



BENJAMIN F. EDWARDS & Co.
INVESTMENTS *for* GENERATIONS

ADV Part 2A Firm Brochure

March 28, 2013

This brochure provides information about the qualifications and business practices of Benjamin F. Edwards & Co. (BFEC). If you have any questions about the contents of this brochure, please contact us at (855) 825-6885 or e-mail to: ADV@benjaminfedwards.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 Benjamin F. Edwards & Co. also is available on the SEC's website at www.adviserinfo.sec.gov.

ADV Part 2A Firm Brochure

Material Changes to Investment Adviser Disclosure Brochure

Following is a summary of the material changes to Benjamin F. Edwards & Company's (BFEC) investment adviser disclosure document made since the annual update of the firm's ADV Part 2 and disclosure brochure dated March 30, 2012.

A complete copy of the updated ADV Part 2A (disclosure brochure) is available on our website www.benjaminfedwards.com. To access online, click on "Important Disclosures" at the bottom of the page, and then select "Investment Advisory Program Disclosures." Alternatively, clients may obtain a complimentary copy by contacting their financial consultant, calling BFEC's home office at (855) 825-6885 or requesting one by e-mail to ADV@benjaminfedwards.com. Additional information about Benjamin F. Edwards & Co. is available on the SEC's website at www.adviserinfo.sec.gov. about Benjamin F. Edwards & Co. is available on the SEC's website at www.adviserinfo.sec.gov.

ETF Portfolios

In August 2012, BFEC added models provided by Ibbotson to its ETF Portfolios program. Additionally in March 2013, BFEC added models provided by Morningstar Investment Services, Inc. to its ETF Portfolios program.

Methods of Analysis, Investment Strategies and Risk of Loss

In March 2013, added discussion of risk for options, exchange traded funds and notes, and alternative investments. Also, recommended that clients refer to disclosure documents of third party money managers for risks of specific programs.

Holding Company Investor

In March 2013, provided information about a new investor in BFEC's holding company.

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Section headings are keyed to SEC form ADV 2A. If particular sections of the form are not applicable, this document will so state.

ADV Part 2A Firm Brochure

Advisory Business

Benjamin F. Edwards & Company (BFEC) is a registered investment adviser and a broker-dealer. BFEC became registered as a broker-dealer in March of 2009 and, until May 2010, conducted its investment advisory business through an affiliate, BFE Asset Management, LLC. In May 2010, all investment advisory operations and programs of BFE Asset Management transitioned to BFEC, which at that time had become registered as an investment adviser subject to the jurisdiction of the Securities and Exchange Commission.

BFEC's principal owner is its holding company, Benjamin Edwards, Inc., which owns 100% of BFEC.

BFEC's primary advisory service is investment programs that bundle or "wrap" services (i.e. investment advice, reporting, trade execution, custody, etc.) together and charges a single fee based on the value of assets under management. Additionally, BFEC offers Financial Planning, Retirement Plan Consulting, and Investment Management Consulting services. All of these programs are outlined in further detail below.

Please note there is an Investment Management Consulting (with Execution) program that is a wrap program because the cost of trade executions is included in the advisory fee. Additionally, there is an Investment Management Consulting non-wrap program for when trade execution costs are not included as part of the advisory fee. Which program a client is in is dependent on services and fees structure negotiated.

BFEC does not currently provide portfolio management services other than in connection with its wrap fee programs.

BFEC retains a portion of advisory fees paid, including wrap fees, as compensation for its services; the remainder is used to compensate third parties, such as Pershing LLC, Lockwood Advisors, and non-affiliated money managers or model providers for services they provide.

As of March 26, 2013 BFEC has \$1,637,721,025 managed on a discretionary basis and \$308,952,266 managed on a non-discretionary basis. BFEC sponsors one program in which clients grant partial discretion to the firm in order to facilitate certain routine, administrative transactions. Because clients in that program are ultimately responsible for the selection of securities, BFEC has elected to categorize such assets as non-discretionary.

Wrap Programs

BFEC offers investment services through the following programs:

- **Benjamin F. Edwards Mutual Fund Portfolios**
- **Russell Model Strategies**
- **Benjamin F. Edwards Exchange Traded Fund Portfolios**
- **Benjamin F. Edwards Custom Mutual Fund Portfolios**
- **Benjamin F. Edwards Client Portfolios**
- **Benjamin F. Edwards Private Portfolios**
- **Benjamin F. Edwards Separately Managed Portfolios (Covered and Non-Covered)**
- **Lockwood Asset Allocation Portfolios**
- **Lockwood Investment Strategies**
- **Investment Management Consulting (with Execution)***

Services provided as part of the wrap fee for wrap fee based advisory accounts include:

- Access to a BFEC advisor for personal service and financial advice
- Review of suitability based on information provided in advisory agreement, new account form and client interview*
- Portfolio management services*
- Monthly account statements
- Performance reporting*
- Fee billing*
- Execution of transactions
- Custody and clearance of securities*
- Delivery of required documents, such as mutual fund prospectuses and proxy mailings

Additional services may be provided based on the advisory program selected. In addition, some of the services above will vary in situations where any assets are held with the issuer or a custodian other than Pershing, LLC, as described further below.

** These services may or may not be provided in the Investment Management Consulting (with Execution) program depending on the services negotiated and agreed upon. See the Investment Management Consulting (with Execution) section that follows for further detail.*

Financial Planning

BFEC provides its clients with two separate financial planning programs, each of which is prepaid on a fixed fee basis.

Financial Review Program The financial review may include an overview of the following:

- Investment objectives
- Net worth
- Cash flow analysis
- College cost and savings estimates
- Asset allocation analysis
- Stock option and restricted stock review
- Concentrated equity guidance

Investment Portfolio Review The investment portfolio review provides an asset allocation analysis that compares the current portfolio with a proposed allocation based upon the investment objectives, the risk tolerance and the time horizon provided by the investor. Part of the portfolio analysis may include an in-depth analysis of the investor's securities such as their equity, bond or mutual fund holdings. This analysis may show historical return, yield, market value, sector breakout, bond rating, yield-to-maturity and percentage that each category comprises of the total portfolio. It may also include an analysis of third-party money managers used by the client.

Retirement Plan Consulting

The Retirement Plan Consulting Program is a service whereby BFEC may, based on a negotiated scope of services, consult with retirement plan administrators, other fiduciaries to retirement plans, plan participants and other parties. BFEC will not actually manage plan assets as part of the Retirement Plan Consulting Program.

Depending on the negotiated scope of services between the parties, BFEC may participate in enrollment meetings, provide supplemental educational materials to the plan or plan participants, conduct education and provide investment materials for participant-directed plans, search and evaluate investment alternatives for the plan, review past performance of the plan's current investment options, provide one-time or ongoing performance monitoring reports for the plan's current investment options. Services provided to plan participants may be provided at a group level, or to individual plan participants. Unless otherwise specified in the agreement between BFEC and the plan, any education and investment materials provided are intended to constitute "education" and not individualized "investment advice." BFEC may also negotiate other services based on the needs of the plan.

Investment Management Consulting

The Investment Management Consulting Program is a service whereby BFEC may, based on a negotiated scope of services, consult with clients with respect to any or all of the services below, either on an ad-hoc or ongoing basis. BFEC will not actually manage client assets as part of the Investment Management Consulting Program.

Depending on the negotiated scope of services between the parties, BFEC may prepare, review and/or monitor an Investment Policy Statement (IPS), search and evaluate investment alternatives, perform ongoing monitoring and due diligence of investment managers, perform ongoing performance monitoring, review past performance of the client's investments, provide fee-billing services, custody assets through our clearing firm, provide performance monitoring reports, and participate in periodic meetings as needed. BFEC may also negotiate other services based on the needs of the client.

**Tailoring of
Advisory Programs
and Reasonable
Restrictions**

For all wrap advisory programs, BFEC clients select the financial consultant with whom they wish to work. The financial consultant will assess the client's prior investment experience, financial goals, time horizon, risk tolerance, and investment objectives in order to determine the appropriate program for the client.

Clients may request reasonable restrictions on the management of their discretionary accounts. Such restrictions may include imposition of limitations or preferences concerning transactions in certain securities, frequency of rebalancing, tax-loss selling, frequency of distributions and similar matters.

With respect to security-specific restrictions in the Benjamin F. Edwards Private Portfolios program, such restrictions are individually negotiated between the client and financial consultant. With respect to all other programs involving transactions in individual equity securities, clients may request security-specific restrictions on those equities or restrictions based on the following categories: Alcohol, Cosmetic, Defense/Military/Weapons, Entertainment, Foreign Securities, Gambling, Finance, Trucking, Meat Products, Nuclear Power, Oil Stocks, Textiles, Drugs, Tobacco, Public Utilities, Paper/Forest Products, and Healthcare/Medical Industries. With respect to model based mutual fund and ETF wrap programs, BFEC will consider requests for reasonable restrictions on the management of the account. Such restrictions may be placed on particular mutual funds or ETFs from the model selected, but cannot restrict the individual securities held within the mutual funds or ETFs. If such investment restrictions are implemented, the client will experience a different investment return than what will be realized by the model itself. Such performance may be better or worse than the model. For these reasons, if a client wishes to make a request concerning restrictions based on specific securities, it may be more appropriate for the client to participate in other BFEC advisory programs that are not so uniquely positioned. It should be noted, any standardized reports of model performance will not reflect the performance of the model with restrictions applied. (Quarterly performance reports of the client's account will accurately reflect the client's actual account performance with restrictions).

With respect to Financial Planning, the financial consultant will prepare a tailored assessment and plan that is designed to meet the particular needs of the individual client.

With respect to Retirement Plan Consulting, the financial consultant will determine with the appropriate retirement plan administrator, fiduciary, or other authorized person, the specific consulting services that are needed. BFEC will not provide individualized investment advice to particular plan participants.

