for the previous quarter as well as other relative investment, tax, trust and estate articles.

For trust accounts, clients receive periodic account statements at the interval of their choosing, but at least annually. Statements provide information regarding asset holdings, cost basis, market value, transactions, realized gain/(loss) summary and fees. Clients may also obtain account information via online access. Certain clients, by request, receive reports on estimated income, yields, summaries on gains/losses for taxes, and consolidated reports on multiple portfolios. Client meetings are held at the client's preference—typically annually—on performance, strategy and the status of the client's goals and objectives for the portfolio.

Client Referrals and Other Compensation

Incoming Referrals

ONST has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm in most cases does not compensate referring parties for these referrals.

However, ONST may compensate unrelated third parties for client referrals in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940. The compensation paid to any such third party will be equivalent to 50% of the net quarterly advisory fee paid to ONST by the client referred by third party for the first quarter following referral.

Referrals Out

ONST does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.



Custody

Account Statements

All assets are held at qualified custodians. For investment advisory clients, the custodian (Schwab) provides account statements directly to clients at their address of record monthly.

For trust clients, assets are held in nominee form at the custodian (Fifth Third Bank) at the omnibus level. Therefore, account statements are provided by ONST.

However, it's important to note that ONST does serve as a custodian for those clients holding securities that represent small privately held companies that do not trade on any exchanges.

Investment Discretion

Discretionary Authority for Trading

ONST accepts discretionary authority to manage securities accounts on behalf of clients. ONST under such an agreement has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, if a blanket trading authorization has not been given, ONST will consult with the client prior to each trade to obtain concurrence.

Discretionary trading authority also facilitates the placing of trades in client accounts so that ONST may promptly implement on the client's behalf the investment policy that had been agreed upon by ONST and the client.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Investment advisory clients sign a limited power of attorney so that ONST may execute the trades that the clients have approved.

Voting Client Securities

Proxy Votes

Investment Advisory clients are expected to vote their own proxies.

When assistance on voting proxies is requested, ONST will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.



For trust clients, securities may be voted by ONST, depending on the account type. The client may also be provided the option to vote the security directly or have ONST vote on their behalf.

Financial Information

Financial Condition

ONST does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is required to be provided to the NC Commissioner of Banks because ONST does serve as a custodian for client securities/assets. However, it is important to note that these securities represent small privately held companies that do not trade on any exchange and are held in custody by the Trust Division which is regulated by the NC Commissioner of Banks.

Also, ONST does not require prepayment of fees of more than \$1,200 per client, nor does ONST require prepayments to be made six months or more in advance.

Business Continuity Plan

General

ONST has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. ONST employees are required to familiarize themselves with the plan and to acknowledge as such.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway and aircraft accidents. To preserve data, electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients promptly of a disaster that dictates moving our office to an alternate location.



Loss of Key Personnel

ONST has a succession plan in place to deal with such a loss. Also, ONST has a Board of Directors that would, if needed, create a search committee to find a suitable replacement.

Information Security Program

Information Security

ONST maintains an information security program to reduce the risk that a client's personal and confidential information may be breached.

Privacy Notice

ONST is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to ONST.

ONST takes seriously our responsibility to keep the information provided to us in the strictest confidence. Federal privacy laws regulate what investment advisors and trust officers are allowed to do with the confidential personal information that they collect in connection with their financial service activities. Our standards have always been in the interest of protecting our clients' confidentiality.

ONST may obtain nonpublic personal information about clients' family and business, assets, income and expenditures, risk tolerance, estate, insurance coverage or other personal information in the course of providing the advisory and trust services for which clients have engaged the firm.

This information may come from account forms, investor profiles, tax or legal documents that clients provide to ONST or authorize ONST to obtain from others. Information may also come from discussions with clients or with others that clients authorize. ONST only collects information which is necessary to manage clients' accounts, abide by all laws and regulations, and review and develop new services and products that may be of benefit to the clients.

ONST uses the information responsibly so that the client's privacy is protected. ONST does not disclose any nonpublic personal information about its current or former clients to anyone, except as required by law or per the client's authorization. ONST does not participate in releasing this nonpublic information to other entities for independent telemarketing, direct mail or any other purpose.



Access to nonpublic personal information about ONST clients is restricted to those professionals and staffs who need to know such data in order to provide financial services on that account. Strict internal company policies and an employee conduct code ensure that clients' personal and financial information will be protected. ONST maintains physical, electronic and procedural safeguards to comply with federal regulations and professional requirements in order to preserve the confidentiality of the client's personal information.

In order to help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for clients: when a client opens an account, ONST will ask for the client's name, address, date of birth and other information that will allow ONST to identify the client. ONST may also ask to see the client's driver's license or other identifying document.

