



Part 2A WRAP Program Appendix

Unified Managed Accounts Platform

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This Brochure provides information about the qualifications and business practices of Osaic Institutions, Inc. If you have any questions about the contents of this Brochure, please contact us by email at oi.compliance@osaic.com, or by telephone at (203) 599-6000, or by mail at the address above. 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.

Osaic Institutions, Inc. is an investment adviser registered with the United States Securities and Exchange Commission. Registration with the SEC does not imply that Osaic Institutions, Inc. or any person associated with Osaic Institutions, Inc. has achieved a certain level of skill or training.

Additional information about Osaic Institutions, Inc. is available on the SEC's website at adviserinfo.sec.gov.

Item 2: Material Changes

This section of our Brochure summarizes material changes that have occurred at our firm since the previous release of our Brochure. We will update this section of our Brochure on an annual basis and send a summary of any material changes at our firm along with a copy of our annual privacy policy mailing. You may receive a complete copy of our Brochure by contacting your Osaic Institutions Adviser or by contacting our firm at oi.compliance@osaic.com or at (203) 599-6000 or by downloading it at adviserinfo.sec.gov.

Since our last annual updating amendment on March 26, 2024, we have made the following material amendments to this Brochure:

Item 4 - Clarification of Money Market funds offered, Material conflicts of interest

Item 5 – Clarification of Fees for Paper Delivery of Documents

Item 9 – Addition of Various Additional Compensation Programs offered to Advisors (e.g. Advisor Appreciation)

Various updates to formatting throughout

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Item 4: Services, Fees, and Compensation

The Unified Managed Accounts Program (“Program” or “UMA”) is sponsored by Osaic Institutions, Inc. (referred to as “Osaic Institutions,” “we” or “us” or the “Firm”) is a Connecticut corporation headquartered in Meriden, Connecticut. We have been in business since 1993. We are registered with the SEC as an investment adviser and are also registered with the SEC and 50 states as a broker-dealer. We are a member of the Financial Industry Regulatory Authority (“FINRA”). As of December 31st, 2024, we managed client assets of approximately \$1,088,522,6648 on a discretionary basis and \$2,935,926,307 on a non-discretionary basis. Osaic Institutions is owned 100% by Osaic Institutions Financial Holdings, Inc (“OIFH”). On October 3, 2022, OIFH was acquired by Osaic Holdings, Inc. (“OHI”) which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P. and The Berlinski Family 2006 Trust.

Osaic Institutions’ advisory services are made available to clients primarily through individuals associated with Osaic Institutions as investment adviser representatives (“IARs”). For more information about the IAR providing advisory services, clients should refer to the Brochure Supplement for the IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure before or at the time client engages the IAR. If client did not receive a Brochure Supplement for the IAR, the client may contact the IAR or Osaic Institutions at oi.compliance@osaic.com.

As noted above, Osaic Institutions is also a broker-dealer registered with FINRA, and IARs are typically also registered with Osaic Institutions as a broker-dealer registered representatives. Therefore, in such case, IARs are able to offer a client both investment advisory and brokerage services. Before engaging with an IAR, clients should take time to consider the differences between an advisory relationship and a brokerage relationship to determine which type of service best serves the client’s investment needs and goals. Clients should speak to the IAR to understand the different types of services available through Osaic Institutions.

The Program is presented to you (“Client”) by Investment Adviser Representatives (“Advisory Representatives”) of Osaic’s affiliated registered investment adviser firms (“Advisor” or “Osaic Firms”). The Advisor may be a Related Person (as defined in Form ADV) to us.

Please refer to the Advisor’s Form ADV 2A to determine if your Advisor is a Related Person to us. Your Advisory Representative could also provide advisory services through an Advisor that is an independent investment advisory firm and unaffiliated with us.

To join the Program, you will enter into an investment advisory client agreement (“Client Agreement”) with us and your Advisory Representative and establish a brokerage account (“Program Account”) on a fully disclosed basis with a broker-dealer subsidiary of Osaic Holdings, Inc. (“Broker-Dealer”). The Broker-Dealer is a Related Person to us and there are conflicts of interest that are further described herein and/or within the Form ADV 2A of your Advisor.

We have a master agreement with Envestnet Asset Management (“Envestnet”), which in turn has a separate agreement with each of the investment managers in the Program (“Third-Party Money Managers”). Certain investment managers available in the Program that provide asset allocation services in mutual funds and exchange traded funds (“ETFs”) have agreements directly with us (“Strategists”). Together the Third-Party Money Managers, and Strategists are referred to as “Investment Managers”. One or more Investment Managers have associated persons who are affiliated with the Broker-Dealer Related Person to us. In those instances, neither the Firm nor the Broker-Dealer Related Person earns additional compensation. When your Advisory Representative is one of these associated persons of the Investment Manager, it will be disclosed to you in the Advisor’s Form ADV 2A.

Advisory Services

After you discuss your financial goals and objectives with your Advisory Representative, your Advisor will recommend an asset allocation model consisting of various asset classes such as equities, fixed income, cash and equivalents, or alternative investments. Your Advisory Representative selects appropriate Investment Managers and Funds to fulfil your asset allocation model consisting of:

- Investment strategies created by Investment Managers and/or your Advisory Representative that generally consist of a selection of mutual funds, exchange traded products, equities, and bonds;
- Mutual funds and ETFs (“Funds”); or
- A combination of the preceding bundled together in an investment asset allocation model (individually or collectively, “Program Investments”).

Your Advisory Representative will recommend Program Investments suitable for you. Suitability will be determined through your responses to a risk tolerance questionnaire (“Questionnaire”) and/or discussion between you and your Advisory Representative regarding among other things, investment objective, risk tolerance, investment time horizon, Program Account restrictions, and overall financial situation.

You can place reasonable restrictions on the investments held within your Program Account. Such restrictions can cause;

- a divergence in account performance from the Asset Allocation Model originally presented to you;
- a delay in the reporting of account performance, and
- a delay in the rebalancing of the portfolio funds within your account.

We make no representations regarding the future performance of any Program Investments. As always, past performance is not a guarantee of future results. There can be no assurance that any of your investment goals will be met or that the net return on an investment in a portfolio of Program Investments will exceed what could have been obtained through other investment or savings strategies.

An initial minimum balance of \$5,500 is required to open an account in the Program.

All Program Investments (including the investments of Investment Managers) will be held by your Advisor’s clearing firm, Pershing, LLC or National Financial Services, LLC (collectively, “Custodian”), to effect transactions for your Program account.

We, through a sub-agreement with Envestnet Asset Management, Inc. (“Envestnet”) will:

- provide you and your Advisory Representative with Program Investment research,
- suggest asset allocation models and specific Program Investments to place within the recommended asset allocation models,
- generate, on a quarterly basis, a report outlining your Program Investment performance,
- calculate the monthly or quarterly advisory fee and instruct the Custodian to withdraw the fee from your Program Account,
- provide a web site and associated technology to assist you and your Advisory Representative with the selection of Program Investments and generation of the Investment Strategy Proposal and other associated documents,
- direct the investment, reinvestment and periodic rebalancing of Program Investments in the Program Account, in accordance with the information and instructions provided by you and your Advisory Representative and
- provide overlay account management to UMA Accounts to coordinate trading activity, rebalancing, and optional tax management and socially responsible services.

Program Types

Program Investments are managed in one or a series of Separately Managed Accounts, Model Portfolio Accounts, Unified Managed Accounts or Strategist UMA as further described below. All program types are discretionary types of accounts, which means we, your Advisory Representative, the Investment Manager, and/or Envestnet, can make allocation changes, or trades without your prior approval. We, or your Advisory Representative, can change your asset allocation model, Investment Managers, or program account type without your prior approval based on your financial goals and investment objectives. All investment recommendations are made on a discretionary basis.