With respect to Investment Management Consulting, the financial consultant will work with the client to determine the specific consulting services that are needed.

ADV Part 2A Firm Brochure Fees and Compensation

Fees and additional services for each program are as follows:

Benjamin F. Edwards Mutual Fund Portfolios

Benjamin F. Edwards Mutual Fund Portfolios is a discretionary, mutual-fund-only portfolio advisory program. The asset allocation models include a variety of asset types that, together, offer appropriate style diversification (i.e. diversification among large-, mid- and small-cap funds, as well as value vs. growth strategies) to accommodate each investment objective. Clients will work with their financial consultant to determine the asset allocation model most appropriate for their needs. The models developed and used by BFEC are strategic in nature. Changes may

occur from time to time to style (sub-category) allocations, but adjustments to the asset allocation (equity vs. fixed income) are expected to be infrequent. The models are designed to provide the investor with broad style diversification. Where appropriate, multiple funds are selected for a style to provide additional diversification.

The annual fee for this advisory service is as follows:

First \$250,000 in assets = 1.50%

Next \$250,000 in assets = 1.25%

Next \$500,000 in assets = 1.00%

Amounts greater than \$1,000,000 = 0.75%

Additional Services:

- BFEC shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research on the mutual funds offered in the Benjamin F. Edwards Mutual Fund Portfolios
- Maintenance and trade implementation of the mutual fund models
- Rebalancing of the funds to conform to the investment allocations per the frequency selected and as needed for deposits/withdrawals

Russell Model Strategies

Russell Model Strategies is a discretionary advisory program utilizing mutual funds from only Russell Investments. Russell provides the models and the funds to use within each model. These models allow for well-balanced and diversified portfolios. Clients will work with their financial consultant to determine the asset allocation model most appropriate for their needs.

The annual fee for this advisory service is as follows:

First \$250,000 in assets = 1.50%

Next \$250,000 in assets = 1.25%

Next \$500,000 in assets = 1.00%

Amounts greater than \$1,000,000 = 0.75%

Additional Services:

- BFEC shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFEC on the Russell Model Strategies
- Ongoing monitoring, due diligence and research by Russell Investments on the funds and allocations
- Maintenance and trade implementation of the mutual fund models on BFEC's platform
- Rebalancing of the funds to conform to the investment allocations per the frequency selected and as needed for deposits/withdrawals

Benjamin F. Edwards Exchange Traded Fund Portfolios

Benjamin F. Edwards Exchange Traded Fund Portfolios is a discretionary advisory program that utilizes Exchange Traded Funds (ETF) or Exchange Traded Notes (ETN) as the portfolio's investment vehicles. Confluence Investment Management LLC, Laffer Investments, Morningstar Investment Services, Inc., and Ibbotson Associates, an affiliate of Morningstar Investment Services, (Ibbotson) will serve as the model providers for this program, and supply the models and recommendations for specific investments within each model. BFEC may modify those recommendations when implementing the program. The Confluence models are style-diversified and cyclical in nature. The Laffer model is a global strategy. The Ibbotson models are style-diversified and strategic in nature. The Morningstar models are thematic in nature following either a momentum or contrarian strategy. Clients will work with their financial consultant to determine the asset allocation model most appropriate for their needs.

The annual fee for this advisory service using the Confluence, Laffer, and Morningstar models is as follows:

First \$250,000 in assets = 2.25%

Next \$250,000 in assets = 1.75%

Next \$500,000 in assets = 1.50%

Amounts greater than \$1,000,000 = 1.25%

The annual fee for this advisory service using the Ibbotson strategic models is as follows:

First \$250,000 in assets = 1.75%

Next \$250,000 in assets = 1.50%

Next \$500,000 in assets = 1.25%

Amounts greater than \$1,000,000 = 1.00%

Additional Services:

- BFEC shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFEC on Confluence Investment Management LLC, Laffer Investments, Morningstar Investment Services, and Ibbotson Associates.
- Ongoing monitoring, due diligence and research by Confluence Investment Management LLC, Laffer Investments, Morningstar Investment Services, and Ibbotson Associates in connection with securities and allocations that they recommend
- Maintenance and trade implementation of the models
- Rebalancing of the securities to conform to the investment allocations and as needed for deposits/withdrawals

Benjamin F. Edwards Custom Mutual Fund Portfolios

Benjamin F. Edwards Custom Mutual Fund Portfolios is a mutual-fund-only advisory program with limited discretion. The financial consultant and client will work together to identify an appropriate investment model. The client retains final decision making authority with respect to the mutual funds used and the percentage allocated to each fund in the model. Limited discretion is granted to the financial consultant to:

- Rebalance the account per the selected rebalancing frequency
- Invest cash deposits
- Sell and reinvest deposits of securities
- Sell funds for fees and requested withdrawals

The financial consultant will monitor the account to ensure it remains consistent with the strategy and make recommendations for changes as needed.

The annual fee for this advisory service is as follows:

First \$250,000 in assets = 1.50%

Next \$250,000 in assets = 1.25%

Next \$500,000 in assets = 1.00%

Amounts greater than \$1,000,000 = 0.75%

Additional Services:

- Recommendation of customized asset allocation
- Maintenance and trade implementation of the mutual fund model
- Rebalancing of the funds to conform to the investment allocations per the frequency selected and as needed for deposits/withdrawals
- Recommendations by the financial consultant to invest, reinvest, sell or retain mutual funds, if appropriate

- Ongoing monitoring of the account by the financial consultant

Benjamin F. Edwards Client Portfolios

Benjamin F. Edwards Client Portfolios is an advisory program where portfolio management services are provided to the client on a non-discretionary basis for a wrap fee based on the value of the account. As a non-discretionary account the client retains final decision-making authority with respect to all transactions. The financial consultant and client will work together to identify an appropriate investment strategy. The financial consultant will monitor the account to ensure it remains consistent with the strategy and make recommendations as needed.

The fee schedule is as follows:

First \$250,000 = 2.00%

Next \$250,000 = 1.50%

Next \$500,000 = 1.25%

Next \$1,500,000 = 1.00%

Next \$2,500,000 = 0.75%

Amounts greater than \$5,000,000 = 0.65%

Additional Services:

- Recommendation of customized asset allocation
- Recommendations by the financial consultant to invest, reinvest, sell or retain assets, if appropriate
- Ongoing monitoring of the account by the financial consultant
- Advice by the financial consultant on the client's proposed unsolicited transactions

Benjamin F. Edwards Private Portfolios

Benjamin F. Edwards Private Portfolios is an advisory program where portfolio management services are provided to the client on a discretionary basis for a wrap fee based on the value of the account. As a discretionary account, the financial consultant is not required to contact the client prior to each transaction. The financial consultant and client will work together to develop an investment strategy. The financial consultant will monitor the account to ensure it remains consistent with the investment strategy and that the strategy remains appropriate.

The fee schedule is as follows:

First \$250,000 = 2.25%

Next \$250,000 = 1.75%

Next \$500,000 = 1.50%

Next \$1,500,000 = 1.25%

Next \$2,500,000 = 0.85%

Amounts greater than \$5,000,000 = 0.75%

Additional Services:

- Investing, reinvesting, selling or retaining assets at the financial consultant's sole discretion, based on client suitability profile
- Ongoing monitoring and security selection by the financial consultant
- Development of customized asset allocation
- Rebalancing of the securities as needed to conform to the investment allocations and/or for deposits/withdrawals
- Advice by the financial consultant on the client's proposed unsolicited transactions

Benjamin F. Edwards Separately Managed Portfolios (Covered)

The Benjamin F. Edwards Separately Managed Portfolios (Covered) advisory program provides the client with an opportunity to access select third-party money managers that are covered by BFEC (“Covered Managers”), meaning that BFEC conducts initial and ongoing research and due diligence on these managers. To be a covered manager, certain information must be readily available to support BFEC’s initial and ongoing due diligence of the money manager, the manager must meet BFEC’s qualitative due diligence requirements, and there must be sufficient economic efficiencies including the amount of fees charged by the money manager or the level of interest in the money manager on the part of BFEC clients. BFEC is the sponsor of the program with the money manager serving as the sub-advisor. The client pays one wrap fee that includes the money manager fee. Periodic information regarding the manager and its strategy will be available to BFEC’s financial consultants to provide to clients upon request.

The annual fee for this advisory service varies based on the type of securities managed and is as follows:

	Equity/Balanced	Fixed Income
First \$500,000 in assets	2.75%	1.25%
Next \$500,000 in assets	2.25%	1.15%
Next \$1,500,000 in assets	1.75%	1.00%
Amounts greater than \$2,500,000	1.25%	0.85%

Additional Services:

- Third-party money manager shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring and due diligence by BFEC on the third-party money managers
- Ongoing monitoring, due diligence and research by third-party money manager on the securities selected
- Proxy voting by third-party manager depending on election made on the client advisory agreement. If client elects the manager to vote the proxies, clients may contact their financial consultant to request information regarding how the proxies were voted.

Benjamin F. Edwards Separately Managed Portfolios (Non-Covered)

The Benjamin F. Edwards Separately Managed Portfolios (Non-Covered) advisory program provides the client with an opportunity to utilize third-party money managers that are available on the platform but are not covered by BFEC (“Non-Covered Managers”), meaning that BFEC performs only minimal ongoing research and due diligence on these managers. A manager may not be covered for a variety of reasons including: not meeting the due diligence standards required by BFEC’s Covered Program; lack of ready availability or access to information necessary for BFEC to perform required diligence; or for economic inefficiencies including the amount of fees charged by the money manager; or the level of interest in the money manager on the part of BFEC clients. BFEC is the sponsor of the program with the money manager serving as the sub-advisor. The client pays a wrap fee that excludes the fee charged by the third-party money manager, which is paid separately by the client. The total fee may be more or less than the wrap fee charged by BFEC on Covered Managers depending on the fee charged by the third-party money manager. However, the advisory fee charged by BFEC is less, due to the lower degree of due diligence performed. Unlike the Covered Program, periodic information regarding the manager and its strategy will only be provided if the information is readily available and accessible to BFEC.