We, ONST, will notify clients in advance if our privacy policy is expected to change. We are also required by law to deliver this *Privacy Notice* at the time of account inception with client acknowledgment.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

ONST requires that advisors and trust officers in its employ have appropriate educational backgrounds, such as a bachelor's degree or coursework demonstrating knowledge of investment management, financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for investment management and financial planning.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).



- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Denis R de St. Aubin

Educational Background and Business Experience:

Denis R. de St. Aubin, CEO and current Chairman of the Trust Committee, attended High Point College and East Carolina University. Denis founded Old North State Trust in 1994 as North State Financial Management, LLC. Prior to founding Old North State Trust, Denis established several companies, including Heritage Investments & Estate Services, Heritage Concrete Service Corporation, and Chatham Insurance and Real Estate. Denis previously served as an insurance agent with Jefferson Pilot Insurance Company from 1991–1996.

Disciplinary Information: None

Other Business Activities:

Denis R. de St. Aubin serves as a paid officer for Heritage Concrete Service Corporation, a family held company. As a result, Heritage



Concrete Service Corporation has several managed accounts with ONST. Denis also serves as the Chairman for MBI Acquisition Company, and Managing Partner for Old North State Insurance.

Additional Compensation: Yes

Supervision:

Denis R. de St. Aubin is supervised by the Board of Directors.

Michael Spohn

Educational Background and Business Experience:

Michael Spohn, President, Chief Financial Officer and current member of the Trust Administration and Trust Investment Committees, is responsible for all aspects of Old North State Trust's management. Mr. Spohn received a BS in Finance and Economics from UNC-Greensboro in 1991, as well as a BS in Accounting from High Point University in 1993. Prior to joining Old North State Trust in December of 2003, he served as CFO for three companies (one public and two private) representing various industries. Before his industry experience, he spent five years in public accounting at BDO Seidman, LLP in Greensboro, NC.

Disciplinary Information: None

Other Business Activities:

Michael Spohn serves as an individual client advisor and financial consultant for small to medium sized business owners providing guidance on financial and operational efficiencies, bank and equity financing, tax planning, business succession, and personal wealth strategies. Mr. Spohn also serves as a Board member on various non-profit entities in Greensboro NC.

Additional Compensation: Yes

Supervision:

Michael Spohn is supervised by the Board of Directors. They review Michael Spohn's work through quarterly interactions.

Susan S Willett, CFP CTFA

Educational Background and Business Experience:

Susan S. Willett, Director of Trust Services, member of the Trust and Investment Committees and Chairperson of the Trust Administration Committee, oversees all aspects of trust administration for Old North State Trust, LLC. She is responsible



for the administration of her client accounts, as well as developing the policies and procedures that outline the trust administration for the company. Susan graduated and received her Bachelor of Business Administration with a concentration in Trust Management and Master of Business Administration from Campbell University. She also earned designations as a Certified Financial Planner and a Certified Trust and Financial Advisor in 2003. Prior to joining ONST, Susan was a Vice President and Trust Advisor with Wachovia Wealth Management for nine years, specializing in trust and estate administration and estate planning. She was also a bank examiner for the North Carolina Office of the Commissioner of Banks for five years before her service with Wachovia. Susan joined Old North State Trust in April of 2009.

Disciplinary Information: None

Other Business Activities:

Susan is the former president of the New Hanover Estate Planning Council. She currently serves on the Executive Board of Directors for the Cape Fear Council of the Boys Scouts of America as well as serving as Secretary on the Board for Domestic Violence Shelter. She also serves as Treasurer for the Delco Pentecostal Free Will Baptist Church.

Additional Compensation: None

Supervision:

Susan Willett is supervised by Michael Spohn, President. He reviews Susan Willett's work through frequent office interactions as well as remote interactions.

Susan Beard

Educational Background and Business Experience:

Susan W. Beard is Vice President of Old North State Trust Company. She joined Old North State in July, 2012 as a Senior Wealth Advisor. Susan's responsibilities include cultivating client relationships and working closely with her team to offer a holistic approach. She is also engaged with management to ensure that the services provided to clients are consistent with the procedures and guidelines that are in place. She is a graduate of Mary Washington University with a B.S. in Business Administration. Susan has 30 years of experience in the financial industry; most recently with Bank of America Trust and Wachovia/Wells Fargo Private Bank.



Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Susan Beard is supervised by Michael Spohn, President. He reviews Susan Beard's work through frequent office interactions as well as remote interactions.

Carl W. Joyner, MBA CTFA

Educational Background and Business Experience:

Carl W. Joyner, Senior Financial Advisor, Trust Officer and a member of the Trust Administration Committee, has extensive experience and training in the areas of fiduciary law, investments and taxation. Carl's primary responsibility is to administer trust and estate accounts for clients in eastern North Carolina from our Greenville office. A graduate of East Carolina University, Carl received a Bachelor of Science in Business Administration in 1971 and a Master's degree in Business Administration in 1973. Carl has worked in the financial services industry for forty-two years. He served as the Assistant Vice President and Trust Officer for Bank of America, and later became the Regional Manager of the bank's Trust Department. Later, he joined Centura Bank in 1991 as Vice President and Trust Officer where he oversaw the Northeast region's Asset Management division. Carl joined Old North State Trust in February of 2005.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Carl Joyner is supervised by Susan Willett, Director of Trust Services. She reviews Carl Joyner's work through frequent office interactions as well as remote interactions.