Separately Managed Account (“SMA”)

An SMA consists of a portfolio of assets managed by a professional investment firm and offers direct ownership of securities. An SMA can contain one or more Investment Managers with each investing according to a specific strategy. In an SMA each Investment Manager strategy is assigned to their own custodial account. The SMA may also contain mutual funds and exchange- traded funds, generally used to compliment the Investment Managers strategies employed within the SMA.

Model Portfolios Account (“MPA”)

The MPA, also known as the Model Portfolios, or simply Model Portfolios is a professionally managed mutual fund and exchange- traded fund asset allocation portfolio. An MPA can contain one or more Investment Managers with each investing according to a specific strategy. The Investment Manager is responsible for selecting the mutual funds and/or ETFs within a portfolio and for making changes to the funds selected. Each Investment Manager strategy is assigned to their own custodial account. Investment Managers in the MPA offers both Strategists directly contracted through us and Third-Party Money Managers contracted through Envestnet.

Unified Managed Account (“UMA”)

A UMA is comprised of similar investment options offered in an SMA and MPA, in addition to investment strategies created by your Advisory Representative. Unlike the SMA and MPA, all Investment Manager strategies, Funds and other Program Investments are held in a single custodial account. Based on your financial goals and investment objectives, your Advisory Representative, at his or her discretion, creates an asset allocation model. Your asset allocation model is assigned investment strategies created and managed by Investment Managers, your Advisory Representative, or Funds. Overlay management is provided to coordinate the trading activities of UMA Investment Managers, rebalancing, and optional tax management and socially responsible services.

Strategist UMA (“SUMA”)

A SUMA is an account comprised of similar investment options offered in a UMA, but unlike the UMA, all investments are selected by one

Investment Manager (“SUMA Manager”) instead of your Advisory Representative. Based on your financial goals and investment objectives, your Advisory Representative, at his or her discretion, selects a SUMA Manager. SUMA Managers will create portfolios that are made up of predominately SMAs, however the SUMA Manager can also include other mutual funds, ETFs or Investment Managers in the portfolio. The SUMA Manager is responsible for selecting the Program Investments within a portfolio and for making changes to the account at their discretion. Overlay management is provided to coordinate the trading activities of SUMA Managers, rebalancing, and optional tax management and socially responsible services.

Private Wealth Consulting

You can elect to apply private wealth consulting to your SUMA Program Account. Private wealth consulting provides your Advisory Representative with a fully outsourced portfolio design and implementation assistance for large client accounts (greater than \$1 million in household assets). Investment Managers will provide the initial custom case consulting services along with ongoing investment management responsibilities such as email communication summary of an investment manager change rationale based on the Investment Manager’s research. You may also elect to leverage the outsourced consulting service portfolio overlay feature which provides for additional customization support under private wealth consulting.

Trading

You grant discretion to us, your Advisory Representative, the Investment Manager, and/or Envestnet to purchase and sell securities without your prior consent according to your stated investment objectives.

We utilize Envestnet, an independent investment adviser, to execute the transactions on your behalf. Envestnet will use discretionary authority to execute securities transactions that are recommended by the Investment Managers. Envestnet acts to coordinate UMA trading activity including whether and how to implement trading instructions received from Investment Managers and/or your Advisory Representative. Your Advisory Representative does not exercise investment discretion over your assets allocated to Investment Managers.

Best Execution

In placing orders for purchase and sale of securities and directing brokers to effect these transactions, Envestnet seeks to obtain prompt execution of orders at the most favorable conditions. In doing so, Envestnet considers a number of factors, including, without limitation, the overall direct net economic result to the Client, the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other factors involved in the receipt of brokerage services. In general, Envestnet routes trades directly to Pershing or NFS (as applicable).

“Step-out” Trades

Occasionally, in order to obtain best execution and minimize market impact, certain thinly traded securities, illiquid or ETF trades, for

example, can be “stepped-out” in order to gain best execution and minimize market impact. In some instances, stepped-out trades are executed by the other firm without any additional commission or markup or markdown, but in other instances, the executing firm will impose a commission or a markup or markdown on the trade. If trades are placed with a firm that imposes a commission or equivalent fee on the trade, including a commission that is imbedded in the price of the security, the client will incur trading costs in addition to the fee you pay your Advisory Representative. It is important to know that you may pay a commission in addition to your advisory fee for those stepped-out trades. Envestnet has procedures in place to monitor these transactions. Envestnet's Best Execution Committee meets quarterly to review the results of the documented monitoring conducted during the quarter. We periodically review Envestnet's procedures and results may rely on a third-party review as well.

Transaction Aggregation

Envestnet may aggregate transactions in the same security on behalf of more than one client to facilitate best execution and to possibly reduce the price per share and other costs. Envestnet effects the aggregated transactions in a manner designed to ensure that no participating client is favored over any other client. With respect to the aggregated order, you will participate at the average share price for all of the Envestnet transactions in that security on that business day. When possible, securities bought or sold in an aggregated transaction are allocated pro-rata to the participating Client's accounts in proportion to the size of the orders placed for each account. When Envestnet is unable to fully execute an aggregated order, Envestnet will allocate such transactions on a pro-rata basis or in a manner Envestnet determines in good faith to be a fair and equitable allocation.

Tax Management

You can elect to have the following tax-management services added to your Program Account.

- **Tax Sensitive Overlay:** Using predefined parameters, this service employs a rebalancing process that utilizes tax-aware portfolio management techniques that seek to better maximize expected after-tax returns on a risk-adjusted basis.
- **Tax Management Service:** Using more customizable parameters, this service seeks to control or customize the realization of large unrealized gains embedded in a Program Account.

Employing either of the above referenced services may:

- Limit the universe of Program Investments available for Program Account investment.
- Cause a divergence in Program Account performance if such services were not selected.
- Limit performance reporting capabilities.

SRI Screens

You can elect to apply a Socially Responsible Investing Screen (“SRI Screen”) to your Program Account. The screen is designed to restrict the Program Account from purchasing Program Investments of companies associated with certain industries such as Tobacco, Firearms and Gaming.

Employing an SRI Screen limits the universe of Program Investments available for Program Account investment and cause a divergence in Program Account performance if such screens were not selected.

Program Costs

You will be charged an annual fee based upon the value of the Program assets you have under management which covers management,

administrative and transaction costs ("Account Fee" or "Wrap Fee").

Depending upon the level of the Account Fee, the amount of portfolio activity in your Account, the value of custodial and other services provided under the Program and other factors, the Wrap Fee may or may not exceed the aggregate cost of such services if they were to be provided to you separately.

Your Account Fee will bill monthly or quarterly, in advance, based upon the market value of the Program assets as of the last business day of the preceding calendar month or quarter. Monthly or quarterly Account Fees are determined by prorating the applicable rate in the annual Account Fee schedule for the number of calendar days for each month or quarter. The initial Account Fee schedule is illustrated in the

Statement of Investment Selection ("SIS"). In the event that additions to, or withdrawals from, the account are made in excess of \$10,000 during any given month or quarter, the Account Fee will be adjusted on a pro-rata basis to the account from which the charge was debited, based on the market value of the assets at such time to reflect the addition or withdrawal. Adjustments are calculated as follows:

- As of the date a withdrawal of \$10,000 or more, fees paid in advance on the withdrawn amount for the remaining calendar days in
- the month or quarter will be refunded ("Prior Fees Paid").
- As of the date of the addition of \$10,000 or more, fees will be recalculated on the additional amount for the remaining number
- of calendar days in the month or quarter ("Recalculated Fees").
- The applicable rate for the Recalculated Fees or Prior Fees Paid will be determined based on the market value of the assets as of the date of the addition or withdrawal as applied to the Tiered and Linear method described below. If you were to add assets and separately withdraw assets during the same monthly or quarterly billing period, the rate applied to your Recalculated Fees versus Prior Fees Paid may be different.
- The net difference of the Recalculated Fees and the Prior Fees Paid, if there are multiple such events in the same billing period, will be combined at the next billing period and therefore may result in a credit or debit to the account.