The annual fee for this advisory service, excluding the separate money manager’s fee which differs among managers, varies based on the type of securities managed and is as follows:

	Equity/Balanced	Fixed Income
First \$500,000 in assets	2.00%	0.75%
Next \$500,000 in assets	1.50%	0.65%
Next \$1,500,000 in assets	1.00%	0.60%
Amounts greater than \$2,500,000	0.75%	0.60%

Additional Services:

- Third-party money manager shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Limited ongoing monitoring and due diligence by BFEC on the third-party money managers
- Ongoing monitoring, due diligence and research by third-party money manager on the securities selected
- Proxy voting by third-party manager depending on election made on the client advisory agreement. If client elects the manager to vote the proxies, clients may contact their financial consultant to request information regarding how the proxies were voted.

Lockwood Asset Allocation Portfolios (LAAP)

LAAP is a discretionary, multi-discipline managed portfolio product. BFEC is the sponsor of LAAP, and Lockwood Advisors, Inc. (Lockwood), an affiliate of Pershing LLC., serves as the portfolio manager. As portfolio manager, Lockwood determines the asset allocation strategy and selects investment vehicles for each investment style component of LAAP based on proprietary models. These models may consist of open- and closed-end mutual funds, exchange traded funds and other securities, as determined by Lockwood, at its sole discretion.

The annual fee for this advisory service is as follows:

First \$500,000 in assets = 1.50%

Next \$500,000 in assets = 1.25%

Next \$1,500,000 in assets = 1.00%

Amounts greater than \$2,500,000 = 0.75%

Additional Services:

- Lockwood shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFEC on Lockwood
- Ongoing monitoring, due diligence and research by Lockwood on the securities and allocations
- Maintenance and trade implementation of the models
- As needed, rebalancing of the securities to conform to the investment allocations and for deposits/withdrawals
- Proxy voting by portfolio manager, depending on election made on the client advisory agreement. If client elects the manager to vote the proxies, clients may contact their financial consultant to request information regarding how the proxies were voted.

Lockwood Investment Strategies (LIS)

LIS is a discretionary, multi-discipline managed account product housed in a single account with five core models. The five (5) core models span the risk/return spectrum from a current income model to a growth model within the context of a diversified portfolio. If appropriate, a client may also choose from four (4) additional models which include exposure to non-traditional asset classes. BFEC is the sponsor of LIS, and Lockwood Advisors, Inc. (Lockwood), an affiliate of Pershing LLC., serves as the portfolio manager. As portfolio manager, Lockwood determines the asset allocation strategy and selects both sub-managers and specific investment vehicles for each investment style component of LIS based on proprietary modeling strategies, as well as its macroeconomic outlook and investment discipline. These models may consist of stocks, bonds, open- and closed-end mutual funds, exchange traded funds and other securities as determined by Lockwood at its sole discretion.

The annual fee for this advisory service is as follows:

First \$500,000 in assets = 2.50%

Next \$500,000 in assets = 2.00%

Next \$1,500,000 in assets = 1.50%

Next \$2,500,000 in assets = 1.00%

Amounts greater than \$5,000,000 = 0.75%

Additional Services:

- Lockwood shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFEC on Lockwood
- Ongoing monitoring, due diligence and research by Lockwood on the securities and allocations
- Maintenance and implementation of the models
- As needed, rebalancing of the securities to conform to the investment allocations and for deposits/withdrawals
- Proxy voting by third-party manager depending on election made on the client advisory agreement. If client elects the manager to vote the proxies, clients may contact their financial consultant to request information regarding how the proxies were voted.

Investment Management Consulting (with Execution)

The Investment Management Consulting (with Execution) Program is a service whereby BFEC may, based on a negotiated scope of services, consult with clients with respect to any or all of the services below, either on an ad-hoc or ongoing basis. BFEC will not actually manage client assets as part of the Investment Management Consulting Wrap Program. As a wrap program, the cost of execution of transactions will be included in the advisory fee.

The advisory fee for this service will be a negotiated fixed or asset based amount based on negotiated services to be provided.

Additional Services may include:

- Investment Policy Statement (IPS) Preparation
- Investment Policy Statement (IPS) Review
- Investment Policy Statement Monitoring
- Search and evaluation of investment alternatives
- Ongoing monitoring and due diligence by BFEC of investment manager(s)
- Ongoing performance monitoring
- Past performance review
- Fee Billing
- Execution of transactions
- Custody of assets
- Performance Monitoring Reports
- Participate in Periodic Meeting

**Additional Information
Regarding Fees for
Wrap Programs**

The fees stated above for each program are negotiable with discounts reviewed and approved by BFEC. See “Compensation” section below for information regarding compensation to portfolio managers/financial Programs consultants.

Clients have the option to purchase investment products that BFEC recommends through other brokers or agents that are not affiliated with BFEC. Participating in wrap fee programs or other advisory programs may cost the client more or less than if the client were to implement his or her selected program separately from BFEC, such as by using a different program sponsor, pursuing the strategy through a brokerage account, or investing directly with the mutual fund family. Some factors that might impact the total cost to a client who implements a program separately from BFEC include the frequency of trading activity; whether a client might be successful in negotiating a lower fee with a sub-advisor; rate of commissions, markups or other transaction-related compensation; or whether account fees, transaction fees or similar charges would be incurred.

Several BFEC advisory programs are primarily oriented to mutual fund models. All of these are wrap fee programs in which transaction costs and sales charges are incorporated into the wrap fee. As a result, BFEC recommends transactions in no-load or load-waived share classes.

The advisory fees discussed above do not include certain expenses charged by products such as mutual funds, exchange traded funds, or exchange traded notes. Please refer to the product's prospectus. Some of these expenses, such as investment management fees, are retained by product issuers or their affiliates. Some mutual fund fees, such as fees related to marketing and distribution of the funds (sometimes referred to as "Rule 12b-1 fees"), service fees related to personal services for investors and/or the maintenance of shareholder accounts, and other shareholder servicing fees, are shared with Pershing and/or BFEC. Such fees are typically charged as a percentage of the asset value under management. Nor does the fee discussed above include surrender charges, contingent deferred sales charges, or other charges associated with the liquidation or redemption of certain securities such as B share mutual funds, which were transferred into the program and sold.

Further, the wrap fee does not include separate external fees that may be charged by a product sponsor or trustee, such as would be the case if the assets of a donor advised fund are managed within an advisory account, or if an advisory account is owned by a trust with a corporate trustee or other party who may receive separate compensation from account assets. Such additional external fees would typically be charged separately by the donor advised fund or the trustee and paid by BFEC from the account assets.

Additionally, the wrap fee does not include, and the account will be charged separately for, fees for ancillary services such as check writing/debit card services, returned checks, safekeeping of physical certificates, and asset or wire transfers. The current ancillary fee schedule is outlined below. These fees are subject to change without notice; an updated schedule will be provided upon request and is also available on our public website, www.benjaminfedwards.com. Most of these fees are passed directly to Pershing; however, BFEC retains a portion of checkwriting and debit card fees. Pershing may reimburse BFEC for certain documented account transfer fees if BFEC credits a client account for fees charged by a client's prior firm at the time the account transferred to BFEC.

Check Writing/ Debit Card services:

- \$25 - \$250 annual fee based on selected level

Check Processing Requests:

- \$25 to place a stop on a check
- \$20-25 for a returned ACH or check
- \$7.50 - \$50 for checks
- \$12-\$25 for overnight delivery of a check
- \$2.50 for a copy of a cleared check or paid Visa draft
- 1% of transaction Foreign Transaction Fee
- 0.25% of transaction Cash Advance Fee (non-ATM)

Wire Transfers:

- \$20 for a wire transfer

Security Certificates and Transfers :

- \$95-\$110 per account for physical transfers of securities away from BFEC
- \$50-\$75 per security for EuroClear/Foreign securities transferred into or away from BFEC
- \$75 per GNMA transferred into or away from BFEC
- \$10 per security for Direct Registration transfers or failed deliveries
- \$75 per document for Legal Transfer or Restricted Legal Transfer
- \$75 for physical certificate request

In the event a client deposits securities to initially fund an advisory account that are ineligible, the securities will be sold or transferred into a brokerage account so an advisory fee will not be charged for the position.

Clients may elect to leave eligible securities that are not readily liquid in the advisory account in order to receive comprehensive portfolio advice; however, a fee will typically be charged on all assets in the account.

Also portfolio managers providing services to the Advisory Portfolios programs may pay transaction charges including commissions, mark-ups, mark-downs, or spreads which may increase the underlying expenses associated with client transactions, and thus affect the performance of the account.

Money managers associated with three investment advisory programs (Benjamin F. Edwards Separately Managed Portfolios (Covered); Benjamin F. Edwards Separately Managed Portfolios (Non-Covered); and Lockwood Investment Strategies) have the option of executing transactions away from Pershing if they believe it is in the client's best interests to do so. In such cases, the costs associated with execution of the transactions will be included within the net price paid or received by the customer for the securities that are purchased or sold.

