

# Eagle Strategies LLC

## Wrap Fee Brochure

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September 29, 2017

**This wrap fee program brochure provides information about the qualifications and business practices of Eagle Strategies LLC. If you have any questions about the contents of this brochure, please contact us at [eagleoperations@newyorklife.com](mailto:eagleoperations@newyorklife.com) or (888) 695-3245. The information in this brochure has not been approved or verified by any governmental authority, including the United States Securities and Exchange Commission or by any state securities authority.**

Additional information about Eagle Strategies LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: MATERIAL CHANGES

This section identifies and discusses material changes we made to our Form ADV Part 2A Wrap Fee Brochure (“Brochure”) from March 31, 2016 through March 31, 2017. For additional details, including information concerning the defined (capitalized) terms used below, please see the item or section in this Brochure that is referenced in the summary below.

- A. Understanding your relationship with Eagle.** We added a section to explain the differences between advisory programs and brokerage accounts, and the role that Eagle and its IARs play when providing you investment advisory services. Please see Item 4 (Services, Fees and Compensation) for additional information.
- B. Tax, Accounting or Legal Advice.** We clarified that in all Eagle programs, including with the optional features described in our Brochures, Eagle and your Eagle IAR do not render tax, accounting, or legal advice, and you should seek independent advice from your attorney or tax advisor. Please see Item 4A (Description of Programs and Services) for more information.
- C. Optional Programs and Features.** We added the following optional programs, features and services to our Brochures, which eligible Clients may elect within their LWP accounts. Please see Item 4A (Description of Programs and Services) for more information.
  - 1) **Investnet|PMC.** Based on our continued partnership with Investnet, we are pleased to announce that we have contracted with Investnet|PMC (an Investnet affiliate) to offer two separate consulting services: one to eligible IARs at no additional cost, and one to eligible IARs and clients for a fee. These services are available for eligible accounts within the Separately Managed Account and Unified Managed Account programs. Please contact your IAR for more information and see Item 4C (Additional Information Regarding Fees and Compensation) regarding applicable fees.
  - 2) **Securities Backed Line of Credit Program.** Qualified Clients seeking a flexible line-of-credit (cash loan) can now take advantage of the Securities Backed Line of Credit Program offered by US Bank, a non-affiliate. The line of credit would be secured by certain assets held within eligible Separately Managed Account, Unified Managed Account, Representative as Advisor and Representative as Portfolio Manager accounts. Interested Clients will need to complete a loan application and loan agreement through US Bank, and US Bank will determine the Client’s eligible line of credit, subject to the underwriting of the Client and the assets held within the Client’s accounts. For additional information, including eligibility criteria, please contact your IAR and review the US Bank paperwork. Please also see Item 4C (Additional Information Regarding Fees and Compensation) for information regarding applicable fees.
  - 3) **Multiple Margin Program.** The Multiple Margin Program, which is offered by NFS (Eagle’s clearing firm), accommodates Clients seeking to borrow cash against the value of certain assets

held within eligible accounts. Eagle expanded the accounts that can participate in this program to include Representative as Advisor and Representative as Portfolio Manager accounts, in addition to its current Separately Managed Account and Unified Managed Account offering. This program is available through qualified IARs.

- 4) **Trust Services.** We have an arrangement with Comerica Trust Services and Reliance Trust Company of Delaware, which are not affiliated with Eagle, where each may act as an independent corporate trustee for your trust accounts invested within certain Fund Advisory, Separately Managed Account and Unified Managed Account programs. Comerica and Reliance each charge a fee for these services. When you select this service, Comerica or Reliance, as the corporate trustee, is responsible for ensuring that your trust account is administered in accordance with the trust agreement. Please contact your Eagle IAR for more information regarding this program and see Item 4C (Additional Information Regarding Fees and Compensation) regarding applicable fees.
  - 5) **Donor-Advised Fund Program.** Clients may open a donor-advised fund account (or “Giving Account®”) through the Fidelity® Charitable Gift Fund, an independent public charity. A Giving Account allows Clients to select from qualified Fund Advisory, Separately Managed Account or Unified Managed Account strategies to manage the charitable assets held in their Giving Account, in accordance with Fidelity’s investment guidelines. Once a Giving Account is open, anyone can donate to the account on a tax-deductible basis. Donations into the Giving Account are irrevocable. Please contact your Eagle IAR for more information regarding this program and applicable paperwork, and see Item 4C (Additional Information Regarding Fees and Compensation) for information regarding applicable fees.
- D. Custody.** NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, certain account related services that we offer to clients provide us with authority that result in us being deemed to have custody under the Advisers Act. Please see Item 4A (Description of Programs and Services) for more information.
- E. SMA Account Restrictions.** Within the Separately Managed Account Program, you can place reasonable restrictions within your account (e.g., restricting investments to “socially conscious” companies), which Envestnet or the Executing Sub-Manager will take into consideration when trading your portfolio. Accounts with certain Client-specified restrictions may have transactions executed separately and after similar accounts without restrictions. Please note that this may cause your performance to be different than that of accounts without restrictions. Please see Item 4A (Description of Programs and Services) for more information.
- F. Fees and Billing.** Although your fees have not changed, we clarified the following items within our Brochures with regard to fees and billing. Please see Item 4 (Services, Fees and Compensation) for more information.

- 1) **Calculating your Total Client Fee for LWP Programs.** We clarified that your Total Client Fee (asset based fee) is calculated as a percentage of the Billable Assets in your account. As a result, the amount of your Total Client Fee that you pay may fluctuate monthly, depending on the value of Billable Assets in your account at the time of billing. Billable Assets are those assets in your account for which Eagle provides investment advisory services and bills on.

Your Total Client Fee is also impacted by applicable asset tiers, “household” discounts, and whether you utilize affiliated funds, Unsupervised Assets and Protected Cash. Please speak with your IAR and review this Brochure for more information regarding these features and how they affect your Total Client Fee.

- 2) **Asset Tiers.** We clarified that certain fees (within your Total Client Fee) are based on asset tiers. With asset tiers, you will be charged a lower or higher fee when your account’s Billable Assets exceed, or fall below, a specific target value at the time of billing. When you meet an asset tier, that fee and, thus, your overall Total Client Fee will be reduced or increased accordingly. There are two ways in which these fees are assessed: either, the new fee will be applied to all assets within the account once the target value is met, or only assets above the target value will be assessed the new fee. Please speak with your IAR for more information about your fee schedule.

**G. Compensation and Conflicts of Interest.** We clarified the following items with regard to compensation arrangements and associated conflicts of interest that we and our IARs have when providing you services described in our Brochures. Please see Item 4C (Additional Information Regarding Fees and Compensation) for additional information regarding conflicts of interest.

- 1) **Payments from Mutual Fund Companies (12b-1 Fees).** We receive asset based service fees (e.g., SEC Rule 12b-1 fees) from certain mutual funds, as described in the fund’s prospectus. Eagle is now rebating to Clients all 12b-1 fees within LWP retirement accounts. Previously, Eagle rebated all 12b-1 fees received, but NFS retained 12b-1 fees from certain retirement accounts. Eagle continues to receive 12b-1 fees for mutual funds held within non-retirement accounts.
- 2) **NFS Discounts and Revenue.** NYLIFE Securities (Eagle’s affiliate) receives revenue streams from NFS on the sale of no transaction fee mutual funds and on assets held within money market funds. NYLIFE Securities also receives compensation based on the amount of assets it holds with NFS, and/or receives certain discounts on the fees that it pays to NFS, which are based on trading volumes. These revenue/discount arrangements are based on total assets and/or trading activity within non-retirement NYLIFE Securities brokerage accounts and non-retirement LWP accounts. Previously, the revenue and discounts were based on all NYLIFE Securities brokerage accounts and non-retirement LWP accounts. Going forward, these arrangements will only apply to non-retirement accounts.
- 3) **Proprietary Products and Affiliated Funds.** Eagle’s affiliates receive compensation if investment products that they manage (for example, Mainstay Funds and IndexIQ ETFs) are included in an

Eagle account. We added a disclosure to our Brochures to explain that, Eagle IARs generally have a greater familiarity with MainStay and IndexIQ funds because our affiliates sponsor educational, marketing and other promotional events for our IARs. This may lead our IARs to focus on MainStay or IndexIQ funds when making investment recommendations rather than funds from other providers. However, Eagle and the IARs receive no portion of the compensation that our affiliates earn for managing these products.

- H. Account Termination.** We updated our Brochures to note that you or Eagle may terminate your account at any time with notice as provided in your Client Agreement. When you terminate your account, you must provide instructions on where to transfer the assets. If you terminate your account without providing instructions, or if Eagle terminates your account, your account will be moved to a NYLIFE Securities brokerage account, or the securities in your Eagle account will be liquidated, and we will send you the proceeds. Please see Item 5 (Account Requirements and Types of Clients) for more information regarding the termination process.
- I. Sub-Manager Replacement Process.** When a Sub-Manager or strategy within the Fund Advisory or Separately Managed Account programs is terminated, Eagle will generally provide a replacement Sub-Manager or strategy. In the event that a replacement Sub-Manager or strategy cannot be provided, Eagle will provide you with notice to re-assess your account and to contact your IAR to discuss other program options. If we do not hear from you or you have not selected a new program, Eagle will (i) move the assets to a brokerage account or (ii) in limited instances where the terminated Sub-Manager or strategy cannot be accommodated in a brokerage account, liquidate the securities and send you the proceeds. Please see Item 6A (Selection and Review Process of Portfolio Managers) for information regarding our Sub-Manager replacement and termination process.
- J. Selection and Review Process of Portfolio Managers.** Eagle conducts ongoing research and due diligence reviews on the Sub-Managers we select within our LWP Programs. We updated our Brochure to note that either Eagle or Envestnet|PMC, an unaffiliated third party service provider selected by Eagle, evaluates Sub-Managers and strategies within our LWP Programs. Eagle continues to make the final determination about whether to include a Sub-Manager on its platform. Please see Item 6 (Portfolio Manager Selection and Evaluation) for more information.
- K. SMA Sub-Manager Trading Practices.** Eagle created a separate disclosure statement to discuss Separately Managed Account Sub-Managers' trading practices and the additional costs that you may incur as a result of such practices. Please review this disclosure statement (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)) carefully before selecting a Sub-Manager. We also encourage you to review this website and disclosure statement frequently for the latest cost information regarding our Sub-Managers' trading practices. Please see the Best Execution and Trading Away section within Item 6C (Portfolio Managers for Wrap Fee Programs) for more information.