Schedule of Account Fees

The Account Fee is composed of two components, the "Program Fee" and the "Advisory Fee." The rates charged for these components are determined based several factors described in more detail below, including but not limited to Investment Manager selected, the size of your account, services provided, and the Advisory Fee negotiated. The annual Account Fee schedule applied to your account will not exceed 2.75% of Program Assets. Please note, certain accounts amended into the Program can be under different fee schedules where the maximum total Account Fee paid by you could be higher. The Account Fee charged in any given month or quarter will be reflected in the account statements sent to you.

The Account Fee charged in any given month or quarter will be reflected in the account statements sent to client. In addition, clients can request a fee statement from the Advisory Representative at any time which will reflect the amount of the monthly or quarterly Account Fee and the asset-based fee rate applied.

Advisory Fees

Subject to the maximum Account Fee limitations, each Advisory Representative:

- Negotiates with clients their own Advisory Fee schedule, and

- determines on a client by client basis the Accounts that will be included in the same “household” for purposes of calculating the Account Fee.

Advisory Fees and terms are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, the requirements of your particular Advisory Representative, your relationship with your Advisory Representative, the size of the Account, the amount of work anticipated and the attention needed to manage the Account, among other factors.

The maximum Advisory Fee for the Program is 2.25% of the market value of the Program assets. The Advisory Fee is primarily paid to your Advisory Representative for services provided on behalf of the Advisor as outlined above. Your Advisory Representative’s supervisor and associated Broker-Dealer typically also receive a small portion of the Advisory Fee for supervisory and administrative services. Please note, certain accounts amended into the Program can be under different fee schedules where the maximum total Advisory Fee paid by you could be higher. The Account Fee charged in any given month or quarter will be reflected in the account statements sent to you.

Program Fees

Program fees are those that we, each Investment Manager charge you for investment advisory services. Portions of the Program Fee are remitted to:

- Investment Managers, for investment management services,
- Envestnet, for services provided through sub-agreement with us as referenced above and
- the Custodian, for execution of transactions with respect to assets and custodial services The remainder of the Program Fee is retained by us or our Related Persons.

Subsequent to initial Client approval of the account asset allocation and the Investment Managers, Funds and ETFs that will be contained within each asset allocation sleeve, the asset allocation for the Program Account may be adjusted by the Advisory Representative within predetermined limits. Since the Advisory Fee remains constant, to the extent that Investment Managers represent more or less of the assets in the client Program Account, the Program Fee rate and ensuing Account Fee rate can increase or decrease each quarter depending on total account value and the fee rates charged by the Investment Managers in the Program Account. The Program Fee is a made up of:

- the fee charged by the Investment Manager,
- Envestnet, custodian and related party fees and, if selected,
- overlay and tax management fees. The cost of each of these fees is described below.

1. Investment Manager Fees

Different Investment Managers charge different fee rates for the provision of their investment management services to the Program. The fee earned by Investment Managers range from 0% to 1.4% per year. To the extent that Investment Managers are added or removed in any given quarter from a client’s Program Account, the Investment Manager Fee and, as a result, the Program Fee can increase or decrease depending on the fee rate charged by the Investment Manager. Investment Manager Fees are waived for an Investment Manager that is an affiliate of the Firm. If private wealth consulting is utilized, there is an additional up to 10 basis points (.10%) added to your Program Fee if you elect the outsourced consulting service portfolio overlay feature. In addition, the Investment Manager providing the custom case design will also charge a fee, up to an additional up to 15 basis points (.15%) beyond the fees already discussed above.

Please note that Ladenburg Thalmann Asset Management, Inc. (“LTAM”) is an SEC registered investment adviser affiliated with Osaic Institutions, Inc. LTAM offers the Ladenburg Funds (i.e., Ladenburg Income Fund, Ladenburg Income & Growth Fund, Ladenburg Growth & Income Fund, Ladenburg Growth and Ladenburg Aggressive Growth), as well as the Total Portfolio Series funds (Collective Investment Trusts) established for retirement plans. Our Advisory Representative can recommend clients invest in these funds as well as other Ladenburg portfolios. Transactions within these funds are executed through Ladenburg Thalmann & Co, Inc. (a registered broker/dealer affiliated with Osaic Institutions, Inc. which receives no commissions when executing trades on behalf of the Funds.

2. *Investnet, Custodian, and Related Party Fees*

Investnet, Custodian and Related Party Fees can range up to 32 basis points (.32%). Depending on the aggregated total Account Fee billings of all clients maintained by an Advisory Representative in the Program, we or our Related Persons provide the Advisory Representative Program discounts (the discount can be a partial or full reduction of the fees retained by us and our Related Persons). An Advisory Representative's compensation will increase or decrease by the amount of the discount received, but your Account Fee and cost will remain unchanged. Assets invested in mutual funds that are advised by an affiliate of the Firm¹, will be excluded from the Investnet, Custodian, and Related Party Fees.

3. *SRI Screen and Tax Management Overlay Fees*

An additional 8 basis points (.08%) will be added to your UMA Program Fee if you elect the Tax Management Overlay or Tax Management Service or you employ the use of an SRI screen.

Methods of Calculating Account Fees

Your Account Fee calculation method is billed using either the "Tiered" or "Linear" method. The SIS will disclose the applicable method applied to your Program Account. To illustrate, please refer to the sample billing schedule below:

Total Program Account Value:	Program Account Fee:
\$0 – \$249,999	X%
\$250,000 – \$499,999	Y%
Under the Tiered billing method, a Total Program Account Value of \$400,000 the first \$249,999 would be billed at X% with the remaining \$150,001 to be billed at Y%.	
Under the Linear billing method, a Total Program Account Value of \$400,000 would be billed at Y%.	

Custodial Surcharge - Paper Fees

For clients who receive mail delivery of account statements, trade confirmations, prospectuses and other account notices, a Paper Surcharge Fee of \$4.50 will be charged per quarter, per account, in arrears at the end of the quarter. You can eliminate this fee by signing up for electronic delivery by contacting your Advisory Representative or going to equipt.osaic.com. The fee schedule can be found at osaic.com/disclosures. The Paper Surcharge Fee applies to both Wrap Fee and Non-Wrap Fee accounts.

In cases where your Advisory Representative pays the above fee, there is an incentive for your Advisory Representative to trade less often or to recommend different products to avoid the fee. Our policy and procedures are designed to ensure our Related Persons make recommendations to you that are in your best interest. Furthermore, to mitigate this conflict, you can sign up for electronic delivery

Negotiation of Account Fees General Information Concerning Fees and Other Client Charges

You will bear a proportionate share of the fees and expenses of any Funds selected and for money market funds used as "sweep vehicles" for uninvested cash balances. These fees and expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in Funds and are in addition to the Account Fee. Please read the prospectuses of the funds selected for a more complete explanation of these fees and expenses.

You have the option to purchase shares of mutual funds outside of the Program directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of the Program or paying the Account Fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge is determined by the mutual fund (as described in the mutual fund prospectus) and may be more or less than the Account Fee.