The annual fee for advisory wrap accounts, with the exception of Investment Management Consulting (with Execution) accounts, is charged quarterly in advance (at the rate of one-fourth of the annual fee detailed above). The fee is calculated based upon the market value of assets under management at the close of business on the last business day of the previous quarter as determined by the Managed Investments division of Pershing ("Managed Investments"), an affiliate of the custodian and a service provider to BFEC with respect to a variety of back office services in support our advisory programs. The fee will be deducted from the client's advisory account(s) (or another designated Benjamin F. Edwards brokerage account of the client) with the permission from the client. Adjustments to the fees are made quarterly (for the prior quarter) for flows of money in and out of the managed account. Under certain circumstances, BFEC permits advisory program assets to be held with a custodian other than Pershing, LLC. This may occur, for example, in connection with positions in alternative investments that must be held with the issuer of the securities. In such situations, BFEC will invoice the client separately on a quarterly basis for the appropriate amount of the advisory fee attributable to the position. The amount of the fee will be determined by BFEC based on information reasonably believed to reflect the value of the asset where it is held. The client will be asked to sign a Letter of Authorization to permit BFEC to deduct the fee from the client's account separately from the fee that is deducted by Managed Investments. At the time the fee is deducted from the account, BFEC will send a separate notification to the client reflecting the amount of the fee. The client should verify the fee using information the client receives from the party that holds the asset and, if there are questions, present them to his or her financial consultant.

Clients who join the program mid-quarter will be assessed a prorated fee for the quarter in which they joined. New accounts will be billed from the date the account is opened through the end of the current quarter. The initial fee will be charged at the account opening, paying fees in advance thru the end of the quarter.

In the event the account is terminated mid-quarter, BFEC will refund the prorated portion of the client's prepaid fees upon termination of the client advisory agreement; however, if an advisory wrap account is terminated within the first 12 months, BFEC reserves the right to refund the client's prepaid fees to BFEC less any reasonable expenses associated with opening, positioning, maintaining and terminating the account.

Financial Planning Fees

The fee for a Financial Review is \$150 and \$100 for an Investment Portfolio Review and may be paid by the client or the financial consultant. The fee is negotiable based upon a variety of factors, including other holdings and accounts with client, prospective future business, totality of the family relationship or other factors that may be pertinent in given cases. This program does not cover the implementation of any financial planning recommendations. Investors are not required to transact business through BFEC or any of its affiliates to implement any of the suggestions contained in the financial planning reports described above. Should a client decide to implement the recommendations through BFEC, the client will pay any applicable charges, including commissions and/or fees, a portion of which would be paid to the client's financial consultant. Payments are made by clients only if a plan is completed and delivered. If a plan is not completed, amounts received from clients are refunded. There are no refunds for completed and delivered plans. We may charge additional fees for updates to the plan, subject to negotiation.

Retirement Planning and Investment Management Consulting Services

Fees for Retirement Planning Consulting and, Investment Management Consulting services, are generally charged quarterly, in advance, based on a percentage of assets under management as valued at the end of the calendar quarter. The value of assets under management will ordinarily be determined by reference to the custodian's valuation. If the services agreement is terminated on a date other than the last day of the calendar quarter, BFEC

will normally be entitled to a pro rata share of fees based on the actual number of days of the then-current calendar quarter ending on the termination date divided by the total number of days in the calendar quarter. The fee is non-standardized, fully negotiable, and will depend on the number, types, frequency and duration of services provided. Payment terms are also fully negotiable. If limited, one-time services are desired, BFEC is willing to negotiate a fixed fee based on the scope of services to be provided.

Compensation

The following details the portion of the fee that is paid to the portfolio manager of each program:

Benjamin F. Edwards Mutual Fund Portfolios Portfolio manager is not paid a portion of the advisory fee, but instead are salaried employees of BFEC.

Russell Model Strategies Russell Investments does not receive a portion of the advisory fees, but instead is compensated via the internal expenses of the mutual funds held.

Benjamin F. Edwards Exchange Traded Fund Portfolios Confluence Investment Management is paid 0.25%, Laffer is paid 0.30%, Morningstar is paid 0.25%, and Ibbotson is paid 0.20% of assets managed (built into the advisory fee).

Benjamin F. Edwards Custom Mutual Fund Portfolios The financial consultant is paid as described in the following paragraph.

Benjamin F. Edwards Client Portfolios The financial consultant is paid as described in following paragraph.

Benjamin F. Edwards Private Portfolios The financial consultant is paid as described in following paragraph.

Benjamin F. Edwards Separately Managed Portfolios (Covered) Manager fees vary, but range from 0.25% to 0.65% of assets managed (built into the advisory fee).

Benjamin F. Edwards Separately Managed Portfolios (Non-Covered) Manager fees vary, but range from 0.14% to 1.25% of assets under management and are paid in addition to the advisory fee.

Lockwood Asset Allocation Portfolios Lockwood is paid a percentage of assets under management per the following fee schedule (built into the advisory fee):

First \$500,000	0.40%
Next \$500,000	0.35%
Next \$4,000,000	0.30%
Next \$5,000,000	0.25%
Over \$10,000,000	0.20%

Lockwood Asset Allocation Portfolios Lockwood is paid a percentage of assets under management per the following fee schedule (built into the advisory fee):

First \$500,000	0.75%
Next \$500,000	0.55%
Next \$4,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	0.30%

In most cases, financial consultants of BFEC will receive a maximum of 50% of the wrap fees paid by advisory clients to compensate them for services which may include solicitation, shareholder support, advice, order placement and execution, and other services. However, some new financial consultants who transfer to BFEC from another `securities firm may temporarily receive a higher payout percentage, typically 80% but, in isolated cases, potentially up to 100%, to compensate them for income disruptions that they may experience during the first year following their transition to BFEC. Financial consultants may be eligible for cash and non-cash compensation including bonuses, recognition trips, and other benefits. Some of these programs may be financed in whole or in part by unaffiliated third parties, including representatives of mutual funds or distributors, which may influence some representatives to favor those funds. The compensation received for a particular advisory portfolio program may be more than what the financial consultant would receive if the client participated in other BFEC advisory portfolio programs or paid separately for investment advice, brokerage, and other services, and

hence, may influence the recommendation of a particular advisory portfolio program over other programs or services.

Please see the “Other Financial Industry Activities and Affiliations” section below for information concerning receipt of compensation for the sale of securities or other investment products.

ADV Part 2A Firm Brochure

Performance-Based Fees and Side-By-Side Management

Not applicable; none of BFEC’s supervised persons accept performance-based fees.

ADV Part 2A Firm Brochure

Types of Clients

BFEC provides advice to a wide variety of clients including but not limited to:

- Individuals
- Pension and profit sharing plans
- Trusts, estates and charitable organizations
- Corporations and other business entities
- Public entities and other governmental organizations
- Educational institutions
- Investment clubs
- Foundations and other charitable or fraternal organizations

The minimum account size for each wrap fee program is as follows:

Benjamin F. Edwards Mutual Fund Portfolios \$50,000

Russell Model Strategies \$50,000

Benjamin F. Edwards Exchange Traded Fund Portfolios \$50,000

Benjamin F. Edwards Custom Mutual Fund Portfolios \$50,000

Benjamin F. Edwards Client Portfolios \$50,000

Benjamin F. Edwards Private Portfolios \$50,000

Benjamin F. Edwards Separately Managed Portfolios (Covered and Non-Covered) Varies by manager
but most commonly is \$100,000

Lockwood Asset Allocation Portfolios \$50,000

Lockwood Investment Strategies \$250,000

Investment Management Consulting (with Execution) \$100,000

Please note that with respect to “minimum account size” BFEC may, under appropriate circumstances, consider permitting accounts having asset values lower than the indicated minimum account size to participate in the programs. Such circumstances might include, but are not limited to, whether the account is a transfer account, the totality of the relationship with other client accounts, effects of market activity, and anticipated future business.

ADV Part 2A Firm Brochure

Methods of Analysis, Investment Strategies and Risk of Loss

A variety of methods of analysis and investment strategies are utilized by affiliated and non-affiliated portfolio managers in the BFEC sponsored advisory programs. BFEC’s advisory programs employ several methods of analysis, including but not limited to charting, fundamental analysis of a company’s financials and technical analysis of market activity. Within each method of analysis, portfolio managers may employ a variety of time-horizon outlooks, including long-term strategic, intermediate cyclical or short-term tactical.

Regardless of the method of analysis and investment strategy, the investment advisory programs involve investing in securities which contain a risk of loss of principal that the client should be prepared to bear. All securities are subject to risk, and there is no assurance that any investment program or strategy will be successful.

In addition to the risks associated with investing in securities, no method of analysis will always yield positive results. For example, while fundamental analysis might indicate that a particular company is “fairly valued,” market sentiment may nevertheless result in unexpected investment performance. Similarly, while technical analysis or charting might suggest that a particular company presents a good buying opportunity, its financial performance might cause investors to view the security differently. Depending on the portfolio manager, adherents to each method of analysis may look only to the information relevant to his or her method of analysis, to the exclusion of other information.

Investment strategies that employ diversified models may involve investing in multiple market sectors or asset classes. This diversified approach to investing has the potential to take advantage of the fact that different sectors or asset classes often perform in different ways at different times. This characteristic may yield either positive or negative results, depending on particular market conditions, or the overall breadth of the market’s impact on multiple asset classes or sectors.