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## ITEM 4: SERVICES, FEES AND COMPENSATION

Eagle Strategies LLC (“Eagle,” “we” or “us”) is an investment adviser registered with the Securities and Exchange Commission (“SEC”) and is qualified with appropriate state securities authorities to offer investment advisory and financial planning services in all 50 states and the District of Columbia. Eagle is an indirect wholly owned subsidiary of New York Life Insurance Company (“New York Life”). Eagle’s predecessor, Eagle Strategies Corp, was founded on July 7, 1988, and Eagle Strategies LLC was formed on September 1, 2007. We offer a variety of services through our investment adviser representatives (“IARs” or “Eagle IARs”). Eagle IARs<sup>1</sup> are licensed or permitted by State securities law to offer investment advisory products and services. Registration of Eagle and licensing of its IARs does not imply a certain level of skill or training. Eagle IARs are also insurance agents of New York Life and other affiliated insurance companies, New York Life Insurance and Annuity Corporation (“NYLIAC”) and NYLIFE Insurance Company of Arizona, and registered representatives of NYLIFE Securities LLC (“NYLIFE Securities”), an affiliated broker-dealer.

Our primary investment advisory business is providing financial planning and investment management services. All investment advisory activity is based upon each client’s (“Client(s),” “you” or “your”) individual financial outlook and personal objectives. Eagle offers many different advisory programs which are described in this Brochure. For a description of other services not described in this Brochure, such as financial planning, ERISA retirement programs and programs where Eagle is acting as solicitor, please see Eagle’s Firm Disclosure Brochure (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)).

**Understanding your Relationship with Eagle.** In providing investment advice, your IAR can choose from among different investment solutions. These include advisory programs described in this Wrap Fee Brochure (“Brochure”) on Eagle’s LWP platform (as defined below), other advisory programs described in Eagle’s Firm Disclosure Brochure, a brokerage account at NYLIFE Securities, or a solicitor relationship with one of our non-affiliate partners. In each of these investment solutions your IAR provides different services and will be paid differently depending on the solution selected. There are important differences between brokerage and advisory accounts in terms of services provided, costs and our obligations. We encourage you to carefully consider the differences before opening an Eagle account.

Eagle is subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and has a fiduciary duty to you as an investment adviser. This generally means that Eagle will act in your best interest when providing investment advice and will disclose or avoid all material conflicts of interest. Within the advisory programs described in this Brochure, Eagle provides services as an investment adviser under the Advisers Act. In addition, to the extent that Eagle IARs provide advisory services that constitute “investment advice” to plans or individual retirement accounts subject to the Employee

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<sup>1</sup> Note that not every IAR is licensed or qualified to sell every product or program.

Retirement Income Security Act of 1974, as amended (“ERISA”), Eagle will be deemed a “fiduciary” as that term is defined under Section 3(21) of ERISA.

The programs described in this Brochure are investment advisory programs where, for a fee, you receive investment advice from Eagle and, for certain programs, also from third party investment advisers. Brokerage services are where your registered representative effects securities transactions based on your instruction for a commission. Registered representatives do not have discretion over your account (except in limited instances), and you will need to provide consent on a trade by trade basis. Registered representatives do not act as fiduciaries and do not need to disclose conflicts between your interests and theirs. Your IAR is licensed to act as a registered representative on a brokerage account and as an IAR on an Eagle account. If you have additional questions on these different types of accounts, please contact your IAR.

#### A. DESCRIPTION OF PROGRAMS AND SERVICES

We sponsor the following four investment advisory programs, which are collectively referred to as “Lifetime Wealth Portfolios” Programs (“LWP” or “LWP Programs”): 1) Fund Advisory; 2) Separately Managed Account; 3) Representative Directed; and 4) Unified Managed Account. We provide investment advisory services to Clients in the LWP Programs. The programs described in this Brochure are not appropriate for clients who want to maintain trading control over their account, who seek short-term investments, who anticipate significant withdrawals from their accounts or who wish to pay for brokerage trades on a per transaction basis.

For the LWP Programs, we have contracted with (i) Envestnet Asset Management Inc. (“Envestnet” or “Platform Manager”) to provide platform managerial services such as the trading platform infrastructure, technology, certain investment advisory and portfolio management services, and other account-related services, and (ii) National Financial Services (“NFS”) to provide custody, clearing and administrative services (such as collecting program fees) for the accounts. NYLIFE Securities provides brokerage services relating to LWP accounts, and NFS serves as its clearing firm. NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, certain account related services that we offer to clients provide us with authority that result in us being deemed to have custody under the Advisers Act.

For certain LWP Programs, Envestnet retains unaffiliated third party managers (“Sub-Managers”) to provide investment advisory services to Clients. These Sub-Managers (sometimes referred to as sub-advisors) are registered investment advisers that provide model portfolios to Envestnet (where Envestnet trades client portfolios) or provide discretionary management of the assets in client portfolios, and, in return, receive a portion of the advisory fee paid by the Client. Please see the sections below for additional information regarding a Sub-Manager’s role.



In recommending an investment solution to you, your IAR can choose from a universe of investment advisory programs and strategies selected by Eagle. Based on what Envestnet makes available, Eagle selects the Sub-Managers and strategies available within the Fund Advisory and Separately Managed Account Programs. Certain Sub-Managers offer more than one strategy in the programs. For the Representative Directed Programs, Eagle selects the securities (mutual funds, exchange traded funds and individual securities) that are made available. The Unified Managed Account Program utilizes certain strategies and/or securities that are available within the Fund Advisory, Separately Managed Account and Representative Directed Programs.

**Tax, Accounting or Legal Advice.** In all Eagle programs including with the optional features described below, Eagle and your Eagle IAR do not render tax, accounting, or legal advice, and you should seek independent advice from your attorney or tax advisor.

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## 1. FUND ADVISORY PROGRAM

Eagle's LWP Fund Advisory ("FA") Program is an asset allocation program for mutual funds, exchange traded funds ("ETFs") and exchange traded notes ("ETNs") that is managed on a discretionary basis. If you choose to participate in the FA Program, you select the Sub-Manager and grant the Sub-Manager and Envestnet investment discretion to manage your account. All Sub-Managers available through the FA Program use Envestnet's trading platform, whereby the Sub-Manager provides one or more model portfolios to Envestnet. Envestnet trades the account through NFS, the account's custodian, in accordance with the Sub-Manager's model portfolio.

**Eagle's Role.** We act as an investment adviser in this Program, and are responsible for initial and ongoing contact with you. Your Eagle IAR gathers information from you or helps you complete an Investor Profile Questionnaire ("IPQ") in order to determine your investment objective and risk tolerance. We then provide you with a personalized investment proposal. The proposal includes Eagle's recommended portfolio objective ("Portfolio Objective") based upon your investment objective and risk tolerance for the portfolio and describes the Sub-Manager's asset allocation model.

Eagle and your IAR are not authorized to make any specific security-related investment decisions or investment transactions (e.g., rebalance, reallocation, buy/sells) with respect to your account. However, Eagle has the discretion to change your Sub-Manager and you have the right to select a different Sub-Manager(s) at any time. We, or a vendor that we select, also perform ongoing research and due diligence reviews on the available Sub-Managers and strategies within the FA Program. Please see Item 6 (Portfolio Manager Selection and Evaluation) below for more information regarding the due diligence review and research process and how we may change your Sub-Manager.

Your Eagle IAR is also available to meet with or speak to you at least annually to review your account, investment objectives and financial situation. Eagle and its IARs are responsible for communicating any changes in your investment objectives, financial profile information or desired account restrictions to Envestnet.

**Sub-Manager's Role.** The Sub-Managers available in the FA Program are unaffiliated registered investment advisers. The Sub-Manager that you select provides discretionary investment services and is responsible for creating a model portfolio of mutual funds, ETFs, and, in some cases, ETNs, consistent with your Portfolio Objective. Sub-Managers are responsible for selecting all of the securities within the model portfolio, which may include funds that are managed by an Eagle affiliate. Within retirement accounts, Client investments in affiliated funds will not be subject to the Eagle Advisor Fee and Sponsor Fee-Administrative Fee (as described below).

The Sub-Manager is also responsible for updating the model portfolio and providing the model changes to Envestnet (which is then responsible for trading the account). Additionally, the Sub-Manager is responsible for performing ongoing research of the underlying funds included in the model. For more information on the Sub-Managers and their review processes, please reference the applicable Sub-Manager's Form ADV Part 2A (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

**Envestnet's Role.** In the FA Program, Envestnet, an unaffiliated registered investment adviser, is the Platform Manager and has investment discretion over client accounts. Envestnet places trades consistent with the Sub-Manager's model portfolio and is responsible for the overall management of the account, including rebalancing and reallocating the account's holdings. Envestnet has the authority to make investment decisions for Client accounts and initiate transactions to buy, sell, reallocate or rebalance securities on your behalf without seeking prior approval or first discussing these investment decisions with you. At account inception, Envestnet liquidates all securities holdings (except for Unsupervised Assets, as described below) that are not included in the model portfolio and invests all cash proceeds (except for Protected Cash, as described below) according to the model. For information regarding trade confirmations, please see Item 9 (Regular Reports Provided to Clients) below. For information regarding proxies and proxy voting, please see Item 6 (Proxy Voting Policy) below. Please see Envestnet's Form ADV Part 2 for additional information (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

**NYLIFE Securities' Role.** NYLIFE Securities provides brokerage services relating to LWP accounts and Clients must sign a NYLIFE Securities brokerage application ("Managed Account Application") in connection with opening an LWP account.

**NFS Role.** NFS acts as the carrying broker-dealer and provides custody, clearing and administrative services including account establishment, trade processing, trade confirmation reporting, and deduction of applicable fees for your account. These services are further described within the Managed Account Application and Client Agreement you sign.

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## 2. SEPARATELY MANAGED ACCOUNT PROGRAM

Eagle's LWP Separately Managed Account ("SMA") Program is an asset allocation program for equities (such as stocks, preferred stocks, real estate investment trusts ("REITs"), master limited partnerships)

ETFs, ETNs, mutual funds, and fixed income securities that is managed on a discretionary basis. Eagle selects the Sub-Managers and strategies to participate in the program. Certain Sub-Managers offer more than one strategy in the program. Based on our recommendation, you choose the Sub-Manager you wish to invest with.

***Eagle's Role.*** We act as an investment adviser in the SMA Program and are responsible for initial and ongoing contact with you. The Eagle IAR gathers information from you or helps you complete an IPQ in order to determine your investment objective and risk tolerance. We then provide you with a personalized investment proposal recommending a particular Sub-Manager's strategy, based on your Portfolio Objective.

Eagle and your IAR are not authorized to make any specific security-related investment decisions or investment transactions (e.g., rebalance, reallocation, buy/sells) with respect to your account. However, Eagle has the discretion to change your Sub-Manager and you have the right to select a different Sub-Manager(s) at any time. We, or a vendor that we select, also perform ongoing research and due diligence reviews on the available Sub-Managers and strategies within the SMA Program. Please see Item 6 (Portfolio Manager Selection and Evaluation) below for more information regarding the due diligence review and research process and how we may change your Sub-Manager.