Robert W. Edwards, MBA**Educational Background and Business Experience:**

Robert W. Edwards, Senior Trust Officer and a member of the Trust Administration Committee, assists and guides clients in developing their financial objectives. Bob's primary responsibility is to administer trust, investment management, and estate accounts in eastern North Carolina. Bob graduated from East Carolina University with a Bachelor of Science in Business Administration in 1970. He completed the Southeastern Trust School at Campbell University in 1972, and went on to receive a Masters in Business Administration from Campbell as well. A well-seasoned veteran of the banking and trust services industry, Bob's career spanned 33 years with RBC Centura Bank, principally as Personal Trust Services Manager and Senior Trust Officer. There he managed all personal trust fiduciary activities including trust account administration and trust compliance. In 2003, he became Vice President of the Trust Alliance Group for Comerica Bank & Trust. He coordinated the transition of trust accounts to Comerica Bank as part of the planned exiting of the trust business by RBC Centura Bank. Bob joined Old North State Trust in May of 2005.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Robert Edwards is supervised by Susan Willett, Director of Trust Services. She reviews Robert Edwards' work through frequent office interactions as well as remote interactions.

Kara C. Boyd, MBA**Educational Background and Business Experience:**

Kara C. Boyd, a North Carolina registered investment adviser representative and current member of the Investment Committee, serves in the Wilmington office, handling client service, trading, portfolio management and performance systems management. She graduated from Fairfield University in 1997 with a BA in Psychology, and from Boston University in 2002 with a Masters in Business Administration. Kara also holds her Series 65 and is a licensed investment advisor representative. Prior to joining Old North State Trust in April of 2005, Kara worked for Morgan Stanley



Asset Management, Caxton Corporation, and Edward Jones. Kara left Old North State Trust in 2007 for a leave of absence, worked for BB&T Asset Management in 2008 and returned to Old North State Trust in January of 2009. She has thirteen years of industry experience.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Kara Boyd is supervised by Susan Beard, Vice President. She reviews Kara Boyd's work through frequent office interactions as well as remote interactions.

K. Shea Abernethy, CTFA

Educational Background and Business Experience:

Shea Abernethy, an Investment Strategist and current member of the Investment Committee, takes a personalized and collaborative approach in assessing clients' financial needs in order to develop, implement, and monitor tailored investment portfolios that will meet the clients' specific goals and objectives.

Prior to joining Old North State Trust, Shea worked at Wells Fargo and AIG Investments for several years providing financial advice to high net worth clients and trust beneficiaries.

Shea received his Bachelor of Science in Accounting from High Point University and holds the designations of Certified Trust and Financial Advisor (CTFA), Certified Estate and Trust Specialist (CFS), and Enrolled Agent with the Internal Revenue Service, (EA). Shea holds his Series 65 and is a licensed investment advisor representative. He is also a member of The Investment Management Consultants Association (IMCA) and the Society of Quantitative Investment Analysts.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None



Supervision:

Shea Abernethy is supervised by Susan Beard, Vice President. She reviews Shea Abernethy's work through frequent office interactions as well as remote interactions.

Janice F. Metcalf, CTFA

Educational Background and Business Experience:

Janice F. Metcalf, Director of Operations, is a member of the Trust Administration Committee and Senior Trust Officer for the Greensboro, Winston-Salem, High Point and surrounding Triad area of North Carolina. She assists clients in developing their business and personal financial objectives by the administration of trusts, estates, IRAs, investment and custodial accounts, and acting as durable power of attorney, and performing other related activities in these areas of financial planning and management.

She is a graduate of Elon College, with further graduate work at UNC Charlotte. She graduated from Cannon Financial Institute's Personal Trust School. She served in general business for 10 years with senior executive and administrative duties in several family-owned companies in North Carolina; and is an 18 year veteran of the financial services industry. She joined Old North State Trust in March 2012 after serving as Assistant Vice President & Trust Officer at High Point Bank & Trust for 10 years in similar trust activities. She holds the American Institute of Banking's certification of Certified Trust and Financial Advisor and is an active member of the Piedmont Estate and Business Planning Council.

Disciplinary Information: None

Other Business Activities:

Janice serves as Secretary and Treasurer for Silverscreen Management Company.

Additional Compensation: None

Supervision:

Janice Metcalf is supervised by Michael Spohn, President. He reviews Janice Metcalf's work through frequent office interactions as well as remote interactions.