In addition, some particular investment styles focus on particular market sectors or classes of securities and carry additional risks. Even models that are more broadly diversified in their exposure to particular market sectors or asset classes are exposed to the underlying risks associated with those sectors or classes. For example, investors should be aware of the following:

- Equity strategies, including investing in individual companies, equity mutual funds or ETFs, involve investments in common stocks and are subject to the volatility and individual risks associated with those stocks;
- Real estate investment trusts or funds are subject to risks of the specific commercial or housing market in which the assets are invested, as well as interest rate risk;
- Small Cap and Emerging Market securities tend to be more volatile relative to the overall market;
- Bonds may “guarantee” return of principal if held to maturity, but any guarantee remains subject to the credit worthiness of the guarantor and, prior to maturity, the bond remains subject to interest rate, inflation and credit risks;
- Bond funds of all types are subject to the various risks of the underlying fixed income instruments in the fund, and there is no fixed maturity date;
- High Yield bonds expose the investor to investments in lower credit quality securities, and hence, risk of default and higher volatility;
- Tax-Exempt bonds may or may not provide returns higher than the after-tax returns of taxable bonds, so investors should consider their tax bracket and state of residence;
- International/Global/Foreign securities expose the investor to currency risk and political, social and economic risks of the countries in which the securities are domiciled, in addition to the equity or debt nature of the securities involved.
- Options strategies introduce additional elements of complexity regarding timing of market decisions and liquidity of positions. Investors considering programs that involve the use of options should carefully review and understand the Options Disclosure Document (“Characteristics and Risks of Standardized Options”) prepared by the Chicago Board Options Exchange (CBOE), which will be provided by BFE&Co.
- Alternative investments include vehicles such as derivatives, hedge funds, managed futures, commodities, currency carry, merger arbitrage, convertible arbitrage, long /short equity, and multi-strategy funds. Strategies vary widely and can subject investors to a variety of risks including, but not limited to, market risk, interest rate risk, credit and counterparty risk, liquidity risk, and foreign-currency exchange-rate risk among others, depending on the investment.
- Exchange Traded Funds and Notes (ETF/Ns) are typically designed to track the performance (and sometimes the inverse) of a benchmark index or commodity, sometimes with leverage. ETF/Ns are subject to tracking error risk (meaning performance that varies in amount and possibly direction from the target

benchmark index or commodity) and liquidity risk, in addition to the risks associated with the benchmarked products.

It is not possible to enumerate all possible risks associated with each of the asset classes and market sectors listed above. Clients should feel free to ask their financial consultant to discuss any of these in more detail. In addition, clients should refer to the investment advisory disclosure brochure prepared by specific third party money managers under consideration for a detailed explanation of the nature and risks of the program being evaluated, including the use of any of the asset classes and market sectors above.

Some models are based on use of mutual funds and/or Exchange Traded Funds (ETFs). These financial instruments are securities that are sold by prospectus. While particular funds in the advisory programs may be selected by the portfolio manager, investors should read the prospectus, and summary prospectus if available, carefully to fully understand the various risks, investment objectives, charges/expenses and other information about the fund company associated with the investment.

Participants in BFEC's wrap-fee advisory programs do not pay additional charges based on the frequency of trading in their account. However, it should be understood that higher-frequency trading strategies may increase the likelihood that tax consequences may be short-term in nature, and result in a higher tax cost and hence, lower net performance.

ADV Part 2A Firm Brochure Disciplinary Information

BFEC does not have any legal or disciplinary events to report.

ADV Part 2A Firm Brochure Other Financial Industry Activities and Affiliations

In addition to being a Registered Investment Adviser, BFEC is engaged in a variety of investment-related business activities. BFEC is registered as a broker-dealer and its management persons are registered representatives of the broker-dealer. In addition, BFEC is also a member of the National Futures Association as a Guaranteed Introducing Broker (GIB) and some of its management persons are associated persons of the GIB. BFEC is also licensed as an insurance agency and sells a wide variety of insurance products.

Implementation and execution of transactions in advisory programs are conducted by BFEC as an introducing firm on a fully disclosed basis through its clearing firm, Pershing, LLC, although money managers associated with three investment advisory programs (Benjamin F. Edwards Separately Managed Portfolios (Covered); Benjamin F. Edwards Separately Managed Portfolios (Non-Covered); and Lockwood Investment Strategies) have the option of executing transactions away from Pershing if they believe it is in the client's best interests to do so.

It should be noted that BFEC has received cash incentive payments from its clearing firm, Pershing, LLC, some of which were contingent upon BFEC generating minimum levels of revenue to Pershing over mutually agreed upon time periods. These payments were used to offset infrastructure and operational expenses. No further payments of this nature after October 2011 are currently anticipated.

The advisory fees do not include certain internal expenses charged by products such as mutual funds or other products. Some of these expenses, such as investment management fees, are retained by product issuers or their affiliates. Some of these fees, such as fees related to marketing and distribution of the products (sometimes referred to as "Rule 12b 1 fees"), service fees related to personal services for investors and/or the maintenance of shareholder accounts, and other shareholder servicing fees, are shared with Pershing and/or BFEC. Such fees are typically charged as a percentage of the asset value under management.

BFEC receives payments related to the shared fees described above either directly from mutual fund companies, product vendors or related parties, or indirectly from multi-product platforms that receive payments directly from fund companies, product vendors or related parties. Currently, BFEC receives this type of indirect payment through participation in the FundVest® platform of its clearing firm, Pershing LLC.

BFEC uses the FundVest® platform for the significant operational efficiencies the platform provides to BFEC's investment advisory programs. Funds carried on the FundVest® platform constitute the primary (though not

exclusive) universe of mutual funds used in BFEC's Mutual Fund Portfolios, Custom Mutual Fund Portfolios, Client Portfolios and Private Portfolios investment advisory programs. Additionally, BFEC's investment advisory program includes model mutual fund portfolios developed by Russell Funds, which also participates in the FundVest® platform.

It is important to note, however, that BFEC does not treat the universe of funds on the FundVest® platform as constituting a "preferred list" or "recommended list" in the sense that products carried on that platform are necessarily "better" than other products that might be available off-platform. Exceptions for use of non-FundVest® investments in BFEC investment advisory accounts may be made on a case-by-case basis.

BFEC may receive marketing support payments (sometimes referred to as revenue sharing or by similar terms) from a fund's investment adviser or other fund affiliate, as well as from insurance company product vendors, third party money managers, and other product-, platform- or service-providers. Such payments are made for the purpose of compensating BFEC for its marketing and educational efforts associated with sales of the product. Such payments are typically paid as a percentage of the product's assets under management and/or as a percentage of the amount of purchase with BFEC or may be paid in lump sum amounts as reimbursement for expenses associated with particular events such as motivational, training or education symposia for financial consultants or clients, as well as other events presented by BFEC. BFEC does not receive such payments in connection with all funds, products, or providers.

BFEC does not sell insurance products as part of its advisory wrap account programs. However, insurance products may be recommended, serviced or advised upon with any of BFEC's investment advisory programs. It is possible that an insurance product may be purchased in a brokerage account and held in an advisory account, without being subject to an advisory fee, at the client's request for administrative convenience. Compensation for insurance products varies from contract to contract. In cases involving non-advisory-class insurance products, BFEC may receive compensation including sales charges and ongoing trail payments, if applicable. Clients should consult the individual contract and, if applicable, the prospectus, for specific details concerning such compensation.

It should also be noted that some product vendors, money managers, or service providers may make nominal gifts or provide business entertainment, such as meals or tickets to theatrical, sporting or other events, to BFEC or its employees.

To the extent BFEC receives any of the payments described above, it may have an incentive to recommend or sell those products over products that do not make such payments, or which pay less than other products, rather than based on clients' needs. BFEC financial consultants do not receive compensation in connection with such payments for advisory wrap accounts. The conflicts and potential conflicts of interest presented by the foregoing arrangements are disclosed in BFEC's investment advisory disclosure documents, and also on the firm's public website (www.benjaminfedwards.com, see "Important Disclosures").

With respect to the Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios programs, Lockwood will pay BFEC a sponsor fee from the amounts charged to the client for participation in such programs. Financial consultants do not receive payments in connection with such sponsor fee.

With respect to Benjamin F. Edwards Separately Managed Portfolios (Covered), the client will pay a single fee that covers charges from Lockwood, its clearing agents and the third-party money manager. Third-party money managers may have provisions in their agreements with BFEC pursuant to which the amount that is billed to BFEC is reduced based on the accumulation of all of its clients' assets under management with the firm. If a third-party money manager reduces its fee under such circumstances, the client will continue to pay the original fee, and BFEC will retain the difference.

BFEC may have a separate brokerage relationship with persons who are also investment advisory clients of BFEC. As an investment adviser, BFEC owes a heightened standard of fiduciary care when providing investment advice to the client than when acting as a broker-dealer. During the course of a brokerage relationship, the broker-dealer may act as principal or agent when effecting transactions with clients and may receive compensation in connection with such transactions. Brokerage and investment advisory accounts are not commingled; transactions in both brokerage and advisory accounts are disclosed or reported to the client.

BFEC employees, including access persons, may participate in any of the advisory programs offered by BFEC and may thus own the same securities owned by advisory clients. In addition, BFEC employees, including

financial consultants who are advising clients in the Benjamin F. Edwards Client Portfolios Program and the Benjamin F. Edwards Private Portfolios Program, may engage in transactions alongside clients, including purchasing securities that they are advising clients to sell, and selling securities that they are advising clients to purchase. In most cases, such “contrary” transactions are limited to special circumstances, such as to pay for educational, medical or unanticipated significant expenses; however, the firm may permit other transactions.

An institutional sales representative of Atalanta Sosnoff, one of the third-party money managers that is available for clients to select in the Separately Managed Portfolios (Covered) program, has made a private investment in the equity securities of Benjamin Edwards, Inc., the holding company of BFEC. This individual is not an employee of, and will have no managerial or decision-making role with, BFEC or its affiliates. As part of her professional responsibilities, however, it is anticipated that she will meet with employees of BFEC to promote the services and benefits available by placing investment assets under the management of Atalanta Sosnoff. This individual receives compensation from Atalanta Sosnoff that is based, at least in part, on money management fees paid to Atalanta Sosnoff arising from investments that occur within her sales region through firms such as BFEC.

Because of this individual’s ownership interest in, and her professional duties involving sales services to, BFEC, a conflict of interest could potentially arise particularly if both firms were to negotiate asset management fees payable to Atalanta Sosnoff that are more favorable than what might otherwise be paid by firms similarly situated with BFEC, or if BFEC were to determine to include or retain Atalanta Sosnoff on the firm’s Separately Managed Portfolios (Covered) program under circumstances wherein other money management firms would not be permitted to be included or to remain.