Your Eagle IAR is also available to meet with or speak to you, at least annually, to review any changes to your account, investment objective and financial situation. Eagle and its IARs are also responsible for communicating any changes in your investment objectives, financial profile information or desired account restrictions to Envestnet who would either provide the information to the Executing Sub-Manager (see definition below) or take it into consideration when trading your portfolio. Envestnet or the Executing Sub-Managers will advise Eagle, who in turn will notify you, if any restrictions cannot be accepted. Accounts with certain Client-specified restrictions may have transactions executed separately and after similar accounts without restrictions, which may cause their performance to be different than that of accounts without restrictions. Please see Item 6 (Tailoring Services to Client Needs) for additional information.

***Sub-Manager's Role.*** The Sub-Managers available in the SMA Program are not affiliated with Eagle. Once you choose the investment strategy, and the Sub-Manager agrees to manage your account, the Sub-Manager creates a portfolio of individual securities such as equities, ETFs, mutual funds and bonds that are consistent with the investment strategy. Sub-Managers are responsible for selecting all of the securities within the model portfolio, which may include funds that are managed by an Eagle affiliate. Within retirement accounts, Client investments in affiliated funds will not be subject to the Eagle Advisor Fee and Sponsor Fee-Administrative Fee (see Item 4C (Additional Information Regarding Fees and Compensation) below). The Sub-Manager is also responsible for ongoing research of the underlying securities selected for the portfolio.

- ***Model Delivery Sub-Managers:*** For accounts where the Sub-Manager provides a model portfolio of securities to Envestnet ("Model Delivery Sub-Managers"), Envestnet is responsible

for implementing the trades through NFS. For these accounts, the Model Delivery Sub-Manager is responsible for updating the model portfolio and providing the model changes to Envestnet.

- **Executing Sub-Managers:** Some Sub-Managers directly trade your securities portfolio with NFS or other broker-dealer(s) that the Sub-Manager (“Executing Sub-Manager”) selects. Executing Sub-Managers act as investment advisers and are responsible for providing ongoing discretionary management of your SMA account in accordance with the chosen investment strategy. Once the account is opened, the Executing Sub-Manager is responsible for ongoing maintenance of the account, including rebalancing, reallocation, selection and monitoring of positions, trading, and reporting. For information regarding trade confirmations, please see Item 9 (Regular Reports Provided to Clients) below. For information regarding proxies and proxy voting, please see Item 6 (Proxy Voting Policy) below.

Please see the respective Sub-Manager’s Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information.

**Envestnet’s Role.** As the Platform Manager, Envestnet provides certain investment advisory, trade order and other account services.

- For accounts utilizing a Model Delivery Sub-Manager, Envestnet will implement and trade the model portfolio on a discretionary basis, and is responsible for the overall management of the account (including rebalancing and reallocating the account back to the model portfolio). Envestnet has the authority to make investment decisions for client accounts and initiate transactions to buy, sell, reallocate or rebalance securities on your behalf without seeking prior approval or first discussing these investment decisions with you. At account inception, Envestnet liquidates all securities holdings (except for Unsupervised Assets, as described below) that are not included in the model portfolio and invests all cash proceeds (except for Protected Cash, as described below) according to the model.
- For accounts utilizing an Executing Sub-Manager, Envestnet makes the Sub-Manager available to Eagle and its IARs on the Envestnet platform.

Envestnet’s affiliate, Portfolio Management Consultants, Inc. (“PMC” or “Envestnet|PMC”), may also provide optional consulting services to qualified IARs, such as recommendations for appropriate PMC solutions and investment allocation techniques. Please reference the Optional Features Available in LWP Accounts section within Item 4 below for more information about other consulting services available from Envestnet|PMC. Please see Envestnet’s Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information.

**NYLIFE Securities Role.** NYLIFE Securities provides brokerage services relating to LWP accounts and clients must sign a NYLIFE Securities brokerage application (“Managed Account Application”) prior to opening an LWP account.

**NFS Role.** NFS acts as the carrying broker-dealer and provides custody, clearing and administrative services including account establishment, trade processing, trade confirmation reporting, and deduction of applicable fees for your account. These services are further described within the Managed Account Application and Client Agreement you sign.

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### 3. REPRESENTATIVE DIRECTED PROGRAMS

The Representative Directed Programs have three program classifications that qualifying Eagle IARs may offer to clients: Guided Portfolios (“GP”), Representative as Adviser (“RAA”), and Representative as Portfolio Manager (“RPM”). The Representative Directed Programs allow Eagle IARs to work with their Clients in recommending and selecting mutual funds, exchange-traded funds (“ETFs”), exchange-traded notes (“ETNs”), equities and/or bonds (collectively, “Securities”) that are consistent with a client’s Portfolio Objective. Eagle’s policies may limit IARs from purchasing certain types of securities in Representative Directed Program’ accounts. Please see Item 6A (Selection and Review Process of Portfolio Managers) below for more information about our selection and review process of Securities. For information regarding proxies and proxy voting, see Item 6 (Portfolio Manager Selection and Evaluation) below.

The three Representative Directed Programs are:

1. **Guided Portfolios.** The GP program is a non-discretionary program in which you must consent to every trade in advance, except for trades that result from Envestnet rebalancing your account, as indicated in the Client Agreement. Please see the Rebalancing Representative Directed Accounts section below for additional information regarding the rebalancing process. For the GP program, you work with the IAR to create your portfolio by selecting Securities and their portfolio weight, based on a specific asset allocation model (collectively, your “Model”).
2. **Representative as Adviser.** In this program, you work with your IAR to create a portfolio by selecting Securities that are consistent with your Portfolio Objective and by determining each Security’s portfolio weight and drift parameters as defined below (collectively, your “Model”). The RAA program is a non-discretionary program in which you must consent to every trade and model change in advance, except for certain rebalancing or dollar cost averaging (“DCA”) trades. Please see the Rebalancing Representative Directed Accounts section below for additional information regarding the rebalancing process. Select IARs may also be able to offer clients DCA as an investment technique for clients to pre-authorize the buying of fixed dollar or share amounts of mutual funds, ETFs or equities on a regular schedule, regardless of the share price. Please contact your IAR for additional details.
3. **Representative as Portfolio Manager.** In the RPM program, by signing an addendum to your Client Agreement, you grant Eagle and your Eagle IAR limited discretionary authority over your account. Pursuant to that authority, the IAR selects the Securities, portfolio weight and drift parameters for your initial portfolio (collectively, your “Model”). This initial Model is provided to you with the Proposal. The Statement of Investment Selection (SIS), which you must sign prior to opening a RPM account, will reflect the Model name as shown in the Proposal. By signing the SIS, you indicate your approval of the initial Model.

In the RPM program, once the account is open and funded, the Eagle IAR's discretionary authority is limited to:

- **Security Replacement** – The IAR can replace one security within the Model with another security, without notifying you or obtaining your approval. This action is taken when the IAR decides that an existing security within the initial Model or a subsequent Model should be sold. An existing security will be replaced with a new security of the same asset class and will be at the existing market weight or that of the Model. Security replacements will not increase the overall risk tolerance of the Portfolio Objective that you agreed to in the SIS.
- **Rebalancing** – The IAR can rebalance the account back to the Model weight parameters at any time, without notifying you or obtaining prior approval from you. Rebalancing an account will cause trades to occur within the account when the position weights exceed the drift parameters of the Model. A rebalance may occur in conjunction with a security replacement, or at any time, at the discretion of the IAR. Please reference the Rebalancing and Drift sections below for more information.

Except as outlined above, all other orders to buy or sell, or other Model adjustments (such as changing a security's market weight within the Model or adjusting drift parameters) within your RPM account require your prior consent. You may only participate in this RPM program if your IAR meets Eagle's qualifications to provide discretionary services. Interested Clients should contact their IAR for additional information.

The following features apply to all Representative Directed Programs:

**Trade Orders.** In the GP program, trades are placed by Envestnet after you and your IAR complete a Goal Modification request and submit the applicable paperwork to Envestnet. A Goal Modification is a method we use in Envestnet to update your account's risk, fees or Model. You should be aware that trades in GP accounts may not be routed by Envestnet to NFS for execution until the next business day after the Goal Modification and applicable paperwork is received by Envestnet. A delay in trade execution can cause you to pay a higher price when buying securities or receive a lower price when selling securities.

In the RAA and RPM programs, the Eagle IAR submits trade orders, which Envestnet then sends to NFS for execution. Eagle IARs who participate in the RAA and RPM programs are permitted to place conditional orders, such as stop or limit orders, on behalf of Clients. A buy limit order can only be executed at the limit price or lower, and a sell limit order can only be executed at the limit price or higher. A limit order is not guaranteed to execute. A limit order can only be filled if the security's market price reaches the limit price. While there is no guarantee that limit orders will be executed, they can help ensure that an investor does not pay more, or receive less, than a pre-determined price for a security. A stop order is an order to buy (or sell) a security that becomes a market order to buy (or sell)

when a transaction occurs at or above (below) the stop price. Similar to a limit order, a stop order is not guaranteed to execute, and the execution price may be different than the stop order price. You should consult with your Eagle IAR to determine if stop and limit orders are appropriate for your account.

Please reference Item 4C (Additional Information Regarding Fees and Compensation) for information regarding transaction fees.

***Rebalancing Representative Directed Accounts.*** Rebalancing is a process where your account's portfolio is compared to the Model that you established with your IAR in order to determine if securities need to be bought or sold to bring your account back in line with your Model. If securities in your portfolio are overweighted or underweighted as compared to your Model parameters at the time of the rebalancing assessment, the Envestnet system will generate the necessary trades for your account, which will be placed either by Envestnet or your IAR (as described below), to bring the portfolio back in line with the Model's parameters. Please see below (Rebalancing Assessment Frequency) for more information regarding the timeframes for rebalancing accounts. If your portfolio is within the defined criteria when compared to your Model, the Envestnet system will not generate any trades and there will be no rebalancing trades in your account. The rebalancing process is further described within the Client Agreement.

Rebalancing Assessment Frequency – At a minimum, Eagle requires that Accounts in the Representative Directed Programs be reviewed for rebalancing annually. You select a rebalancing frequency of quarterly, semi-annually or annually, which is reflected on and agreed to when you sign the SIS. Accounts are assessed by Envestnet at the frequency you select, based on the anniversary of the account opening date (for new accounts) or based on the date of the last rebalancing action or rebalancing review. The "Assessment Date" is the date in which the Envestnet system conducts this rebalancing review of your account.

In addition to the designated rebalancing date based on the frequency you select (as described above), Envestnet assesses Representative Directed accounts on a daily basis to determine if a rebalance is necessary based on the following reasons:

- There are positions in the account that are not part of the Model;
- A Client increases or decreases their cash;
- There is insufficient cash to pay Program fees; or
- A Goal Modification or service request is made in the Envestnet system (such as a Model change).

Rebalancing Process –

- For the GP Program, if a rebalance is required on the Assessment Date, Envestnet will place trades in the account to bring all of the individual asset allocations back to within the defined Model parameters, based on the account's Portfolio Objective. Envestnet will process the

rebalance without obtaining your consent in advance of the rebalance, as indicated within the Client Agreement.