Additionally, you will bear a proportionate share of any fees and expenses associated with American Depository Receipts (ADRs)², Global Depository Receipts (GDRs)³ and Real Estate Investment Trusts (REITs)⁴ in which your assets are invested and in some cases, where applicable, also bear any fees and expenses associated with converting non-US securities into ADRs or GDRs. There is a \$35.00 annual fee charged for registered daily NAV REITs and alternative investments. "ADRs" are receipts issued by a US bank or trust company that evidence ownership of non-US securities and

are traded on a US exchange or in the over-the-counter market. “GDRs” are receipts issued generally by a non-US bank or trust company that evidence ownership of non-US securities. “REITs” are corporations or business trusts whose shares are usually traded publicly, investing primarily in income producing real estate and/or real estate related loans or mortgages.

Certain mutual funds assess 12b-1 distribution fees as described in each mutual fund’s prospectus. The 12b-1 fees received by us or our broker- dealer affiliates will be credited to the client.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you normally incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Accordingly, you should review the Account Fee and the other fees outlined above to fully understand the total amount of fees you pay.

Depending upon the level of the Account Fee, your Advisory Representative can receive more compensation:

- As a result of your participation in the Program than if you participate in other programs that your Advisory Representative offers.
- as a result of charging you the Account Fee which wraps management and transaction costs into one fee rather than having you pay for management and transaction costs separately.

As such, your Advisory Representative could have a financial incentive to recommend the Program to you over other programs or services.

You or your Advisory Representatives may purchase or transfer certain securities products outside of an advisory account, but which are held in the client’s advisory account. Though these assets are not subject to the advisory account fee, you should be aware that the purchases are subject to commissions or loads which are earned by the Advisory Representative.

Securities Backed Line of Credit (SBLOC)/ Non-Purpose Loans

Osaic Institutions receives Third-Party compensation from participant banks and clearing brokers based on a markup on the interest in amounts of up to 175 basis points (1.75%) charged on the amount of the outstanding loans. The compensation varies depending on the participant bank or clearing broker that you select to provide your loan. This compensation is a conflict of interest because Osaic Institutions has a financial incentive for the client to select a lender that pays compensation to Osaic Institutions over one that does not, and an incentive for the client to maintain outstanding loans through the program. However, Osaic Institutions does not share this compensation with its Advisory Representatives. Osaic Institutions and its Advisory Representatives interests in continuing to receive investment advisory fees is an incentive to recommend that clients borrow money rather than liquidating some of their assets managed by Osaic Institutions, when it could be in a client’s best interest to sell such assets instead of using them as collateral for a loan. Osaic Institutions maintains policies and procedures to ensure recommendations made to you are in your best interest and in conjunction with the lack of compensation to your Advisory Representative, believes this mitigates any conflict to Osaic Institutions.

Sweep programs

As described above, accounts custodied at the Custodians will be eligible for the Sweep Program. In connection with the Sweep Program, the custodian automatically transfers free credit balances in the client’s account to a deposit account at one or more banks whose deposits are insured by the Federal Deposit Insurance Corporation (the Bank Deposit Sweep Program (“BDSP”) or the Insured Cash Account Program (“ICAP”) or, in limited cases, to a money market mutual fund product (the “Money Market Mutual Fund Program”). These programs are described below.

FDIC Insured Deposit Program (BDSP & ICAP)

Eligible account types: all accounts except ERISA Title 1 accounts, 403(b)(7), & Keogh plans

Free credit balances swept to a deposit account earn interest that is compounded daily and credited to the client’s account monthly. Interest begins to accrue on the date of deposit with the banks participating in the program (“Program Banks”), through the business day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 (or 1/366 in a

leap year) of the posted interest rate.

Bank Deposit Sweep Program - BDSP

Osaic Institutions has established deposit levels or tiers which ordinarily pay different rates of interest on different deposit balances; accounts with higher deposit balances may receive higher rates of interest than those with lower balances. The amount of interest the client receives on deposit accounts will be determined by the amount of interest paid by the Program Banks, minus the amount of fees charged by the Custodians, Osaic Institutions, and other service providers. Interest rates paid on the deposit accounts may be higher or lower than interest rates available to depositors making deposits directly with Program Banks or with other depository institutions in comparable accounts. The amount of fees received by the Custodians, Osaic Institutions, and any other service provider reduces the interest the client receives on his or her deposit account(s). The IAR does not receive any portion of the fees paid by the Program Banks.

Insured Cash Account Program - ICAP

Osaic Institutions will receive a monthly per-account fee for services it provides in connection with maintaining and administering the Sweep Program for IRA accounts held in an advisory/ fee-based office range (the "Sweep Account Fee"). The Sweep Account Fee is not based on the amount of assets in the FDIC Program or in your Program Account, and it does not depend on or vary with (and is not affected by) the actual amounts held in the deposit accounts or the client's program account. The Sweep Account Fee will reduce the interest the client is paid on the amount of assets in the program account. The Sweep Account Fee will generally be paid by the Program Banks on the program account's behalf; however, the Sweep Account Fee or a portion thereof may be deducted directly from the program account if, for example, the amounts paid by the Program Banks are insufficient to cover the Sweep Account Fee. In a low interest rate environment, Osaic Institutions at its discretion may decide to waive (that is, to not collect) all or a portion of the Sweep Account Fee paid by the Program Banks. Waiving all or a portion of the Sweep Account Fee will reduce the impact of the Sweep Account Fee on the interest the client receives. Under this Program, Osaic Institutions will receive a fee from the Program Banks in connection with the deposit accounts. The fee received may differ among each Program Bank. The client will have no rights to the amounts paid by the Program Banks, except for interest actually credited to the client's account. The amount of fees received by the Custodians, Osaic Institutions, and any other service provider reduces the interest the client receives on his or her deposit account(s).

Money market mutual funds - Pershing

Free credit balances in the following Program Account types custodied at Pershing will be automatically swept into the Federated Hermes Government Reserves Fund (GRFXX), which is managed by Federated Hermes Investors ("Federated Hermes"):

- All ERISA Title 1 account types, including Profit Sharing Plans, 401(k), Roth 401(k), Simple 401(k), Individual 401(k), qualified deferred compensation plans, defined benefit plans, target benefit plans, and money purchase pension plans
- 403(b)(7) accounts
- Keogh plans

The Federated Hermes Government Reserves Fund is a money market mutual fund and seeks to maintain a stable share price of \$1.00. The Fund invests primarily in a portfolio of short-term U.S. Treasury and government securities. These investments include repurchase agreements collateralized fully by U.S. Treasury and government securities. The Fund uses repurchase agreements to provide a liquidity base for the portfolio and a potential yield advantage relative to other short-term securities. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Osaic Institutions does not receive any compensation from the Federated Hermes Government Reserves Fund.

For additional information about the Sweep Program for accounts custodied at Pershing, please visit our website located at osaic.com/disclosures.

Material conflicts of interest

Because the Sweep Program generates significant payments from third parties (i.e., the Program Banks that participate in BDSP and/or ICAP) to Osaic Institutions, a conflict of interest exists. A conflict of interest also arises because we earn more compensation from cash balances being swept to or maintained in the Sweep Program than if you purchase other

investment funds or securities. The more client deposits held in BDSP, and the longer such deposits are held, the greater the compensation we, our clearing firms, and the third-party administrator receive. By investing through an advisory account, the compensation we receive from the BDSP or ICAP, as applicable, is in addition to the advisory fees that you pay. This means that we earn two layers of fees on the same cash balances in client advisory accounts with us. If we did not receive such compensation, which is in addition to advisory, transaction, servicing and other fees and compensation related to Program Accounts, such client fees (including advisory fees) would generally be higher. In addition, a conflict of interest arises as a result of the financial incentive for the Firm to recommend and offer a Sweep Program over which they have control of certain functions. Osaic Institutions has the ability to establish and change interest rates paid on Sweep Program balances, to select or change Program Banks that participate in the BDSP and ICAP, and to determine the tier levels (if applicable) at which interest rates are paid, all of which generates additional compensation for Osaic Institutions.