This individual will have no role in negotiating asset management fees payable by BFEC to Atalanta Sosnoff. Further, BFEC and its representatives will not receive any additional or different sales compensation in connection with recommendations to clients concerning Atalanta Sosnoff versus any other money manager under comparable circumstances. In addition, Atalanta Sosnoff and its sales representative will not receive any additional or different compensation in connection with client investments placed with Atalanta Sosnoff through BFEC versus those of any other investment firm similarly situated.

An individual who is the Chief Executive Officer and Chief Investment Officer for Confluence Investment Management LLC, who offers various investment company products that can be purchased through BFEC, is one of the third-party money managers that is available for clients to select in the Separately Managed Portfolios (Covered & Non-Covered) program and a model provider for the Exchange Traded Fund Portfolios program, is a member of the board of directors and has made a private investment in the equity securities of Benjamin Edwards, Inc., the holding company of BFEC.

This individual is not an employee of, and will have no day to day managerial or decision-making role with BFEC or its affiliates; however, as a member of the board of directors, he will be involved in the development of strategy, policy and other important matters affecting Benjamin Edwards, Inc., including its affiliates. As part of his professional responsibilities with Confluence Investment Management LLC, he is involved in making investment decisions concerning portfolios of individual clients. BFEC and its representatives do not receive any additional or different sales compensation in connection with recommendations to clients concerning Confluence Investment Management LLC versus any other money manager under comparable circumstances. In addition, Confluence Investment Management LLC and its CEO/CIO do not receive any additional or different compensation in connection with client investments placed with Confluence Investment Management LLC through BFEC versus those of any other investment firm similarly situated. However, the CEO/CIO is compensated for his service as a board member of Benjamin Edwards, Inc. on the same terms as other board members.

In addition, a portfolio manager for Confluence Investment Management LLC is a beneficial owner of a trust that owns equity securities of Benjamin Edwards, Inc., the holding company of BFEC. This individual is not an employee of, and will have no managerial or decision-making role with, BFEC or its affiliates. As part of his professional responsibilities, however, he is involved in making investment decisions concerning portfolios of individual clients.

BFEC and its representatives do not receive any additional or different sales compensation in connection with recommendations to clients concerning Confluence Investment Management LLC versus any other money manager under comparable circumstances. In addition, Confluence Investment Management LLC and its portfolio manager do not receive any additional or different compensation in connection with client investments

placed with Confluence Investment Management LLC through BFEC versus those of any other investment firm similarly situated.

A Senior Executive at Franklin Templeton, one of the mutual fund families utilized in the Mutual Funds Portfolios program, and one of the third-party money managers that is available for clients to select in the Separately Managed Portfolios (Covered) program, has made a private investment in the equity securities of Benjamin Edwards, Inc., the holding company of BFEC. This individual is not an employee of, and will have no managerial or decision-making role with, BFEC or its affiliates.

This individual is a trustee and the chairman of a number of Franklin Templeton funds in which participants in certain BFEC advisory programs invest from time to time. He will have no role in negotiating asset management fees payable by BFEC to Franklin Templeton, and has no direct sales responsibilities with respect to BFEC or its affiliates. Further, BFEC and its representatives will not receive any additional or different sales compensation in connection with recommendations to clients concerning Franklin Templeton versus any other fund company or money manager under comparable circumstances. It should be noted however that BFEC will receive marketing support payments based on a percentage of assets under management see above for more information concerning such payments.

Any potential conflict regarding Franklin Templeton's status on the Separately Managed Portfolios (Covered) program or in the Mutual Fund Portfolios will be resolved by following the same evaluation, criteria and investment committee process used to evaluate other mutual funds and money managers.

A Regional Director of Russell Investments, the mutual fund family utilized in the Russell Model Strategies program and an investment that is available in other BFEC advisory programs, has made a private investment in the equity securities of Benjamin Edwards, Inc., the holding company of BFEC. This individual is not an employee of, and will have no managerial or decision-making role with, BFEC or its affiliates. As part of his professional responsibilities, however, it is anticipated that he will meet with employees of BFEC to promote the services and benefits available by investing in Russell Investments' funds. This individual receives compensation from Russell Investments that is based, at least in part, on money management fees paid to Russell Investments arising from investments that occur within his sales region through firms such as BFEC.

Because of this individual's ownership interest in, and his professional duties involving sales services to, BFEC, a conflict of interest could potentially arise particularly if his investment were to influence the negotiation or payment of revenue sharing or similar compensation arrangements between Russell Investments and BFEC, or if BFEC were to determine to retain the Russell Model Strategies program under circumstances when it might otherwise not be permitted to continue.

This individual has had no role in negotiating revenue sharing or similar compensation arrangements nor had any substantive role in BFEC's decision to develop and continue the Russell Model Strategies program. Further, BFEC and its representatives will not receive any additional or different sales compensation in connection with programs that engage in transactions in Russell funds versus programs that do not. In addition, Russell Investments and its sales representative will not receive any additional or different compensation in connection with client investments placed through BFEC versus those of any other investment firm similarly situated.

Both the President and the Chairman of TowerHill Wealth Management have made a private investment in the equity securities of Benjamin Edwards, Inc., the holding company of BFEC. These individuals are not employees of, and will have no managerial or decision-making role with, BFEC or its affiliates. As part of their professional responsibilities, however, it is anticipated that they will meet with employees of BFEC to promote the services and benefits available by placing investment assets under the management of TowerHill. These individuals are not directly compensated based on sales at BFEC; however sales at BFEC will affect the profitability of TowerHill and hence will benefit them. It is possible that the TowerHill Long/Short Equity Fund will be purchased in accounts that participate in the Benjamin F. Edwards Client Portfolios and Benjamin F. Edwards Private Portfolios programs. The Generation Series of TowerHill Long/Short Equity Fund is made available to Benjamin F. Edwards clients exclusively and these individuals are responsible in part for setting the fees of the fund.

The President and Chief Investment Officer (P/CIO) of ACR - Alpine Capital Research, an Alpine Investment Management, LLC business segment (collectively "Alpine"), and one of the third-party money managers that is available for clients to select in the Separately Managed Portfolios (Covered) program, controls Alpine Partners Management, LLC, the General Partner of a pooled investment fund which has made a private investment in

the equity securities of Benjamin Edwards, Inc., the holding company of BFEC. The fund that invested in the securities is not currently offered to BFEC's clients.

The P/CIO is not an employee of, and will have no managerial or decision-making role with, BFEC or its affiliates. As part of his professional responsibilities, however, it is anticipated that he will meet with employees of BFEC to promote the services and benefits available by placing investment assets under the management of Alpine through the Benjamin F. Edwards Separately Managed Portfolios (Covered) program.

The P/CIO receives compensation from Alpine that is based, at least in part, on money management fees, which he helps to negotiate and that are paid to Alpine arising from investments through firms such as BFEC. Because of his indirect interest in, and because his professional duties involving the management of assets in which BFEC's clients invest, a conflict of interest could potentially arise particularly if both firms were to negotiate asset management fees payable to Alpine that are more favorable than what might otherwise be paid by firms similarly situated with BFEC, or if BFEC were to determine to include or retain Alpine on the firm's Separately Managed Portfolios (Covered) program under circumstances wherein other money management firms would not be permitted to be included or to remain.

BFEC and its representatives will not receive any additional or different sales compensation in connection with recommendations to clients concerning Alpine versus any other money manager under comparable circumstances. In addition, Alpine and the investment fund manager will not receive any additional or different compensation in connection with client investments placed with Alpine through BFEC versus those of any other investment firm similarly situated.

The Manager of Advisory Services receives compensation as an Investment Adviser Representative for some clients.

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

Code of Ethics BFEC has adopted an ethics policy that applies to all supervised persons of BFEC with the exception of items specifically identified as being applicable only to access persons. "Supervised person" means any employee, partner, officer or director of BFEC (or any person performing similar functions) who is subject to BFEC's supervision and control, including registered and non-registered persons. Certain categories of associated persons are considered under the policy to be "access persons" within the meaning of Rule 204A-1 of the Investment Adviser's Act of 1940.

The policy requires all supervised persons of BFEC to conduct themselves according to the highest ethical standards, in accordance with the firm's culture and in accordance with the standard of care that we owe to our clients. The policy further requires all supervised persons of the firm to adhere to applicable securities laws, regulations and rules. The policy further requires all supervised persons to be vigilant with respect to any actual or potential conflict of interest that could affect one's judgment or decision-making.

All supervised persons are required to maintain their securities accounts at BFEC, unless an exception is specifically approved in writing. In addition, no access person is permitted to invest in any private placement or initial public offering (IPO) unless an exception is specifically approved in writing in advance. Supervised persons also are required to periodically disclose all securities accounts and holdings other than with respect to accounts held at BFEC. Supervised persons are further required to periodically disclose all securities transactions other than with respect to accounts held at BFEC. Access persons are further required to provide a consolidated annual holdings report of all securities accounts, including those held at BFEC. Supervised persons are permitted to participate in the same advisory programs that are offered to public clients on the same terms.

It should be noted that access persons servicing clients who are participating in the Benjamin F. Edwards Client Portfolios program or the Benjamin F. Edwards Private Portfolios program may engage in equity or fixed income transactions contrary to those of their clients on the same trading day (e.g., may sell a stock that is being purchased for clients). In such situations, a conflict of interest could arise if a financial consultant engages in transactions on behalf of clients that would benefit the financial consultant, such as when he or she might purchase a large quantity of securities for clients, potentially causing the price of those securities to increase, and then sells his or her own securities. BFEC addresses this situation by limiting such transactions to situations involving unanticipated extraordinary expenses, transactions necessary to fund large purchases (such as a car or home), or purchase transactions contrary to unsolicited client sell orders. In appropriate circumstances, the firm may approve other contrary transactions upon individual review.