IARs are responsible for rebalancing accounts within the RAA and RPM programs, and Envestnet is responsible for generating the necessary rebalancing trades and for notifying the IAR when an account rebalancing is necessary so that the IAR can then place the rebalancing trades in the account.

- For the RAA Program, your IAR will rebalance your account back to the Model's parameters, quarterly, semi-annually or annually, based on the frequency you selected, which is reflected within your SIS. Portfolio rebalancing may result in additional trades in the account. Your IAR can rebalance your account on the Assessment Date based on the consent you grant within the Client Agreement. If your IAR rebalances your account on any day other than the account's Assessment Date, or modifies any of the rebalancing trades generated by Envestnet, your IAR will obtain your consent in advance of the rebalance.
- For the RPM Program, by signing the Client Agreement, you grant your Eagle IAR the limited discretionary authority to rebalance your account back to within the defined Model parameters, on or about the Assessment Date, on at least a quarterly, semi-annual or annual basis (based on the frequency you select, as reflected within your SIS), or at any time at the IAR's discretion, and without further Client consent. Portfolio rebalancing may result in additional trades in the account. Please see the RPM program description above for additional information regarding your IAR's discretionary authority.

**Drift.** Due to market appreciation and depreciation, the value of the securities in your account will fluctuate and increase or decrease in value over time. When creating your Model, you will establish a fixed weight percentage for each security within your account. When a security becomes overweighted or underweighted relative to the percentage you set within your Model, it is said to "drift." Drift is the movement of a security's percentage weight relative to the fixed percentage weight you set within your Model. When creating your Model, in addition to establishing a fixed percentage weight for each security, you and your IAR will also establish or agree to an allowable drift range for each security (or "drift parameters"). In this way, the value of your securities can appreciate and depreciate up to a certain percentage weight within your Model before they are required to be rebalanced back to within your Model parameters. For example, you may create a Model where a security has a fixed weight of 10% relative to the entire portfolio, with 4% drift parameters. This means that the value of the security can appreciate up to 14% of your entire portfolio or depreciate down to 6% of your portfolio before requiring the security to be rebalanced.

**Eagle's Role.** We act as an investment adviser in the Representative Directed Programs and, through our IARs, are responsible for initial and ongoing contact with you. To identify your account's Portfolio Objective, you provide information to your IAR so that an IPQ can be completed on the Envestnet system. Then we provide you with a personalized investment proposal recommending particular Securities and their corresponding security weights and drift parameters (the Model). Your account will be assessed for rebalancing based on the rebalancing frequency and the criteria that you have selected.



Please see the Rebalancing Representative Directed Accounts section above for additional details on how rebalancing works for each Representative Directed Program.

The Eagle IAR is also available to meet with or speak to you at least annually to review any changes to your account, investment objective, financial situation, and any account restrictions, where applicable. Please see the Tailoring Services to Client Needs section within Item 6 below for additional information on how Eagle tailors services for Clients.

We, or a vendor we select, also perform ongoing research and due diligence reviews on the available Securities within the Representative Directed Programs. Please see Item 6 (Portfolio Manager Selection and Evaluation) below for more information regarding the research process.

**Envestnet's Role.** Envestnet, an unaffiliated registered investment adviser, is the Platform Manager and provides the platform that we and our IARs use to provide advisory services in the Representative Directed Programs. Envestnet does not act as your sub-adviser in the Representative Directed Programs. The trading and execution process in the GP program is different than those of the RAA and RPM programs. In the GP program, at account inception, Envestnet liquidates all securities holdings (except for Unsupervised Assets, as described below) that are not included in the Model and invests all cash proceeds (except for Protected Cash, as described below) according to the Model. Subsequent changes to your model are made after you and the IAR complete a Goal Modification service request. These changes are then placed by Envestnet. You should be aware that Envestnet may not place trades in GP accounts until the next business day after the goal modification is entered into the Envestnet system and the applicable paperwork submitted. In addition, in the Representative Directed Programs, Envestnet will be responsible for conducting the rebalancing assessment, generating the necessary rebalancing trades and for either notifying your IAR through a system alert feature that account rebalancing may be necessary (for RAA and RPM accounts) or rebalancing the account (for GP accounts). Please see Envestnet's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information.

**NYLIFE Securities' Role.** NYLIFE Securities provides brokerage services relating to LWP accounts and clients must sign a NYLIFE Securities brokerage application ("Managed Account Application") prior to opening an LWP account.

**NFS Role.** NFS acts as the carrying broker-dealer and provides custody, clearing and administrative services including account establishment, trade processing, trade confirmation reporting, and deduction of applicable fees for your account. These services are further described within the Managed Account Application and Client Agreement you sign.

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#### 4. UNIFIED MANAGED ACCOUNT

The LWP Unified Managed Account ("UMA") Program has three program classifications that qualifying Eagle IARs may offer to clients: UMA Discretionary, UMA Non-discretionary, and UMA Non-

discretionary Managed Products. The UMA Program offers you an overall account utilizing at least three strategies from the Fund Advisory (FA), Separately Managed Account (SMA), Representative Directed Programs (described above) and/or individual securities (the “UMA Investment Products”) that, together, are consistent with your Portfolio Objective. When creating your asset allocation, your IAR, in consultation with you, will establish a fixed weight percentage (or “portfolio weight”) for each Investment Product within your account, and for each security holding within Representative Directed sleeves of your account, if selected. You should evaluate the relative benefits and costs of the UMA Program against other wrap fee programs, such as having separate accounts for each UMA Investment Product.

The three UMA Programs are:

1. **UMA Non-discretionary Managed Products.** The Eagle IAR manages the UMA accounts on a non-discretionary basis and consistent with your Portfolio Objective. With your consent, IARs may alter the asset allocation for the UMA accounts. Only FA and SMA strategies are available in this program.
2. **UMA Non-discretionary.** The Eagle IAR manages UMA accounts on a non-discretionary basis, consistent with your Portfolio Objective. With your consent, IARs may buy, sell or hold individual securities and/or FA and SMA strategies and alter their asset allocations.
3. **UMA Discretionary.** In this program, by signing an addendum to your Client Agreement, you grant Eagle and your Eagle IAR with limited discretionary authority over your account. Pursuant to that authority, the IAR creates a portfolio of UMA Investment Products (defined above) and their portfolio weight, and by determining each Security’s drift parameters (for Representative Directed sleeves and individual securities only) as defined below (collectively, your “Model”) and rebalances the portfolio among the UMA Investment Products. Clients participating in the UMA Program can invest assets across multiple strategies. The Model is provided to you with the Proposal. The Statement of Investment Selection (SIS), which you must sign prior to opening a UMA Discretionary account, will reflect the model name as shown in the Proposal. By signing the SIS, you indicate your approval of the Model.

In the UMA Discretionary Program, once the account is open and funded, the Eagle IAR’s discretionary authority is limited to:

- **UMA Investment Product Replacement** – The IAR will be able to replace a security (for the portions of the account that are not managed by a Sub-Manager), or replace a Sub-Manager’s strategy without notifying you or obtaining your approval. This action is taken when the IAR decides that an existing security or strategy within the Model or a subsequent model should be sold and replaced with a new security or strategy. These security or strategy replacements will not increase the overall risk tolerance of the Portfolio Objective that was agreed to by the Client within the SIS.
- **Rebalancing** – When the IAR changes the Model (e.g., replaces a security or a Sub-Manager’s strategy or changes their weight parameters, etc.), Envestnet will initiate a rebalancing assessment of the various UMA Investment Products to determine if a rebalance is needed to bring the UMA Investment Products back in line with the

new Model weight parameters. Rebalancing an account will cause trades to occur within the account when the position weights exceed the drift parameters of the model. This rebalance can occur at any time, without notifying you or obtaining prior approval from you. Please see the Rebalancing UMA Accounts and Drift sections below for additional information.

Except as outlined above, all other Model adjustments within the UMA Discretionary Program require your prior consent. You may only participate in this UMA Discretionary Program if your IAR meets Eagle's qualifications to provide discretionary services. Interested Clients should contact their IAR for additional information.

**Rebalancing UMA Accounts.** Rebalancing is a process where your account is compared to the Model (i.e., the Investment Products, their portfolio weight, and applicable drift parameters) that you established with your IAR in order to determine if securities need to be bought or sold to bring your account back in line with your established Model. If your portfolio is outside of the Model parameters at the time of the rebalancing assessment, Envestnet will place trades within your account to bring the portfolio back in line within the Model's drift parameters. If your portfolio is within the defined criteria above, trades will not occur as a result of the rebalance assessment. The rebalancing process is further described within the Client Agreement.

**Rebalancing Assessment Frequency.** At a minimum, Eagle requires that Accounts in the UMA Programs be reviewed for rebalancing annually. You can select a rebalancing frequency of quarterly, semi-annually or annually, which is reflected on, and agreed to when you sign, the SIS. Accounts are assessed by Envestnet at the frequency you select, based on the anniversary of the account opening date (for new accounts) or based on the date of the last rebalancing action or rebalancing review.

In addition to the designated rebalancing date, Envestnet assesses UMA accounts on a daily basis to determine if a rebalance is required based on the following reasons:

- There are positions in the account that are not part of the Model;
- A Client increases or decreases cash from the account;
- There is insufficient cash to pay Program fees; or
- A Goal Modification or service request is made in the Envestnet system (such as a Model change).

**Drift.** Due to market appreciation and depreciation, the value of securities in your account will fluctuate and appreciate or depreciate in value over time. When the securities within each Investment Product become overweighted or underweighted in value relative to the fixed weight percentage you set for the Investment Product within your Model, it is said to "drift." Drift is the movement of a security's weight percentage relative to the fixed weight percentage you set for the Investment Products within your Model. Envestnet implements the allowable drift range (or "drift parameters") for Investment Products in UMA accounts; however, you, together with your IAR, determine the drift parameters for each security (for Representative Directed sleeves and individual securities) of a UMA account. In this way,

the value of your securities can appreciate and depreciate up to a certain weight percentage before they are required to be rebalanced back to within your Model parameters.

**Eagle's Role.** We act as an investment advisor in the UMA Program and, through the IARs, we are responsible for initial and ongoing contact with you. You provide information to the Eagle IAR that is used to complete an IPQ on the Envestnet system. We then provide you with a personalized investment proposal. The proposal includes recommendations for your investments in the available UMA Investment Products and their associated portfolio weights. You select the mix of UMA Investment Products based on your risk tolerance, asset class, and investment strategy preferences.

Your Eagle IAR is also available to meet with or speak to you, at least annually, to review any changes to your account, investment objective, financial situation, and any account restrictions, where applicable. Eagle and its IARs are responsible for communicating any changes in your investment objectives, financial profile information or desired account restrictions to Envestnet, who notifies the Sub-Manager, where applicable. We or a vendor we select, also perform ongoing research and due diligence reviews on all available UMA Investment Products. Please see Item 6 (Portfolio Manager Selection and Evaluation) below for more information regarding the research process and for additional information regarding investment restrictions.