The Advisory Representative who makes investment recommendations for your Program Account does not receive any compensation from these payments or based on the selection of the sweep vehicle. The Firm maintains policies and procedures to ensure recommendations made to you are in your best interest. For more information about this service and benefits that we receive in connection with such deposits, please refer to the Sweep Program terms and conditions document, which you can request from your Advisory Representative.

Given the conflicts discussed above, each client should consider the importance of BDSP and ICAP to us when evaluating our total fees and compensation and deciding whether to utilize the BDSP and/or ICAP.

Distribution Assistance

For additional information on such distribution assistance, please refer to our [Indirect Compensation Disclosure](https://osaic.com/disclosures) located at osaic.com/disclosures or you may refer to the Fund's prospectus or your Advisory Representative for additional information related to such fees. In an effort to maintain a positive yield to a customer, a fund company may reduce or waive a portion or all of its internal management and/or distribution fees. Please consult the Fund's prospectus, or your Advisory Representative, for additional information on such fee waivers.

Section 31 SEC Transaction Fee

In accordance with Section 31 of the Securities Exchange Act of 1934, self-regulatory organizations (SROs) — such as the Financial Industry Regulatory Authority (FINRA) and all of the national securities exchanges — must pay transaction fees to the Securities and Exchange Commission (SEC) based on the volume of securities that are sold on their markets ("Section 31 SEC Transaction Fee"). The Section 31 SEC Transaction Fee is designed to recover the costs incurred by the government, including the SEC, for supervising and regulating the securities markets and securities professionals. The SROs have adopted rules that require their broker-dealer members to pay a share of these fees. Broker-dealers, in turn, impose fees on their customers that provide the funds to pay the fees owed to their SROs.

Section 31 SEC Transaction Fees imposed on your Program Account are calculated as number of shares multiplied by price per share multiplied by a specified rate set by the SEC; a small fraction of a cent that will fluctuate periodically. The applicable fee will appear on your trade confirmation. To find the current rate for Section 31 transaction fees, please visit the Division of Market Regulation's Frequently Requested Documents webpage and click on the most recent Fee Rate Advisory under "Section 31 Fees."

Neither the Firm, nor your Advisory Representative receive any portion of the Section 31 SEC Transaction Fee.

Item 5: Account Requirements and Types of Clients

Types of Clients

The Program is available to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, banks as well as other business entities.

Minimum Account Size

The minimum account size for Program Accounts is disclosed above in Item 4. In certain scenarios, the minimum may be waived. This includes but is not limited to instances where the client intends to bring in additional assets or the account depreciates.

Item 6: Portfolio Manager Selection and Evaluation

All Investment Managers are subject to a due diligence process which includes annual reviews designed to determine if a manager meets a sufficient level of quality and stability through their policies and practices. Investment Managers are evaluated using a variety of data and information from one or more resources, which include: public or private independent databases, responses to periodic due diligence questionnaires, quantitative and qualitative information, research, performance reports, and other pertinent information concerning the manager. While all Investment Managers are subject to a due diligence process, your Advisory Representative is responsible for determining whether any particular Fund or investment strategy is appropriate and suitable for use by you.

We select Strategists and perform periodic due diligence and reviews to ensure they are suitable for the Program. We select Third-Party Money Managers for participation in the Program from a list provided by Envestnet. The Third-Party Money Managers in the Program selected from the Envestnet list are considered “approved” or “available,” depending on the level of due diligence performed. An explanation of how your Advisory Representative selects an Investment Manager can be found in Item 4 of this brochure under Advisory Services. If your situation changes and your Advisory Representative determines that a particular selected Investment Manager is not managing your portfolio in a manner consistent with your current goals and investment objectives, your Advisory Representative may recommend a different Investment Manager to re-align with your current stated goals and objectives.

On an ongoing basis, Envestnet reviews Third-Party Money Managers participating in the Program to determine whether they continue to meet Envestnet’s guidelines and evaluation criteria. If Envestnet detects relevant information at any time (including qualification and/or performance concerns), we will generally follow Envestnet’s recommendation as to whether to continue to include the Third-Party Money Manager as an investment suitable for the Program or add a Third-Party Money Manager to the Program. We receive research, performance information and other information from Envestnet about Third-Party Money Managers but do not independently verify or guarantee the accuracy or validity of this information received from Envestnet, or any other source. Further, there is a chance the performance information that we receive from Envestnet may not be calculated on a uniform or consistent basis.

For approved Third-Party Money Managers, Envestnet employs a multi-phase approach in its evaluation (“Due Diligence”). As part of the Due Diligence, certain types of information are analyzed, including historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the Third-Party Money Manager’s Form ADV Part 2 disclosure events, as well as portfolio holdings reports that help demonstrate the Third-Party Money Manager’s securities selection process and the prospectuses of the Funds.

Certain Investment Managers may be added as an accommodation in certain limited circumstances, e.g., clients who wish to join the Program and want to retain previously hired managers not on our list. Your Advisory Representative has the sole responsibility for assisting you in the selection of Investment Managers suitable for your investment objectives.

In addition to Third-Party Money Managers and Strategists, your Advisory Representative may elect to act as portfolio manager for all or part your Program Investments in a UMA. In these cases, Advisory Representative compensation is derived solely from the Advisory Fees described in the aforementioned Schedule of Account fees section of Item 4.

Advisory Representatives do not receive separate Investment Manager fees when acting as portfolio manager. Advisory Representatives are selected by their Firms based on various criteria including experience and are not subject to the same selection and review as Investment Managers. You should refer to the relevant Form ADV of the Firm with which your Advisory Representative is associated.

Neither we nor your Advisory Representative make any representations regarding the future performance of any investment strategy of, or security recommended by, any Investment Manager participating in the Program. As always, past performance is not a guarantee of future results.

Item 7: Client Information Provided to Portfolio Managers

We share your personal identification, account and holdings data with Envestnet, and we or Envestnet will share this information with the Investment Managers as needed. We also share this information with your Advisory Representative. Your Advisory Representative provides us with access to the following client related information:

- account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you imposed on management of assets);
- your investment guidelines (if applicable); and
- reports relating to the performance of your account.

A copy of the Firm's privacy notice is available in the disclosure section of our affiliated broker/dealers website: <https://osaic.com/disclosures>.

Item 8: Client Contact with Portfolio Managers

Client-Advisor Relationship

You are encouraged to contact your Advisory Representative with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Investments. You should direct any questions that you have regarding the Program to your Advisory Representative.

Item 9: Additional Information

Disciplinary Information

We are required to disclose in Item 9 information about legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management.

In March of 2019, Osaic Institutions consented to an order by the Securities and Exchange Commission ("SEC") in connection with the SEC's Share Class Selection Disclosure Initiative (the "Initiative"). Pursuant to the Initiative, Osaic Institutions self-reported to the SEC that it failed to adequately disclose conflicts of interest related to the sale of higher cost mutual fund share classes when lower cost share classes were available. Specifically, the SEC order found that Osaic Institutions placed clients in mutual fund share classes that charged 12b-1 fees when lower cost share classes may have been available. Pursuant to the order, Osaic Institutions agreed to a cease and desist, a censure, and to repay to clients all improperly disclosed fees along with prejudgment interest in the aggregate amount of \$978,698.85. Osaic Institutions also agreed to undertake a review and to correct all relevant disclosure documents concerning mutual fund share class selection and 12b-1 fees. Lastly, Osaic Institutions agreed to evaluate whether existing clients should be moved to an available lower cost share and to move clients as necessary. Consistent with the terms of the Initiative, the SEC did not impose penalties against Osaic Institutions.