In addition, a financial consultant servicing clients who are participating in the Benjamin F. Edwards Client Portfolios program or the Benjamin F. Edwards Private Portfolios program may engage in equity or fixed income transactions that they simultaneously or subsequently recommend to clients (i.e., may purchase or sell a stock at the same time a client is purchasing or selling). In such situations, the larger quantity of securities being purchased or sold could impact on the price clients receive. Depending on market conditions, this could have either a positive or negative impact. BFEC addresses this situation by generally requiring a financial consultant to not receive a better price than any solicited client trades on the same trading day. In appropriate circumstances, BFEC may approve exceptions upon individual review.

Review and Oversight of Securities Holdings and Transactions Accounts, holdings and transactions are required to be supervised by the supervised persons' immediate supervisory principal. Oversight of such reviews is to be conducted by Compliance.

Requirement to Report Violations of Ethics Policy All supervised persons are required to report violations of the ethics policy to their immediate supervisor or the Compliance Department. If a report is made to an immediate supervisor or Compliance Department personnel other than the Chief Compliance Officer, the person receiving the report must ensure the violation is brought to the attention of the Chief Compliance Officer.

Provision of Policy to Access Persons; Requirement to Certify Receipt of Ethics Policy: The ethics policy, as well as any amendments or updates, must be provided to all supervised persons, including access persons, who must attest having received it. Periodic re-certification may be required by the Compliance Department with respect to receiving any amendments of the policy.

A copy of BFEC's Code of Ethics will be provided to the client or prospective client upon request.

ADV Part 2A Firm Brochure Brokerage Practices

As noted previously above, Benjamin F. Edwards & Company (BFEC) is a registered investment adviser and a broker-dealer. BFEC introduces all of its equity orders to its clearing firm, Pershing LLC, subject to Pershing's duty of best execution; however, money managers associated with three investment advisory programs (Benjamin F. Edwards Separately Managed Portfolios (Covered); Benjamin F. Edwards Separately Managed Portfolios (Non-Covered); and Lockwood Investment Strategies) have the option of executing transactions away from Pershing if they believe it is in the client's best interests to do so. BFEC may execute fixed income transactions directly with firms other than Pershing, although Pershing will clear, settle and report those trades, as applicable, on BFEC's behalf.

BFEC receives no soft-dollar compensation, and all transaction costs are included as part of the client's wrap fee. No client referrals are received as a result of selecting or recommending a broker-dealer.

Under normal circumstances, purchase or sale orders of the same security being traded at the same time for more than one discretionary account will be combined by the portfolio manager for the accounts involved. Orders will normally not be combined for transactions involving nondiscretionary accounts.

There are no additional direct costs to the client for combining or not combining orders. Indirectly, it is sometimes possible to obtain better prices for larger quantities of securities and, in situations where orders are not combined, clients would not realize the potential benefit of any such price advantage.

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Review of Accounts

At account opening, client documents are reviewed for consistency, suitability criteria and model selection. Supported by the Home Office, approval of account openings are performed by the Branch Office Manager or an appropriately designated sales principal.

At least annually, the Branch Office Manager, or the Branch Manager Review Administrator in the case where the Branch Manager is the financial consultant, will ensure that the financial consultant conducts a review of the client's overall progress with respect to the account. During these reviews, the client's general financial circumstances and desire for any reasonable investment restrictions will be assessed, and recommendations as to adjustments to the client's investment strategy will be made as necessary.

The frequency and depth of additional reviews depend upon the program; details for each program are as follows:

Benjamin F. Edwards Mutual Fund Portfolios Rebalancing will be implemented by the Managed Investments division of Pershing ("Managed Investments") in accordance with a servicing agreement with BFEC. The account will be rebalanced to more closely align with the model's target asset and fund allocation percentages on a periodic basis selected by the client in the advisory agreement. The default will be semi-annually, but annually is also an option. In addition, the account will be rebalanced when deposits and withdrawals occur unless, in the judgment of Managed Investments, the amount involved would not have a meaningful impact on the strategy.

Quarterly, the performance of the mutual funds used in the models will be reviewed by BFEC's Manager of Advisory Services or delegate to ensure continued adherence to BFEC's qualitative standards. In addition, a review will be conducted as needed by BFEC based on potentially significant developments that may affect the operations or management of the fund (e.g., change of fund manager, corporate reorganizations, etc.). Adjustments will be made as needed to individual accounts based on the outcomes of the reviews.

Russell Model Strategies Rebalancing will be implemented by Managed Investments in accordance with a servicing agreement with BFEC. The account will be rebalanced to more closely align with the model's target asset and fund allocation percentages on a periodic basis selected by the client in the advisory agreement. The default will be semi-annually, but annually is also an option. In addition, the account will be rebalanced when deposits and withdrawals occur unless, in the judgment of Managed Investments, the amount involved would not have a meaningful impact on the strategy.

The models for the Russell Model Strategies are implemented per the recommendations of Russell Investments. Quarterly, the performance of the Russell Model Strategies will be reviewed by BFEC's Manager of Advisory Services or delegate to ensure continued adherence to BFEC's qualitative standards.

Russell will monitor the allocations and funds used in the models. BFEC will be notified of any changes to the model strategies. Adjustments will be made as needed to individual accounts based on the changes to the models.

Benjamin F. Edwards Exchange Traded Fund Portfolios The models for the ETF Portfolios are provided by Laffer Investments, Confluence Investment Management LLC, Morningstar Investment Services, and Ibbotson Associates. Quarterly, the performance of Laffer, Confluence, Morningstar, and Ibbotson will be reviewed by BFEC's Manager of Advisory Services or delegate to ensure continued adherence to BFEC's qualitative standards.

Confluence will review the allocations and ETFs used in their models on a quarterly basis. Laffer reviews the allocations and ETFs used in their models on an ongoing basis. Morningstar will review the allocations and ETFs used in the momentum models on a monthly basis and the contrarian models on a quarterly basis. Ibbotson Associates will review the allocations and ETFs used in their models at least on an annual basis. BFEC will be notified of any changes to the model strategies. Rebalancing may occur as needed to individual accounts based on the changes to and the strategy for the models, taking into account advice received from the model providers. Rebalancing will be implemented by Managed Investments in accordance with a servicing agreement with BFEC. In addition, the account will automatically be rebalanced when deposits and withdrawals occur unless, in the judgment of Managed Investments, the amount involved would not have a meaningful impact on the strategy.

Confluence, Laffer, Morningstar, and Ibbotson are engaged in a business in which they provide models to firms such as BFEC, as well as manage accounts independently of BFEC on a fiduciary basis.

With respect to the ETF models provided by Confluence, Confluence will not provide BFEC with changes to its models until after such changes are first implemented in its own clients' accounts. As a result, changes to Confluence's models that are implemented in BFEC client accounts will take place after the changes in Confluence's accounts, and the performance in BFEC's accounts will differ from those managed directly by Confluence. It is possible that Confluence's prior transactions could increase the price of ETFs that BFEC's clients might have to pay for purchases, or reduce the proceeds that might be obtained in connection with sales.

With respect to the ETF models provided by Laffer, Laffer will provide BFEC with changes to its models before implementing the changes in their own clients' accounts. As a result, changes to BFEC accounts may take place prior to, after or simultaneously with the changes in Laffer's accounts. As a result, the performance results of the BFEC accounts will differ from those managed by Laffer.

With respect to the ETF models provided by Morningstar and Ibbotson, Morningstar/Ibbotson will provide BFEC with changes to its models along with a date the changes should be implemented. The suggested implementation date will be the same day that Morningstar/Ibbotson will trade their discretionary accounts.

Benjamin F. Edwards Custom Mutual Fund Portfolios Rebalancing will be implemented by BFEC. The account will be rebalanced to more closely align with the account's target asset and fund allocation percentages on a periodic basis selected by the client. The default will be semi-annually, but annually is also an option. It is possible that other rebalancing options may be approved after consultation between the client and BFEC. In addition, the account will be rebalanced when deposits and withdrawals occur unless, in the judgment of BFEC, the amount involved would not have a meaningful impact on the strategy.

During the life of the account, the Branch Office Manager and Home Office Principals will monitor accounts to ensure activity is suitable and that the account is properly administered. Various reviews will be performed on a daily, monthly, quarterly or annual basis. In addition, ad hoc reviews will be performed as needed.

Benjamin F. Edwards Client Portfolios During the life of the account, the Branch Office Manager and Home Office Principals will monitor accounts to ensure activity is suitable and that the account is properly administered. Various reviews will be performed on a daily, monthly, quarterly or annual basis. In addition, ad hoc reviews will be performed as needed.

Benjamin F. Edwards Private Portfolios During the life of the account, the Branch Office Manager and Home Office Principals will monitor accounts to ensure activity is suitable and that the account is properly administered. Various reviews will be performed on a daily, monthly, quarterly or annual basis. In addition, ad hoc reviews will be performed as needed.

Benjamin F. Edwards Separately Managed Portfolios Quarterly, the third-party money managers in the Benjamin F. Edwards Separately Managed Portfolios program will be reviewed by BFEC's Manager of Advisory Services or delegate to ensure continued adherence to BFEC's qualitative and performance standards. Both covered and non covered managers will be reviewed; however, a higher level of ongoing research and due diligence is applied to the covered managers.

In addition, a review will be conducted as needed by BFEC's Manager of Advisory Services or delegate based on potentially significant developments that may affect the operations or management of the portfolios (e.g., change of Portfolio Manager, corporate reorganizations, etc.).

Adjustments will be made to the managers' status in the program as needed, and individual accounts will be addressed accordingly based on the outcomes of the reviews.

Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios The accounts are rebalanced periodically to reflect market changes and to maintain compliance with Lockwood's strategy-specific guidelines. This may occur as a result of deposits, withdrawals or market movement. Rebalancing will be implemented by Lockwood.

The strategies for the Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios are managed by Lockwood. Quarterly, the performance of Lockwood will be reviewed by BFEC's Manager of Advisory Services or delegate to ensure continued adherence to BFEC's qualitative standards.

Lockwood will review the allocations and securities used in their models on an ongoing basis. Adjustments will be made as needed to individual accounts based on the changes to the models.

Financial Planning The Financial Review and Investment Portfolio Review financial planning programs are

designed by their nature to provide a one-time assessment of, and recommendations concerning, a client's financial situation. As such, it is not anticipated that there will be any ongoing or periodic review of individual financial plans following delivery of the plan to the client.

Investment Management Consulting, Investment Management Consulting (with Execution), and Retirement Plan Consulting Program The services to be provided to the client, including delivery of any oral or written investment performance and other reports (to the extent required by the individual contract) will be performed by the financial consultant. The services to be provided under each agreement are tailored to the specific needs of the client. The advisory services agreement will outline any specific reports, meetings or other deliverables to be provided by BFEC. A tailored supervisory plan will be developed but, in general, will feature review by the Branch Office Manager, or an appropriately designated sales principal, of the key deliverables provided to the client.

Client Reports

Clients who participate in wrap fee advisory accounts, with the exception of Investment Management Consulting (with Execution), will receive the following reports:

Written (or, if elected by the client, electronic) account statements will be provided to clients at least quarterly through the firm's asset custodian, Pershing, LLC, identifying the amount of funds of each security in the account at the end of the period and setting forth all transactions in the account during that period.

Written (or, if elected by the client, electronic) performance reports will be provided to clients on a quarterly basis through Managed Investments identifying since inception, year-to-date, and current quarter values and returns, benchmark returns, and a summary of realized and unrealized gains and losses. The initial report will be delivered once an account has been open for a complete calendar quarter.

Under certain circumstances, BFEC permits advisory program assets to be held with a custodian other than Pershing, LLC. This may occur, for example, in connection with positions in alternative investments that must be held with the issuer of the securities. In some cases, information about such an asset is linked with our custodian, and the asset will be included in Pershing's account statements and Managed Investments' performance reports. If information is not linked, the asset will not be included on statements or performance reports. If clients have concerns about this issue, they should discuss it with their financial consultant prior to purchasing or holding a non-linked asset in an advisory account. Clients who participate in BFEC's Financial Planning programs will receive a one-time written financial plan.

Clients who participate in BFEC's Financial Planning programs will not receive recurring updates or supplemental reports.

Clients who participate in BFEC's Retirement Plan Consulting Services, Investment Management Consulting, and Investment Management Consulting (with Execution) programs generally negotiate a tailored scope of services. Depending on the services that are desired, written reports may be prepared, customized or developed for the client to address their particular needs.

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Client Referrals and Other Compensation

Financial consultants of BFEC will receive a percentage of the advisory fees paid by advisory clients to compensate them for solicitation, shareholder support, advice, order placement and execution, and other services. In addition, financial consultants may be eligible for cash and non-cash compensation including bonuses, recognition trips and other benefits. Some of these programs may be financed in whole or in part by unaffiliated third parties, including representatives of mutual funds or distributors, which may influence some representatives to favor those funds. See the prior sections entitled “Fees and Compensation” and “Other Financial Industry Activities and Affiliations” for more details regarding compensation and conflicts of interests.

BFEC does not currently compensate non-affiliated third parties for client referrals.

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Custody

With the exception of the programs identified below or assets that are held with an issuer or an alternative custodian, as described above, BFEC utilizes Pershing, LLC as its custodian; hence, Pershing will be the custodian for all wrap fee advisory accounts. Pershing is a qualified custodian and will provide clients with account statements at least quarterly. These statements identify the positions in the account at the end of the statement period, as well as all transactions in the account during the statement period. Clients should review these statements carefully. Clients will also receive quarterly performance reports for their account. These reports are produced by Managed Investments and distributed by a third-party vendor on behalf of BFEC. These are not statements; however clients are encouraged to compare the information on these reports versus the information on their statements.

For Investment Management Consulting and Investment Management Consulting (with Execution), the client may elect as part of the advisory services agreement for custody services to be provided. In such instances BFEC utilizes Pershing, LLC as its custodian. Pershing is a qualified custodian and will provide clients with account statements at least quarterly. These statements identify the positions in the account at the end of the statement period, as well as all transactions in the account during the statement period. Clients should review these statements carefully. In addition, the client may also elect for performance reporting services to be provided as part of the advisory services agreement. In such cases, performance reports will be prepared by the financial consultant. These are not statements; however clients are encouraged to compare the information on these reports versus the information on their statements.

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Investment Discretion

BFEC has discretionary authority with respect to the following advisory programs:

- Benjamin F. Edwards Mutual Fund Portfolios
- Russell Model Strategies
- Benjamin F. Edwards ETF Portfolios
- Benjamin F. Edwards Private Portfolios

Such discretion applies to all aspects of account transactions, including the securities, quantity, price and timing of securities to be bought and sold.

With respect to Separately Managed Portfolios (Covered and Non-Covered), an unaffiliated third-party money manager selected by the client has discretionary authority to determine securities and the amount of securities to be bought and sold.

Lockwood Advisors has discretion with respect to the Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios programs. Such discretion applies to all aspects of account transactions, including the securities, quantity, price and timing of securities to be bought and sold.

Benjamin F. Edwards Custom Mutual Fund Portfolios is a mutual-fund-only advisory program with limited discretion. The financial consultant and client will work together to identify an appropriate investment model. The client retains final decision-making authority with respect to the mutual funds used and the percentage allocated to each fund in the model. Limited discretion is granted to the financial consultant to:

- Rebalance the account per the selected rebalancing frequency
- Invest cash deposits
- Sell and reinvest deposits of securities
- Sell funds for fees and requested withdrawals

Benjamin F. Edwards Client Portfolios is a non-discretionary advisory program.

In all of the discretionary programs above, the nature of the discretion is identified and granted by the client via the advisory agreement executed for each account.

Clients may request reasonable restrictions on the management of their discretionary accounts. Such restrictions may include imposition of limitations or preferences concerning transactions in certain securities, frequency of rebalancing, tax-loss selling, frequency of distributions and similar matters.

With respect to security-specific restrictions in the Benjamin F. Edwards Private Portfolios program, such restrictions are individually negotiated between the client and financial consultant. With respect to all other programs involving transactions in individual equity securities, clients may request security-specific restrictions on those equities or restrictions based on the following categories: Alcohol, Cosmetic, Defense/Military/ Weapons, Entertainment, Foreign Securities, Gambling, Finance, Trucking, Meat Products, Nuclear Power, Oil Stocks, Textiles, Drugs, Tobacco, Public Utilities, Paper/Forest Products, and Healthcare/Medical Industries.

With respect to model based mutual fund and ETF wrap programs, BFEC will consider requests for reasonable restrictions on the management of the account. Such restrictions may be placed on particular mutual funds or ETFs from the model selected, but cannot restrict the individual securities held within the mutual funds or ETFs. If such investment restrictions are implemented, the client will experience a different investment return than what will be realized by the model itself. Such performance may be better or worse than the model. For these reasons, if a client wishes to make a request concerning restrictions based on specific securities, it may be more appropriate for the client to participate in other BFEC advisory programs that are not so uniquely positioned. It should be noted, any standardized reports of model performance will not reflect the performance of the model with restrictions applied. (Quarterly performance reports of the client's account will accurately reflect the client's actual account performance with restrictions).

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Voting Client Securities

For most advisory programs, BFEC will not normally vote on matters requiring shareholder voting in connection with the securities held in a client's account, or with respect to certain legal actions involving securities including, for example, voting of proxies, mergers, bankruptcies or restructuring, class actions, or similar matters. See specific advisory program descriptions above, as some outside managers will vote proxies on behalf of clients. Clients will receive proxy notices from the firm's custodian, Pershing LLC. In the limited circumstances where a client may hold securities directly with an issuer or an alternative custodian, proxy notices will be sent by the issuer or alternative custodian.

Notwithstanding the foregoing, upon request of the client, BFEC may be able to provide limited advice regarding proxy voting, mergers, bankruptcies or restructuring, class actions, or similar matters, except under the following circumstances:

- No advice will be given if it is on behalf of any person soliciting proxies or on behalf of a participant in a matter relating to the election or removal of directors;
- No advice will be given if the firm holds, including in nominee name, 5% or more of the securities that are the subject of a proxy vote;
- No advice will be given with respect to matters involving foreign private issuers, including American Depositary Receipts (ADRs);
- No advice will be given if BFEC does not have the resources upon which to form a reasonable basis for the advice to be given;
- No advice will be given if prohibited by law or regulation; and
- No advice will be given if BFEC believes that a conflict of interest may exist that might materially affect the judgment required to properly render such advice, or if BFEC believes in its judgment that other factors are present which do not make the rendering of such advice to be prudent.

With respect to Benjamin F. Edwards Separately Managed Portfolios (Covered and Non-Covered), Lockwood Asset Allocation Portfolios, and Lockwood Investment Strategies, clients may contact their financial consultant to request information regarding how managers in those programs voted their proxies.

ADV Part 2A Firm Brochure Financial Information

BFEC does not foresee any financial condition that would impair our ability to meet contractual commitments to clients.

ADV Part 2A Firm Brochure Requirements for State-Registered Advisers

Not applicable; BFEC is registered at the federal level with the SEC as an Investment Adviser, and has made appropriate notice filings to various states as required. Please note that references to BFEC as being “registered” is not intended to reflect that the firm or its representatives have special skills or training; it is used only to reflect the status of the firm with respect to Section 203 of the Investment Advisers Act of 1940.