**Sub-Manager's Role.** The Sub-Managers provide a model portfolio to Envestnet and Envestnet then trades the portfolio in accordance with the UMA model portfolio. Once the account is opened, the Sub-Managers update the model portfolio and provide the model changes to Envestnet. The Sub-Managers are also responsible for ongoing research of the underlying securities selected for the portfolio. For more information, please reference the Sub-Manager's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

**Envestnet's Role.** Envestnet, as the Platform Manager, provides certain investment advisory, trade execution and account-related services. Envestnet implements and trades the UMA model based on the model portfolios provided by the Sub-Managers or IARs (with regard to Representative Directed models or individually selected securities) and is responsible for the overall management of the account, including rebalancing and reallocating. Envestnet has the authority to make investment decisions for client accounts and initiate transactions to buy, sell, reallocate or rebalance securities on your behalf without seeking prior approval or first discussing these investment decisions with you. At account inception, Envestnet liquidates all securities holdings (except for Unsupervised Assets, as described below) that are not included in the UMA model portfolio and invests all cash proceeds (except for Protected Cash, as described below) according to the model. For information regarding trade confirmations, please see the Regular Reports Provided to Clients section in Item 9 below. For information regarding proxies and proxy voting, please reference the Proxy Voting section within Item 6 below. Please see Envestnet's Form ADV Part 2 for additional information (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

Envestnet's affiliate, Portfolio Management Consultants, Inc. ("PMC" or "Envestnet|PMC"), may also provide optional consulting services to qualified IARs, such as recommendations for appropriate PMC solutions, consultations on possible UMA model build-outs and investment allocation techniques. Please reference the Optional Features Available in LWP Accounts section within Item 4 below for more information about other consulting services available from Envestnet|PMC.

**NYLIFE Securities' Role.** NYLIFE Securities provides brokerage services relating to LWP accounts and clients must sign a NYLIFE Securities brokerage application ("Managed Account Application") prior to opening an LWP account.

**NFS Role.** NFS acts as the carrying broker-dealer and provides custody, clearing and administrative services including account establishment, trade processing, trade confirmation reporting, and deduction of applicable fees for your account. These services are further described within the Managed Account Application and Client Agreement you sign.

#### OPTIONAL FEATURES AVAILABLE IN LWP ACCOUNTS

##### TAX MANAGEMENT SERVICES – AVAILABLE FOR CERTAIN SEPARATELY MANAGED ACCOUNTS AND UNIFIED MANAGED ACCOUNTS

Through Envestnet, Eagle offers two types of tax management services (collectively, "Tax Management Services") that grant Envestnet discretionary authority to effect transactions consistent with the selected program's guidelines. Only certain equity SMA strategies (or UMA accounts that hold only these equity SMA strategies) can use Tax Management Services.

The two types of Tax Management Services are:

- 1. Ongoing Tax Management Service.** This service authorizes Envestnet to trade your account with "tax-aware" portfolio management techniques. Envestnet uses optimization software that applies predefined rules to keep your portfolio sufficiently close to the Sub-Manager's model portfolio. The software considers the tax implications of trading (the capital gain(s) or loss(es) generated by buying or selling a particular investment) that may detract from your after-tax returns. This service is designed for Clients with managed taxable accounts who are willing to accept some deviation from their selected Sub-Manager's model portfolios and are seeking to minimize the impact of taxes on their returns.
- 2. Tax Transition Service.** This service offers a premium, customizable solution for Clients who want to control and customize their realization of large unrealized gains or losses that are embedded in their portfolios, or who have other unique circumstances that require an individualized strategy. This Tax Transition Service is designed for Clients with managed taxable accounts who are willing to accept deviation from their selected Sub-Manager's model portfolios and who are seeking to minimize the impact of taxes on their returns.

Envestnet's trading strategies within the Tax Management Services may conflict with Envestnet's trading strategies related to implementing a Sub-Manager's model portfolio and/or a rebalance of the Client's portfolio when Tax Management Services are not utilized. In the event and to the extent of any such conflict, the trading strategies employed by the selected Tax Management Services will control, and contrary Envestnet and/or Sub-Manager investment recommendations will not be implemented. As a result, as compared with the selected model portfolio: (i) your account may not receive the benefits, including gains and avoided losses, of certain recommended purchases and sales of securities; and (ii) your account's composition and performance may vary significantly from that of Client accounts that did not employ similar Tax Management Services.

As with all Eagle programs, Eagle and the Eagle IAR do not render tax, accounting, or legal advice, and you should seek advice from an independent tax advisor based on your own particular circumstances.

The effectiveness of Tax Management Services depends on the accuracy of the cost basis information that you furnish as well as the method that you select for tax lot disposal. Eagle and Envestnet shall have no obligation to assess the accuracy of any tax basis information that you furnish, nor shall they have any obligation to ascertain the tax basis of any positions for which you do not furnish cost basis information. Eagle and Envestnet shall be entitled to rely solely on you to furnish accurate cost basis information and shall not be liable for any losses you may incur by not providing accurate or complete tax basis information. Additionally, neither Eagle nor Envestnet shall have any obligation to assess the accuracy or appropriateness of the tax lot disposal method that you select.

Since the portfolio performance of an account enrolled in the Tax Management Services may deviate from the selected strategy of the model portfolio, your quarterly performance report may significantly differ from the comparable benchmark referenced in that report. Please see Envestnet's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information. Please reference Item 4C (Additional Information Regarding Fees and Compensation) for information regarding fees.

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## INSURANCE AND ANNUITIES

**Insurance and Annuity Analysis.** As part of the LWP Programs, you may receive an "insurance analysis", which is intended to identify the amount of insurance necessary to protect your "human capital." Human capital is a present value calculation of your future earning potential. Our IARs, acting as insurance agents, may provide a life insurance recommendation to protect all or a portion of your human capital, or for other generally recognized insurance needs, such as estate planning, cash needs at death, or business succession planning. Clients who are retired or near retirement may also receive a recommendation to purchase an immediate annuity for income.

**Assessing Risk Tolerance.** When assessing your risk tolerance for your Eagle advisory account, Eagle and Eagle IARs can consider the cash value of life insurance purchased and/or the value computed for an immediate annuity ("annuity value;" see discussion immediately below for additional details). If such assets are included in assessing your risk tolerance, they will be considered as a fixed income

component of your overall portfolio, and your recommended Portfolio Objective and asset allocation in your LWP account may be more aggressive than if we had not included these assets within your risk assessment. You have the option to include or not to include these assets within your risk assessment. For additional information about this process, please contact your IAR.

**Reporting on Insurance and Annuities.** Clients can choose to have the values of their New York Life insurance and annuity policies reported on Eagle Client materials (e.g., quarterly performance reports). Interested clients should discuss this feature with their IAR and complete the necessary paperwork. These insurance and annuity policies listed on Eagle Client materials are for informational purposes only. You should rely on the official policy statements (such as the Annual Policy Summary or the Quarterly Statement) you receive from the issuing insurance company to determine policy values and for evaluating these insurance and annuity products.

**Limits on Responsibility.** We do not provide investment management services for any insurance or annuity product even when such products are considered in calculating your risk tolerance or when such products are reported in Eagle Client materials, and we do not include the value of any insurance and annuity policies in determining your Total Client Fee.

The IAR acts solely in his or her capacity as an insurance agent of New York Life Insurance Company, Eagle's parent, when discussing, recommending or selling insurance, or as an insurance agent of New York Life Insurance and Annuity Corporation ("NYLIAC"), another Eagle affiliate, when discussing, recommending or selling annuity products and will receive compensation from New York Life, or NYLIAC, as applicable, for the sale of such products. You are not required to purchase a New York Life insurance policy to protect your human capital or a NYLIAC annuity to provide for income. Receiving a recommendation for life insurance from your insurance agent does not guarantee you will be underwritten for, or issued, a policy.

Advisory fees are not assessed on the cash value of any associated life insurance or annuity policies. You pay a separate premium (non-advisory fee) to the issuing insurance company to cover the cost of any insurance or annuity product you may purchase. Commissions and other compensation paid to insurance agents of New York Life and NYLIAC are within the limits set by Section 4228 of New York State Insurance Law.

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#### MULTIPLE MARGIN PROGRAM – AVAILABLE FOR CERTAIN SMA, UMA, RAA AND RPM ACCOUNTS

The Multiple Margin Program ("Multi-Margin Program"), which is offered by NFS, accommodates Clients seeking to borrow cash against the value of certain assets held within eligible SMA, UMA and RAA and RPM accounts. This program allows you to engage in margin borrowing against multiple accounts (up to 24 accounts) that are established under the same ownership/registration and to segregate the margin loan in its own account to avoid managed account billing or performance reporting issues. The Multi-

Margin Program account that holds the margin loan will be classified as the “Primary” account, and managed account fees are calculated independently of the debit balance and will continue to be assessed on Billable Assets (described below). For additional details on what assets fees will be charged, please contact your IAR. This program is only available through IARs who meet Eagle’s qualifications to offer these services.

**Program Eligibility and Requirements:**

- The program is only available to Clients with non-retirement accounts in the RAA/RPM program and within certain SMA strategies (or within RAA/RPM and certain SMA strategies consolidated under a UMA). Please ask your IAR for a list of available SMA strategies.
- Individual equity, bonds, and certain ETF and Mutual Fund positions held within RAA/RPM and SMA accounts (or RAA/RPM and SMA strategies consolidated under a UMA) are eligible to be used as collateral and included in the Multi-Margin Program account relationship.
- Clients must have a minimum of \$500,000, excluding Unsupervised Assets, in total LWP Program assets in the Client relationship to be eligible for this Program.

Clients participating in the Multi-Margin Program will be required to sign a Margin Agreement with NFS. Please see the NFS Margin Disclosure Statement and Margin Account Agreement, available from your IAR, for additional important information regarding the Multi-Margin Program.

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**SECURITIES BACKED LINE OF CREDIT PROGRAM – AVAILABLE FOR CERTAIN SMA, UMA, RAA AND RPM ACCOUNTS**

The Securities Backed Line of Credit Program, offered by participating banks (such as US Bank and TriState Capital Bank), all non-affiliates, accommodates Clients seeking a flexible line-of-credit (cash loan) secured by their Eagle account. Eagle offers this service solely as an accommodation to interested Clients. Clients who participate understand that Eagle and its IARs are not recommending or providing any advice with reference to any particular bank or loan. This Program is not part of Envestnet’s platform or services and Eagle receives no additional fee for the service. This program is available only through IARs who meet Eagle’s qualifications to offer this service.