In July of 2018, Osaic Institutions entered into a consent order with the Massachusetts Securities Division in connection with its supervision of certain brokerage products and transactions in the Commonwealth of Massachusetts. Without admitting or denying the findings, Osaic Institutions consented to a censure, fine of \$125,000, restitution of \$59,409.40 to

client accounts, and the engagement of a consultant to review Osaic Institutions' policies and procedures.

Osaic Institutions, as a broker-dealer, is a member of the Financial Industry Regulatory Authority ("FINRA"). In October of 2015, Osaic Institutions entered into a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA in connection with the sales and supervision by Osaic Institutions and its registered representatives of certain unit investment trusts ("UITs"). The findings were related to Osaic Institutions' failure to apply brokerage sales charge discounts to certain customers' eligible purchases of UITs. The findings stated that Osaic Institutions failed to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases. Without admitting or denying the findings, Osaic Institutions consented to a censure and fine of \$150,000 and restitution of \$109,627.84 to client accounts.

In April of 2014, Osaic Institutions entered into an AWC with FINRA in connection with the sales and supervision by Osaic Institutions and its registered representatives of certain non-traditional exchange traded funds. Without admitting or denying the findings, Osaic Institutions agreed to a censure and a fine of \$75,000. In addition, Osaic Institutions agreed to pay restitution to customers who lost money in these transactions in the amount of approximately \$287,000.

Other Financial Industry Activities and Affiliations

Advisors that offer the Program may be "Related Persons" to us. Your Advisory Representative could provide advisory services through an Advisor that is an independent investment advisory firm and unaffiliated with us. Your Advisory Representative could provide advisory services through an Advisor that is an independent investment advisory firm and unaffiliated with us. You should see the ADV Part 2A of your Advisor that will be provided to you for information regarding any of their other financial industry affiliations and for any associated conflicts of interest.

Code of ethics and personal trading

Osaic Institutions has adopted a code of ethics that includes guidelines regarding personal securities transactions of its employees and IARs. The code of ethics permits Osaic Institutions employees and IARs to invest for their own personal accounts in the same securities that Osaic Institutions and IARs purchase for clients in program accounts. This presents a conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. Osaic Institutions addresses this conflict of interest by requiring in its code of ethics that Osaic Institutions employees and IARs report certain personal securities transactions and holdings to Osaic Institutions. Osaic Institutions has procedures to review personal trading accounts for front running. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the code of ethics is available to clients or prospective clients upon request.

If the client desires instead to purchase securities in a brokerage account through IAR acting as a registered representative of Osaic Institutions, Osaic Institutions and IAR will receive brokerage-related compensation for those services, such as commissions and/or trail fees. Osaic Institutions provides information regarding such brokerage compensation at the time of a brokerage transaction and also on its website at osaic.com. When considering whether to implement recommendations received pursuant to a financial plan or consulting services through the IAR and Osaic Institutions, clients should discuss with the IAR how Osaic Institutions and IAR will be compensated for any recommendations in the plan.

It is important to note that clients are under no obligation to implement recommendations received pursuant to a financial plan or consulting services through Osaic Institutions. Clients should understand that the investment products, securities and services that an IAR recommends as part of financial planning and consulting services are available to be purchased through broker-dealers, investment advisers or other investment firms not affiliated with Osaic Institutions.

A portion of the fee to the IAR may be paid by the IAR to his or her Osaic Institutions branch manager or another Osaic Institutions representative for supervision or administrative support. There is a conflict of interest when a branch manager receives a portion of this fee for supervision because the fee affects his or her ability to provide objective supervision of the IAR.

Review of accounts

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by the Client's custodian. Client receives confirmations of each transaction in account from Custodian and an additional

statement during any month in which a transaction occurs. Osaic Institutions may also send periodic or other event-inspired reports based on market or portfolio activity. Reports will generally be provided in electronic format.

Client referrals and other compensation

Osaic Institutions has entered into agreements with various Subscribing Institutions, pursuant to which the IARs may solicit applications from, negotiate with, and sell or offer investment services and products to customers of the Subscribing Institutions during the term of the agreement. Employees of the Subscribing Institutions may refer customers to Osaic Institutions and the Subscribing Institutions may pay them a referral fee under the guidelines of SEC Regulation R. The investment services and products marketed to the customers of Subscribing Institutions are offered and sold exclusively by IARs contracted by Osaic Institutions, who are licensed with the appropriate regulatory authorities pursuant to the applicable state and federal insurance and securities laws and regulations. The Subscribing Institution is compensated by Osaic Institutions in connection with the sales of all securities, insurance products and advisory fees.

This referral compensation varies, but in situations where the financial professional is employed by the financial institution, the financial institution typically receives 80% to 95% of the investment advisory fees earned on such services. This range is lower in situations where the financial professional is not an employee of the financial institution, typically between 20% and 50% of the advisory fees. This referral arrangement does not result in any increase in the fees you pay to Osaic Institutions. The financial institution is paid directly by Osaic Institutions for the referral. The Subscribing Institution then shares a portion of the compensation with the IAR. The Subscribing Institution establishes the compensation plan for the IAR, which is subject to approval by Osaic Institutions. The compensation plan determines how the IAR's compensation is structured and the amount of compensation the IAR will receive. IARs have a financial incentive to recommend a particular service or product if under the compensation plan the recommended product will result in more compensation to the IAR than another product or service, including advisory versus brokerage services. If an IAR is recommending an advisory program or service, he or she must believe that the program or service is suitable and in the best interests of the client.

In addition, Osaic Institutions provides other forms of compensation to Subscribing Institutions, such as bonuses, awards or other things of value offered by Osaic Institutions to the institution. In particular, Osaic Institutions pays financial institutions in different ways, including payments based on production, payments in the form of repayable or forgivable loans, payments in connection with the transition of association from another broker-dealer or investment adviser firm to Osaic Institutions, advances of advisory fees, or attendance at Osaic Institutions' national conference or top producer forums and events. Osaic Institutions pays this compensation based on overall business production and/or on the amount of assets serviced in Osaic Institutions advisory programs. Subscribing Institutions are also eligible to receive compensation from Osaic Institutions in order to assist with offsetting time and expense in coordinating transfers of client accounts from third-party investment platforms to Osaic Institutions' platform. As a result, the Subscribing Institution and IAR have a conflict of interest and financial incentive for the IAR to recommend the program account and services that will result in the greatest compensation to the Subscribing Institution and the IAR. If Osaic Institutions makes a loan to a new or existing Subscribing Institution, there is also a conflict of interest because Osaic Institutions' interest in collecting on the loan affects its ability to objectively supervise an IAR at that Subscribing Institution. In addition, Subscribing Institution employees who are not associated with Osaic Institutions often refer prospective customers to IARs working in the Subscribing Institution. These employees frequently receive a nominal referral fee from the Subscribing Institution (typically up to \$25) as compensation for each referral.

Referrals to other investment advisers

Clients placed with Third Party Asset Managers ("TPAM") to which Osaic Institutions solicits on behalf of will be billed in accordance with that TPAM's fee schedule, which will be disclosed to the Client prior to signing an agreement. When referring Clients to a TPAM, the Client's best interest will be the main determining factor of Osaic Institutions. All TPAMs that Osaic Institutions recommends must be a Registered Investment Advisors with the SEC or with the appropriate state authority(ies).