The line of credit would be secured by certain assets held within eligible SMA, UMA, RAA and RPM accounts. Multiple accounts with different registrations can usually be pledged for one loan. Interested Clients will need to complete a loan application and loan agreement through the participating bank, and the bank will determine the line of credit that a Client may be eligible for, subject to the underwriting of the Client and the assets held within the Client’s accounts. Note, Clients utilizing this program will need to receive bank approval before making any distributions from their Eagle accounts (aside from dividend payments and applicable Program fees) and will be solely responsible for ensuring compliance with the terms of the bank loan agreement. For additional information, including the risks associated with this loan program and the role of Eagle and your IAR, please contact your IAR and review the bank’s agreement. Please also see Item 4C (Additional Information Regarding Fees and Compensation) for information regarding applicable fees.



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## TRUST SERVICES – COMERICA TRUST SERVICES AND RELIANCE TRUST COMPANY

We have an arrangement with Comerica Trust Services (“Comerica”) and Reliance Trust Company of Delaware (“Reliance”), which are not affiliated with Eagle, where each may act as an independent corporate trustee for your trust accounts invested within certain LWP FA, SMA and UMA programs. Comerica and Reliance charge a fee for these services. When you select this service, Comerica or Reliance, as the corporate trustee, is responsible for ensuring that your trust account is administered in accordance with the trust agreement. Please contact your Eagle IAR for more information regarding this program and the necessary paperwork. Please consult your attorney and/or tax adviser to determine if trust services are an appropriate solution for you. For information regarding applicable fees and charges for this program, please reference Item 4C (Additional Information Regarding Fees, Compensation and Conflicts) below or contact your IAR.

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## DONOR-ADVISED FUND PROGRAM – FIDELITY CHARITABLE

Clients may open a donor-advised fund account (or “Giving Account®”) through the Fidelity® Charitable Gift Fund (“Fidelity Charitable”), an independent public charity. A Giving Account allows Clients to select from qualified FA, SMA or UMA strategies to manage the charitable assets held in their Giving Account, in accordance with the Fidelity Charitable Investment Advisor Program Investment Guidelines. Please contact your IAR for a copy of these guidelines. Once a Giving Account is open, anyone can donate to the account on a tax-deductible basis. Donations into the Giving Account are considered irrevocable.

Giving Accounts are included in the Client’s quarterly performance reports from Envestnet. Fidelity Charitable will also send clients a quarterly statement detailing deposits and charity contributions to and from their Giving Accounts, and applicable IRS forms for use during tax preparation. Clients should consult with their tax advisor for any additional questions on the benefits of using a program such as Fidelity Charitable. Please contact your Eagle IAR for more information regarding this program, applicable paperwork and program requirements, and see Item 4C (Additional Information Regarding Fees and Compensation) for information regarding applicable fees.

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## ENVESTNET|PMC CONSULTING SERVICES

Envestnet|PMC offers consulting services for a fee that is designed for SMA and UMA Clients with at least \$2 million in household assets within the LWP Programs. These services include investment allocation techniques, consultations with IARs and Clients, custom portfolio analyses and recommendations, research reports and ongoing communication with IARs. For UMA accounts, Envestnet|PMC can also create custom UMA models for IARs. When elected by IARs and Clients, this program is included within the SIS that Clients sign prior to opening their account. Please contact your IAR for more information about these services and see Item 4C (Additional Information Regarding Fees, Compensation, and Conflicts) for information regarding fees.

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## BANK CHECKING ACCOUNT, CHECK WRITING & AUTOMATIC BILL PAYMENT SERVICES

NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, Eagle offers clients various account related services, some of which are described below, that provide Eagle with authority that cause it to be deemed to have custody under the Advisers Act.

**Bank Checking Account and Check Writing.** In LWP accounts, clients can elect to link their money market positions that are cleared and custodied at NFS to a third party bank checking account. This enables the client to write checks and authorize payments from these money market funds. This program is available through PNC Bank Services and is subject to NFS' and Eagle's approval. When writing checks, funds are transferred from the client's LWP account money market positions to the client's bank account for the sole purpose of facilitating payments. Clients must ensure they have enough money available in their LWP account money market positions to cover the amounts of their check obligations. Interested clients should discuss this feature with their IAR and review required paperwork agreeing to the terms of the check writing service. See Item 4C (Additional Information Regarding Fees and Compensation) for more information.

**Automatic Bill Payment Services and Payment of Insurance Premiums.** Automatic bill payment within LWP accounts is a service that permits clients to authorize another company to transfer money from their bank checking account that is linked to their LWP account (described above) to pay for bills such as premium payments or utility bills.

Clients can also authorize our affiliates, such as New York Life or NYLIAC, to transfer money from the Client's third party bank checking account that is linked to their LWP account (described above) to pay for specified monthly premiums for which the client has assumed payment responsibility. Interested clients should discuss this feature and required paperwork with their Eagle IAR. See Item 4C (Additional Information Regarding Fees and Compensation) for more information.

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## PROTECTED CASH

**Investnet's Protected Cash Feature.** Protected Cash is a feature available through Investnet that allows Clients to temporarily maintain a designated amount of cash within their LWP account. See Item 4C (Additional Information Regarding Fees and Compensation) for more information.

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## UNSUPERVISED ASSETS

**Investnet's Unsupervised Assets Feature.** Unsupervised Assets or securities held "below the line" are securities that are not part of your Model but that you wish to include on your account statements and quarterly performance reports for consolidated reporting purposes. Unsupervised Assets are not included in your account's performance calculations. "Below the line" securities are considered

unsupervised brokerage assets and are ineligible for Eagle investment advisory services, so we will not charge you a fee for them. Unsupervised Assets are not included in the computation of the Total Client Fee (described in this Brochure). See Item 4C (Additional Information Regarding Fees and Compensation) for more information.

## ACCOUNT OPENING

For all Programs described within this Brochure, you must complete an IPQ or work with your IAR to complete one. Your IAR will also work with you to complete the Statement of Investment Selection ("SIS"), which lists the investment products or Model for the particular LWP Program you have selected.

To open an LWP account, you must sign a Client Agreement with us. Under this agreement, we assist and advise you on establishing your Portfolio Objective, developing an asset allocation and/or establishing a schedule for rebalancing your account as necessary. Pursuant to this agreement, you must also enter into a relationship with NYLIFE Securities and NFS by signing the Managed Account Application and opening a brokerage account through which trades in your LWP account are processed. We also assist you in completing the Managed Account Application, which details the account's registration, holders, suitability information, and other account program characteristics.

## FEES

**Wrap Fees.** For the programs described in this Brochure, you pay an asset-based fee ("Total Client Fee") to Eagle. These fees are wrap fees which mean you pay a single charge to cover certain services provided such as investment advisory services, custody, trade execution (if through NFS) and compensation to your IAR(s). However, there are certain other account fees and charges that are not included within your Total Client Fee. Please reference Item 4C (Additional Information Regarding Fees and Compensation) below for information regarding additional fees and charges not covered in the Total Client Fee.

**Calculating your Total Client Fee.** Your Total Client Fee (asset based fee) is calculated as a percentage of the Billable Assets (described below) in your account. As a result, the amount of your Total Client Fee that you pay may fluctuate monthly, depending on the value of Billable Assets in your account at the time of billing.

Billable assets ("Billable Assets") are those assets in your account for which Eagle provides investment advisory services and bills on. Generally, Billable Assets include the securities and cash positions in your Eagle account. As an accommodation to clients, we may permit you to have certain assets in your account that are excluded (either fully or partially) from the calculation of Billable Assets, such as assets identified as Unsupervised Assets, Protected Cash or affiliated funds within retirement accounts. Please see Item 4C (Additional Information Regarding Fees and Compensation) below for information regarding Unsupervised Assets, Protected Cash and affiliated funds and how they are billed.

The Total Client Fee you pay is also impacted by applicable “asset tiers” and “household” discounts as explained further below. Please refer to your SIS and quarterly performance reports for additional detail on the actual fees you are charged. Please also speak with your IAR and see below for more information regarding these features and how they affect your Total Client Fee.

For details on minimum and maximum Total Client Fees you are charged, see the fee chart below. See “Payment of Advisory Fees” below for details on how you are billed and refer to your SIS and quarterly performance reports for additional details on the actual fees you are charged. If you have questions regarding your fees, please contact your IAR.

***Components of your Total Client Fee and Compensation Information.*** This section describes the components of your Total Client Fee and the firms and individuals that receive compensation from the fees you pay:

- **Advisor Fee** - The Advisor Fee is the fee charged by your IAR(s) and ranges from 0%-1.50% of the Billable Assets in your account. Advisor Fees are negotiable. Eagle, through its IARs, determines the Advisor Fee depending, in part, on: the particular Program selected, your expected account size, the anticipated number of trades and/or types of securities being traded, your individual circumstances and the scope of advisory and other client services to be rendered. The Advisor Fee that you pay is set forth in the Statement of Investment Selection (SIS), which you must sign prior to opening the Program account. If you have questions regarding your fees or want additional information regarding the asset tiers (see *Asset Tiers* discussion below) that may affect the fees that you pay for your account, please contact your IAR. Eagle retains a portion of the Advisor Fee, and pays the remainder to the IAR.
- **Sponsor Fee** - The Sponsor Fee includes the Administrative Fee, Platform Fee, Clearing and Execution Fee and Sub-Manager Fee and ranges from 0%-1.02%.
  - **Sponsor Fee-Administrative Fee** - This fee covers platform costs, trading costs and Eagle’s internal costs. Eagle retains a portion of the Sponsor Fee-Administrative Fee, and the remainder is paid to Envestnet and NFS for platform and other administrative services.
  - **Sponsor Fee-Platform Fee** - This fee covers platform administrative costs, such as technology, platform infrastructure and reporting, and is retained by Envestnet.
  - **Sponsor Fee-Clearing and Execution Fee** - This fee covers trading, custody, clearing and execution costs. Eagle retains a portion of the Clearing and Execution Fee, and the remainder is paid to NFS for trading, clearing and execution, and other administrative services.
  - **Sponsor Fee-Sub-Manager Fee** - This fee covers the portfolio management services costs for both the Platform Manager (Envestnet) and the Sub-Manager. Envestnet retains a portion of the Sponsor Fee-Sub-Manager Fee, and pays the remainder to the Sub-Manager.

The table below lists our LWP Program fees. The fees outlined in this table are the minimum and maximum asset based fee percentages that can be charged to you, assuming that your account does not qualify for any asset tiers, household discounts, legacy account pricing as indicated below or utilize any optional features described in this Brochure. Please ask your IAR and see section 4A (Services Fees and Compensation) for additional information regarding fees and discounts you may be eligible to receive. Please review section 4C (Additional Information Regarding Fees) below for additional fees and charges not covered in the Total Client Fee.

<b>Programs</b>	<b>Advisor Fee</b>	<b>Sponsor Fee<sup>2</sup></b>	<b>Total Client Fee</b>
<b>Fund Advisory Program</b>	0%-1.50%	.24% <sup>3,4</sup> -.61%	.24%-2.11%
<b>Separately Managed Account Program</b> <i>(Fixed Income Strategies)</i>	0%-1.50%	.41% <sup>4,5</sup> -.58%	.41%-2.08%
<b>Separately Managed Account Program</b> <i>(Equity and Balanced Strategies)</i>	0%-1.50%	.60% <sup>4,5</sup> -1.02%	.60%-2.52%
<b>Representative Directed Programs<sup>6</sup></b>	0%-1.50%	.15%-.23% <sup>7</sup>	.15%-1.73%
<b>Unified Managed Account Programs</b>	0%-1.50%	.39%-.92%	.39%-2.42%

<sup>2</sup> The Sponsor Fee includes the Administrative Fee, Platform Fee, Clearing and Execution Fee and Sub-Manager Fee. Please reference Item 6 (Payments to Sub-Managers) for additional information regarding Sub-Manager fees. Please contact your IAR for a list of FA, SMA and UMA Sub-Managers.

<sup>3</sup> Depending on the Sub-Manager selected by the Client, accounts opened prior to June 1, 2017 received a lower Sponsor Fee. In certain limited circumstances, Clients who receive this lower fee and make changes to their account, may be eligible to retain this lower pricing in their account. Please contact your IAR for additional information and to determine eligibility for continued lower pricing after changes.

<sup>4</sup>For accounts opened prior to July 1, 2017 the Sponsor Fee-Administrative Fee may be lower than the minimums indicated. Clients receiving this lower fee who make changes to their account, in limited circumstances, may be eligible to retain this pricing. Please contact your IAR for additional information and to determine eligibility for continued lower pricing after changes.

<sup>5</sup> In 2017 Eagle renegotiated the Sponsor Fee-Sub-Manager Fee with certain Sub-Managers, which reduced the Sponsor Fee for those accounts. New accounts opened on or after April 18, 2017 automatically receive this reduced fee schedule outlined in the table above. Accounts opened prior to April 18, 2017 may be eligible for this reduced fee schedule; please contact your IAR for more information and to determine your eligibility.

<sup>6</sup> For certain Representative Directed program accounts, clients can choose to pay individual transaction fees as they are incurred as opposed to paying an asset-based wrap fee as indicated in the *Fees* section above. Please reference the Fees section within Item 4A (Description of Programs and Services) and see the Eagle Strategies Firm Disclosure Brochure (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for more information. In addition, for certain Representative Directed non-retirement accounts that were opened prior to July 1, 2014, your IAR may pay for your trading expenses from the Advisor Fee and you will not have to pay for them separately through the Sponsor Fee. Please reference Item 4C (Additional Information Regarding Fees and Compensation) for more information.

<sup>7</sup> Within the Representative Directed Programs, the Sponsor Fee does not contain a Sub-Manager Fee component.

**Changing Fees.** For Clients who signed account agreements after April 2013, you have agreed and acknowledged that we reserve the right to change the fee that you have agreed to with your IAR after providing written notice to you. You may revoke your consent to any fees or any fee increases at any time by terminating your account.

**Asset Tiers.** Certain fees (within your Total Client Fee) are based on asset tiers. With asset tiers, you will be charged a lower or higher fee when your account's Billable Assets exceed, or fall below, a specific target value at the time of billing. When you meet an asset tier, that fee and, thus, your overall Total Client Fee will be reduced or increased accordingly. There are two ways in which these fees are assessed: either, the new fee will be applied to all assets within the account once the target value is met, or only assets above the target value will be assessed the new fee. Please speak with your IAR for more information about your fee schedule and when Asset Tiers are applicable to your account.

**Household Discount.** If you own multiple LWP accounts within the same program (i.e., SMA, FA, Representative Directed and UMA), the Advisor Fee and the Sponsor Fee-Administrative Fee may be discounted based on total eligible assets that your "household" invests with Eagle. A "household" consists of those eligible accounts that you ask your IAR to combine for purposes of fee calculation. Please contact your IAR for additional details, including determining if you are eligible for this discount and, if so, to have it applied.

**Payment of Advisory Fees.** The fee for LWP accounts is payable monthly, in advance. The first month's Total Client Fee is calculated based on the period-ending balance for that month, and is prorated based on the number of days in the month in which the account was open and funded. Contributions and withdrawals on a single day greater than \$10,000 will result in a prorated debit or credit, as applicable, to the ensuing month's Total Client Fee based on the number of days from the date of the contribution or withdrawal to the end of that month. In the event that an account is terminated, based on the number of days during the month of termination, Eagle will prorate the Total Client Fee to the date of termination and will return the unearned portion of the fee to you. Under certain limited circumstances, Eagle allows direct billing from other accounts where one Eagle LWP or one NYLIFE Securities account can be designated to pay the fees for multiple Eagle LWP accounts. For additional information, please reference your Client Agreement and Managed Account Application.

NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, Eagle offers clients various account related services, some of which are described above, that provide Eagle with authority that cause Eagle to be deemed to have custody under the Advisers Act.

**Wrap Fees vs. Transaction Fees.** In the Representative Directed Programs, there are two ways to pay for transaction fees. Either you can agree to pay an asset-based wrap fee to cover the costs of trading and execution (as described in this Brochure), or pay individual transaction fees for trades executed in your account. When you pay for individual transactions fees, the total fee you pay will fluctuate based on the number of trades and types of securities that are traded in your account. When you elect to pay a wrap

fee, the total fee that you pay will fluctuate based upon the Billable Assets in your account, regardless of whether or not any trades are executed in your account. For information about the Representative Directed Programs where you pay the transaction fees separately, please see the Eagle Strategies Firm Disclosure Brochure (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

## B. COMPARING COSTS

Investment advisory services, if purchased separately, could cost more or less than if paid for on a wrap-fee basis as described in this Brochure. Eagle addresses this conflict by disclosing it to you. The fee for your account could also be (i) higher or lower than the costs incurred if you purchased the underlying securities in a brokerage account; and (ii) higher or lower than the cost of similar services offered through other investment advisory programs at Eagle or elsewhere. You should consider these factors and other differences among the LWP Programs when deciding whether to invest in an investment advisory or a brokerage account and which investment advisory programs or firms best suit your individual needs.

You should also be aware that the underlying expenses of mutual fund, ETF and ETN shares purchased in an Eagle Program account could be higher or lower than if such products were purchased outside of an advisory account. If such products were purchased outside of an advisory account, however, you would not receive the benefit of Eagle's investment advisory services.

In addition, the relative cost of the program – as compared to purchasing the services separately – will depend on several factors, including (but not limited to):

- The costs associated with receiving the services if provided separately;
- The combination of such fees if provided separately may be higher or lower than a single wrap-fee;
- The frequency or volume of trading activity, or lack thereof, in your account; and
- The associated costs of trading.

## C. ADDITIONAL INFORMATION REGARDING FEES AND COMPENSATION

### Additional Information Regarding Fees:

- 1. Fees and Expenses of Mutual Funds and Exchange-Traded Funds and Notes.** If your LWP account holds mutual funds, ETFs or ETNs, these securities have their own internal fees and expenses, which are separate from the program fees described above. These fees and expenses are described in each security's prospectus; please see the prospectus for more detail. These fees include, but are not limited to, a management fee, other fund expenses, and possible distribution fees. Eagle and the Sub-Managers make available no-load or load waived share classes for Clients within the LWP Programs. This means that you do not pay an initial sales charge when purchasing a fund, or a deferred sales charge when redeeming a fund. You can



invest in a mutual fund, ETF, or ETN directly without Eagle's services. In that case, you would not receive the services provided by Eagle, which are designed to assist you in determining which mutual fund(s), ETF(s) or ETN(s) are appropriate for your financial condition and objectives. Accordingly, you should review both the internal fees charged by the securities and the fees charged by Eagle to fully understand the total amount of fees you pay and the costs of the advisory services provided.

- 2. Short Term Redemption Fees.** Some mutual funds charge short term redemption fees. Short term redemption fees are typically assessed when a mutual fund is sold after being held for a short period of time, as defined in the fund's prospectus. These fees are imposed by the mutual fund company to discourage short-term trading. Short term redemption fees may be incurred in connection with a liquidation, rebalancing or reallocation. These redemption fees are retained by the fund company and are currently reflected on trade confirmations as commissions. Before you sell or liquidate your fund, you should consider whether your fund has a short term redemption fee. Rebalancing an account will cause Clients to incur short term redemption fees if the funds were held for a short period of time. Please talk to your IAR if you have any questions about these fees and see the prospectus of the underlying fund for more information.
- 3. Transaction Fees Paid by IARs for Representative Directed Accounts.** For certain non-retirement accounts that were opened prior to July 1, 2014, your IAR may pay for your trading expenses and you will not have to pay for them separately through the Sponsor Fee, which is part of your overall Total Client Fee (as described in "Fees" in Item 4A above). Paying trading costs in this manner may be less expensive for you. The IARs pay \$7.50 for trades of all listed equities, ETFs and ETNs, except for certain ETFs which have no transaction fees. Please contact your IAR for a current list of ETFs that have no transaction fees. For most mutual fund trades, the transaction fees are also \$7.50, except for certain mutual funds which have no transaction fees; however, for those fund families not participating in the Fidelity Partners Program<sup>3</sup>, the fee is \$17.50. A description of this option to have the Advisor Fee cover your trading costs is in the Client Agreement that you received at account opening. With this option, your IAR is paying transaction fees per trade only on securities that have a transaction fee ("TF Securities").

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<sup>3</sup> Below is a list of Fund Families not participating in the Fidelity Partner Program. This list is subject to change without notice:

- Alliance Bernstein Offshore Funds
- CMG
- Dimensional Fund Advisors (DFA)
- Dodge and Cox
- Longleaf Partners
- Meridian
- Sequoia
- Vanguard

Consequently, your IAR has a financial incentive to (i) recommend securities that have no transaction fees (“NTF Securities”) or (ii) not trade in order to avoid paying any transaction fees. We address this conflict by disclosing it to you.

Accounts opened after July 1, 2014 or existing accounts that have a change to their portfolio objective are not eligible for this trading expense arrangement. See Item 4A (Description of Program, Fees and Compensation) above for more information regarding the Representative Directed Programs and fees.