These practices represent conflicts of interest because Osaic Institutions is paid a Solicitor Fee for recommending the TPAM and may choose to recommend a particular TPAM based on the fee Osaic Institutions is to receive. This conflict is mitigated by disclosures, procedures and Osaic Institutions' fiduciary obligation to act in the best interest of its Clients. Clients are not required to accept any recommendation given by Osaic Institutions and have the option to receive investment advice through TPAMs of their choosing.

Other compensation

As a broker-dealer, investment adviser and insurance producer, Osaic Institutions offers a large number of products to our customers. It is important to know that a number of companies whose products are offered through Osaic Institutions pay extra compensation to Osaic Institutions. These companies, referred to as "Product Partners", include mutual fund companies, insurance carriers, issuers of structured products and issuers of non-traded real estate investment trusts. Product Partners are selected, in part, based on the competitiveness of their products, their technology, their customer service and their training capabilities. Product Partners have more opportunities than other companies to market and educate our IARs on investments and the products they offer. The amount of compensation paid to Osaic Institutions varies by Product Partner. In general, Product Partners may compensate Osaic Institutions by paying (i) a fixed dollar amount or paying a sponsorship fee for an Osaic Institutions event, (ii) a percentage of product sales, (iii) a percentage of customer assets invested in the products, or (iv) a combination of the above. Product Partners pay Osaic Institutions differing amounts of revenue sharing, for which the Product Partner receives different benefits.

In addition, Osaic Institutions employees and IARs receive compensation in the form of gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with the IAR, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Clients of Osaic Institutions do not pay more to purchase the products of Product Partners through Osaic Institutions. This additional compensation to Osaic Institutions creates a conflict and incentive for Osaic Institutions and its IARs to promote Product Partner products over other products. Osaic Institutions manages this conflict by not sharing the identity of the Product Partners with its IARs. Likewise, IARs do not receive additional compensation for selling a Product Partner product, although the IAR may benefit indirectly when Product Partner payments are used to support costs relating to review, marketing and training.

Cash in an investment advisory account that is awaiting investment or reinvestment may be invested in the Sweep Program. Rates in the Sweep Program offered by Osaic Institutions will vary over time and may be higher or lower than the rate paid on other sweep options or other money market mutual funds not offered by Osaic Institutions as a cash sweep option.

The Custodians are the clearing firms for Osaic Institutions' brokerage and advisory business. They provide significant compensation to Osaic Institutions to offset its general operating expenses based on the number of accounts and/or account assets held by Osaic Institutions. Compensation received consists of a fixed dollar amount per account and percentage of net new assets and total assets held in clearing accounts. Due to the significant penalties Osaic Institutions would incur if Osaic Institutions terminated these contracts within the first several years of contract implementation, Osaic Institutions has an incentive to continue with the long-term contracts Osaic Institutions has in place.

These clearing firms also shares with Osaic Institutions a portion of the fees you pay for certain transactions and services provided to you. In other instances, Osaic Institutions applies its own fee or an additional amount to the fees charged (a "markup"). Our financial professionals typically do not receive any part of the revenue generated by these fees. The compensation Osaic Institutions receives in connection with these transactions and services is an additional source of revenue to Osaic Institutions and presents a conflict of interest because Osaic Institutions has a greater incentive to make available, recommend, or make investment decisions regarding investments and services that provide additional compensation to Osaic Institutions over those investments and services that do not. However, this compensation is retained by Osaic Institutions and is not shared with your IAR, so your IAR does not have a financial incentive to recommend transactions and services that trigger this compensation.

Please also refer to our Brokerage Account Commission & Fee Schedule located at osaic.com/disclosures to find additional details regarding brokerage and custodial fees.

IAR compensation

The IAR recommending an advisory service receives compensation, directly from Osaic Institutions or indirectly through a Subscribing Institution, as the case may be. IARs are compensated by Osaic Institutions (directly or indirectly) as independent contractors and not as employees. This compensation includes a portion of the advisory fee and such portion received by IAR may be more than what IAR would receive at another investment adviser firm. Such compensation may include other types of compensation, such as bonuses, awards or other things of value offered by Osaic Institutions or the Subscribing Institution to the IAR. In particular, Osaic Institutions pays its IARs in different ways, for example:

- payments based on production
- payments in connection with the transition of association from another broker-dealer or investment adviser firm to Osaic Institutions
- payments in the form of repayable or forgivable loans
- advances of advisory fees
- reduction or elimination of certain costs or expenses otherwise payable by the IAR
- attendance at Osaic Institutions conferences and events.

Osaic Institutions pays IARs this compensation based on the IAR's overall business production and/ or on the amount of assets serviced in Osaic Institutions advisory relationships. The amount of this compensation may be more or less than what the IAR would receive if the client participated in other Osaic Institutions programs, programs of other investment advisers or paid separately for investment advice, brokerage and other client services. Therefore, in such case, the IAR has a financial incentive to recommend advisory services over other programs and services. However, an IAR may only recommend a program or service that he or she believes is suitable for you and in your best interest. Osaic Institutions has systems in place to review IAR-managed accounts for suitability over the course of the advisory relationship.

If an IAR has recently become associated with Osaic Institutions, he or she may have received payments from Osaic Institutions or the Subscribing Institution in connection with the transition from another broker-dealer or investment adviser firm. These payments, which may be significant, are intended to assist an IAR with the costs associated with the transition, such as moving expenses and termination fees associated with moving accounts; however, Osaic Institutions does not confirm the use of these payments for such transition costs. These payments can be in the form of loans to the IAR, which are repayable to Osaic Institutions or forgiven by Osaic Institutions based on years of service with Osaic Institutions (e.g., if the IAR remains with Osaic Institutions for 5 years) and/or the scope of business engaged in with Osaic Institutions, including the amount of advisory account assets with Osaic Institutions. The receipt of these payments creates a conflict of interest in that an IAR has a financial incentive to recommend that a client open and maintain an account with the IAR and Osaic Institutions for advisory and/or brokerage services. In addition, these transition payments create a conflict and an incentive to recommend switching investment products or services where a client's current investment options are not available through Osaic Institutions. Osaic Institutions and its IARs attempt to mitigate these conflicts of interest by evaluating and recommending that clients use Osaic Institutions' services based on the benefits that such services provide to clients, rather than the transition payments earned by any particular IAR. However, clients should be aware of this conflict and take it into consideration in making a decision whether to establish or maintain a relationship with Osaic Institutions. If Osaic Institutions makes a loan to a new or existing IAR, there is also a conflict of interest because Osaic Institutions' interest in collecting on the loan affects its ability to objectively supervise the IAR.

Networking Arrangements

There is an option for Osaic Institutions and its Advisory Representatives to offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. In such a case, Osaic Institutions will enter into networking agreements with financial institutions pursuant to which we share compensation, including a portion of the advisory fee, with the financial institution for the use of the financial institution's facilities and for client referrals.

Recruiting and Transition Assistance

To assist in the costs of transitioning from another investment adviser, we provide various benefits and/ or payments to certain Advisory Representatives that are newly associated with Osaic Institutions. The proceeds of the transition assistance payments are intended to be used for a variety of purposes, including but not limited to, providing working capital to assist in funding the Advisory Representative's business, satisfying outstanding debt owed to the Advisory Representative's previous firm, technology set-up fees, marketing and mailing costs, stationery and licensure transfer fees, moving expenses, office space expenses, and staffing support. The amount of the transition assistance is generally based on the size of the Advisory Representative's business established at his or her prior firm. This assistance is generally in the form of loans to the Advisory Representative and are forgiven based on the years of service with Osaic Institutions.

The receipt of the recruiting/transition assistance creates a conflict in that the Advisory Representative has a financial incentive to recommend a client to open and maintain an account with Osaic Institutions.

Top Producer Opportunities

Osaic Institutions offers additional educational, training, marketing and home office support services and events for those Advisory Representatives that meet overall revenue production goals. While these goals are not specific to any type of product or service offered, a conflict of interest exists because these opportunities provide a financial incentive for Advisory Representatives to recommend investment products and advisory services in general.

Advisor Appreciation Program

Osaic Institutions provides the following compensation and ownership opportunities to certain Advisory Representatives:

- The Custodial Net New Asset Program – We will make additional annual payments to Subscribing Institutions and Advisory Representatives of approximately 35 basis points (0.35%) on average on all new assets added to our customer accounts custodied with Pershing and NFS. The payment depends on a number of factors. Your Advisory Representative may receive a higher payment. Please reach out to your Advisory Representative for information about this conflict. The Custodial Net New Asset Program provides an incentive for your Advisory Representative to select the Pershing and NFS custodial location for your brokerage accounts because compensation is paid to the Subscribing Institution and/or the Advisory Representative (rather than a custodial location at an investment sponsor which would not result in additional compensation).
- The Referral Rewards Program – Subject to certain qualifications and restrictions, the Firm will make payments to the Subscribing Institution or affiliated Financial Professionals for referrals of unaffiliated Institutions or Financial Professionals. For each qualified referred Institution or Financial Professional which affiliates with the Firm, the referring Subscribing Institution or Financial Professional will receive up to 3% of the referred Institution's or Financial Professional's trailing 12-month production and up to 3% of the referred Institution's or Financial Professional's first 12 months of production. The Firm is responsible for these payments and the payments to the Subscribing Institution or the Financial Professional are not a portion of the fees and/or commissions you pay. A Subscribing Institution's or your Financial Professional's status as a referring Subscribing Institution or Financial Professional is not a conflict to you because if referring, the referred Subscribing Institution's or Financial Professional's production is unrelated to your account. The Subscribing Institution's or your Financial Professional's status as a referred Institution or Financial Professional is not a conflict to you, because The Subscribing Institution's or your Financial Professional is not compensated specifically for being part of the Referral Rewards Program.

Loans

Osaic Institutions provides loans to certain Advisory Representatives as an incentive to establish, maintain, or expand their brokerage and advisory relationships. The repayments of such loans are typically dependent on the financial professional retaining affiliation with Osaic Institutions through the end of the loan period. These loans create a conflict of interest for the financial professional to retain affiliation with Osaic Institutions in order to avoid repayment of the loan. Please note the forgivable notes referenced in the section above on Advisor Appreciation Programs.

Strategic Partners

In addition to commissions or asset-based fees, Osaic Institutions receives compensation ("revenue sharing payments") from the below categories:

- Packaged Products: certain mutual funds, exchange traded funds (ETFs), variable insurance products, fixed insurance products, direct participation programs, alternative investments, and unit investment trusts (UITs)
- Retirement Plan Partners: third-party firms, including plan recordkeeping platforms as well as investment managers of mutual funds and the issuers of annuities
- Third-Party Managers: certain third-party money managers offered through accounts custodied away from the Broker-Dealer
- Collateralized Lending Partners: certain banking institutions that collateralize certain investment accounts to obtain secured loans

The above categories are hereinafter referred to as ("Strategic Partner" or "Strategic Partners"). Strategic Partners are selected, in part, based on the competitiveness of their products, their technology, their customer service and their training capabilities. Strategic Partners have more opportunities than other companies to market and educate our Advisory Representatives on investments and the products they offer. Revenue sharing payments are typically calculated as a fixed

fee, as an annual percentage of the amount of assets held by customers, or as a percentage of annual new sales, or as a combination. Strategic Partners pay differing amounts of revenue sharing, for which the Strategic Partner receives different benefits. You do not pay more to purchase Strategic Partner investment products than you would pay to purchase those products through another broker-dealer. Additionally, revenue-sharing payments received are not paid to or directed to your Advisory Representative. Nevertheless, a conflict of interest exists, in that Osaic Institutions is paid more if you purchase a Strategic Partner product, and your Advisory Representative indirectly benefits from Strategic Partner payments when the money is used to support costs of product review, marketing or training. This conflict of interest is mitigated by the fact that your Advisory Representative does not receive any additional compensation for selling Strategic Partner products, and that Osaic Institutions maintains policies and procedures to ensure recommendations are in your best interest.

Osaic Institutions will update information regarding Strategic Partners who participate in revenue sharing arrangements with Osaic Institutions on its website on a regular basis. For additional information, including specifics on the revenue share amounts, please refer to our [Indirect Compensation Disclosure](#) located at osaic.com/disclosures. From time to time, Osaic Institutions also receives revenue sharing payments from companies that are not Strategic Partners, generally to cover meetings expenses.

Clearing & Custodial Firms

The Custodians provide significant compensation to Osaic Institutions in their capacity as introducing broker/dealer to offset its general operating expenses based on the number of accounts and/or account assets held by Osaic Institutions. Compensation received consists of a fixed dollar amount per account and percentage of net new assets and total assets held in clearing accounts at the clearing firms. The specific terms of this compensation differ between the Custodians. Due to the significant penalties Osaic Institutions would incur if Osaic Institutions terminated the contracts with the Custodians within the first several years of contract implementation, Osaic Institutions has an incentive to continue with the long-term contracts Osaic Institutions has in place with the Custodians. Our Advisory Representatives receive indirect compensation from Osaic Institutions for certain level of assets with Custodians. Thus, they are incentivized to recommend these Custodians to you over other options.

Certain custodian fees apply to your clearing accounts. In some instances, Osaic Institutions pays a portion of the fee charged. In some instances, Osaic Institutions applies a markup to these fees. Please see the Custodians Client Fee Disclosure brokerage fee schedules (website below) for details on all of these fees which identifies each specific item which Osaic Institutions mark-ups. Depending on the custodial fee, it is applied annually, per transaction, per month or per CUSIP. The above forms of compensation are in addition to advisory fees you pay to us. Osaic Institutions exercises no discretion, nor provides any advice or recommendation in the selection of the Custodian for any specific account or client. As a result, any difference in compensation to Osaic Institutions is based solely on the contracts with the Custodians and your Advisory Representative's election of a Custodian. Secondly, Advisory Representatives do not share in any compensation paid by the custodians to Osaic Institutions. As a result, Advisory Representatives have no financial conflict of interest in any recommendation of a Custodian to clients. Please refer to the [Client Fee Disclosure - Pershing Clearing](#) and [Client Fee Disclosure - NFS Clearing](#) located at osaic.com/disclosures to find additional details regarding custodial fees. For more information regarding the above forms of compensation, please refer to our [Indirect Compensation Disclosure](#) located at osaic.com/disclosures.

Other Cash and Non-Cash Compensation

In addition to reimbursement of training and educational meeting costs, Osaic Institutions and its Advisory Representatives may receive promotional items, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies, and Alternative Investment Products, as permitted by regulatory rules. Additionally, sales of any mutual funds, variable insurance products and Alternative Investment Products, whether or not they are those of Strategic Partners, can qualify Advisory Representatives for additional business support and for attendance at seminars, conferences and entertainment events. From time to time, non-Strategic Partners attend Firm sponsored meetings for a fee.

Financial information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Osaic Institutions' financial condition. Osaic Institutions has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. Nor do we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.