- 4. Account Service Fees and Charges to Clients.** Depending on the Program, there will be fees, expenses and other costs charged to you in addition to the Total Client Fee listed within the fee chart under “Fees” in Item 4A above. These fees are charged by NFS and Eagle and include certain account-related services provided in connection with the account— including but not limited to wire transfers, check disbursements, custodial fees, transfer fees, stop payment charges, or other account maintenance features. In addition, NFS, which is the clearing brokerage firm and custodian for LWP accounts, may also impose certain charges related to accounts such as account closing fees. Please call your IAR for details or reference the Account Service Fees document available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures) for additional information.
- 5. Small Account Fees.** As described in detail below, Eagle may charge additional fees for accounts with assets below a specified level. If these small account fees are charged, they will be billed annually and will increase your Total Client Fee and cause it to exceed the fee ranges noted within the table above. A small account fee adversely affects smaller accounts due to the larger percentage you pay in fees as compared to the amount of assets in the accounts. We may, from time to time, update these account minimums at our sole discretion.
  - **Fund Advisory Program:** As part of the Sponsor Fee, we reserve the right to charge Clients a small account fee of up to \$135 for mutual fund (“MF”) only strategies and up to \$185 for ETF and ETF/MF/ETN strategies. This small account fee covers the clearing and execution costs provided by NFS, as well as Envestnet’s fees, and applies only if the account value falls below \$111,111.
  - **Separately Managed Account Program:** As part of the Sponsor Fee, we reserve the right to charge accounts a small account fee of up to \$400 for equity/balanced strategies and up to \$300 for fixed income strategies. This small account fee covers the cost of clearing and execution services provided by NFS, as well as Envestnet’s fees, and applies only if the account falls below the following account values:
    - \$200,000 for equity and balanced strategies
    - \$285,714 for fixed income strategies
  - **Representative Directed Programs:** If the account’s value falls below \$43,750, we reserve the right to charge Clients an additional small account fee of \$35. This additional fee covers the cost of clearing and execution services provided by NFS, as well as

Envestnet's fees. For any month in which the account balance is below \$25,000, we also reserve the right to charge Representative Directed accounts a small account fee of \$6.75.

- **Unified Managed Account Program:** If an account's value falls below \$225,000, we reserve the right to charge Clients an additional small account fee of \$450. The small account fee covers the cost of clearing and execution services provided by NFS, as well as Envestnet's fees.

- 6. Tax Management Services.** Accounts utilizing Tax Management Services will be charged the following annual fees, which are in addition to the SMA or UMA Program fees noted within Item 4 (Services, Fees and Compensations). Envestnet retains all fees associated with Tax Management Services.

Chargeable Assets	Ongoing Tax Management Service Fee	Tax Transition Service Fee
First \$2,000,000	0.08%	0.13%
Next \$3,000,000	0.06%	0.11%
Over \$5,000,000	0.05%	0.09%

- 7. Accounts Utilizing Margin.** Margin is available in certain LWP RAA, RPM, SMA and UMA accounts. If utilizing margin, the Total Client Fee will be based on gross Billable Assets in the account(s). Please see the Margin Disclosure Statement and Margin Account Agreement for additional details on eligibility and fees. See Item 4A (Description of Programs and Services) for more information.
- 8. Securities Backed Line of Credit Program.** This program is offered by participating unaffiliated banks (such as US Bank and TriState Capital Bank) and is separate from the services provided by Eagle. Any fees or interest that you may be assessed in using this program are in addition to, and do not affect, the fees described in this Brochure. Instead, the bank will charge you interest on the amount of your outstanding loan. The bank may also assess you other administrative charges (such as wire fees) as described within the bank's loan agreement. Please review the bank's paperwork carefully and call your IAR for additional information.
- 9. Trading Away Practices - Markups and Markdowns.** Executing Sub-Managers within the SMA program may place trade orders for Client accounts with broker-dealers other than NFS if they determine that using other broker-dealers would comply with their best execution obligations to Clients. If an Executing Sub-Manager places a trade order with a broker-dealer that imposes a commission or equivalent fee on the trade (including a commission imbedded in the price of the investment), you will incur trading costs. For more information, please reference the Best Execution and Trading Away section within Item 6C (Portfolio Managers for Wrap Fee Programs).

- 10. Investnet's Protected Cash Feature.** Cash maintained within the Protected Cash feature is not assessed an Advisor Fee or Sponsor Fee-Administrative Fee. The Sponsor Fee-Administrative Fee ranges from .09%-.25% depending on the program you select. In addition, cash is not subject to the Sponsor Fee-Clearing and Execution Fee, which ranges .08%-.10% for Fund Advisory programs, 0%-.08% for Representative Directed programs and .20% for UMA programs. Please contact your IAR for the exact fees that are not assessed on Protected Cash. See Item 4A (Description of Programs and Services) for more information.
- 11. Investnet's Unsupervised Assets Feature.** Unsupervised Assets are considered unsupervised brokerage assets and are ineligible for Eagle investment advisory services. Unsupervised Assets are not included in the computation of the Total Client Fee (described in this Brochure). Please contact your IAR for more information and see Item 4A (Description of Programs and Services) above.
- 12. Trust Services.** When using this program, Comerica Trust Services or Reliance Trust Company of Delaware will charge you an asset based fee on the amount of Billable Assets in your account, which is in addition to the Total Client Fee described in this Brochure. For additional information please contact your IAR and review the trust agreement.
- 13. Donor-Advised Fund Program – Fidelity Charitable.** Giving Accounts are subject to the Total Client Fee for the LWP Program selected, as described above. In addition, Giving Accounts are assessed an administrative fee by Fidelity Charitable. Fidelity Charitable utilizes two administrative fee schedules based on the balance of the Giving Account. Please contact your IAR for more information.
- 14. Investnet|PMC Consulting Services.** Clients who elect these consulting services pay an additional 0.15% fee on the value of Billable Assets in their LWP accounts, which is retained by Investnet|PMC to cover the costs of these consulting services. This fee is tiered, based on asset size (meaning that the fee rate will be reduced on assets that exceed the target for that asset tier), and is in addition to the Total Client Fee noted above. The fee is included within the SIS that Clients sign prior to opening their account. Please contact your IAR for more information. See Item 4A (Description of Programs and Services) for more information.
- 15. Periodic Investment Programs ("PIPs") and Systematic Withdrawal Plans ("SWPs").** There is no additional fee to the Client to establish this service. See the "Other Conflicts of Interest" section within Item 5D (Compensation to Investment Adviser Representatives and Conflicts) for more information.
- 16. Bank Checking Account and Check Writing.** There is no additional fee to the Client to establish this service. See Item 4A (Description of Programs and Services) for more information.

**17. Automatic Bill Payment Services and Payment of Premiums.** There is no additional fee to the Client to establish these services. See Item 4A (Description of Programs and Services) for more information.

**18. Important Disclosure for Clients Who Are Rolling Over Retirement Account Proceeds.** If you are rolling over the proceeds of an employer-sponsored retirement plan (*e.g.*, a 401(k) plan) (“Plan”) to an Individual Retirement Account (“IRA”), you should consider the following:

- When you roll over the proceeds of a Plan to an IRA, you will likely have more investment options available than you had in the Plan, and you will receive the guidance that your Eagle IAR(s) can provide with regard to your IRA. Your IRA agreement, the product prospectuses and your Eagle IAR(s) can provide you with more information concerning the fees and expenses involved in establishing an IRA.
- Instead of establishing an IRA, you may have the option of leaving your money in the Plan. You should review the plan documents and/or contact the Human Resources Department of the company sponsoring the Plan to determine if this option is available to you. You should be aware that the Plan may offer different, but typically more limited, investment options, which may have lower fees and expenses than the investment options that are available for an IRA and that the Plan may also assess other administrative costs (*e.g.*, recordkeeping and compliance fees) and fees for services such as access to a customer service representative. If you have the option of leaving your money in an existing Plan, you may also wish to consider how satisfied you are with the available investment options and their performance, as well as your ability to obtain guidance concerning your Plan investments.
- Instead of establishing an IRA, you may also have the option of transferring investments from a prior employer’s Plan to a new employer’s Plan. If your current employer offers a Plan, you should contact your employer’s Human Resources Department to determine if this option is available to you. In considering whether to transfer your assets to a new Plan, you should also consider the available investment options, any fees or expenses applicable to those options or the Plan itself and your ability to obtain guidance concerning your Plan investments.
- Instead of establishing an IRA, you may also have the option of taking a taxable distribution from the Plan. If you are considering this option, you should consult with your tax adviser concerning the potential tax consequences.
- If you hold shares of stock of your employer in your Plan, you should consult with your tax adviser concerning the potentially negative tax consequences of removing those shares from the Plan.
- If you leave your job between age 55 and 59½, you may be able to take penalty-free withdrawals from a Plan. For IRAs, penalty-free withdrawals generally may not be made until age 59½. It may also be easier for you to borrow from a Plan.
- Depending on the state in which you reside, assets held in a Plan may receive greater protection from creditors than similar assets held in an IRA.

- Although Eagle IARs can provide advice concerning IRA investments, they do not provide legal or tax advice.

Additional Information Regarding Compensation and Conflicts of Interest:

- A. Payments from Mutual Fund Companies (12b-1 Fees).** For the LWP Programs described in this Brochure, we receive asset based service fees (e.g., SEC Rule 12b-1 fees) from certain mutual funds as described in the fund's prospectus. The receipt of 12b-1 fees by us presents a conflict of interest because it gives us an incentive to recommend mutual funds based on the compensation received rather than on a Client's needs.
- For LWP retirement accounts, 12b-1 fees are rebated back to you.
  - For LWP non-retirement accounts, Eagle retains 12b-1 fees. However, Eagle does not share 12b-1 fees with IARs. Therefore, your IAR does not have a financial incentive to recommend one fund over another because of this compensation.
- B. Compensation from Revenue Sharing.** For LWP non-retirement accounts, Eagle receives additional revenue streams from NFS on the sale of no transaction fee mutual funds and on assets held within money market funds. Specifically, Eagle receives up to an annual fee of 0.32% based on the asset value of the no transaction fee mutual funds, and up to an annual fee of .50% on the asset value of money market funds. These revenue sharing arrangements create a potential conflict of interest; however, we do not share these payments with your Eagle IAR. Therefore, the IAR does not have a financial incentive to recommend one fund over another because of this compensation.
- C. NFS Discounts and Revenue.** Eagle's affiliate NYLIFE Securities also receives additional revenue streams from NFS, based on a tiered schedule, on the sale of no transaction fee mutual funds and on assets held within money market funds, for all non-retirement NYLIFE Securities brokerage accounts and all non-retirement LWP accounts. In addition, NYLIFE Securities receives compensation based on the amount of assets it holds with NFS, and/or receives certain discounts on the fees that it pays to NFS, which are based on trading volumes. Such compensation and/or discounts will be based on total non-retirement assets and trading activity in all NYLIFE Securities brokerage and all non-retirement LWP accounts. These revenue sharing arrangements create a potential conflict of interest; however, NYLIFE Securities does not share this money with your Eagle IAR. Therefore, the IAR does not have a financial incentive to recommend one fund over another because of this compensation.
- D. Mutual Fund Share Classes.** Mutual fund companies offer different mutual fund share classes. The share classes, their related expenses, purchaser eligibility requirements, 12b-1 payments, and revenue sharing arrangements differ by mutual fund company. For the LWP Representative Directed Programs described in this Brochure, we select the appropriate share class for the program depending on a number of factors such as reasonable investment minimums and expenses. Eagle

and the Sub-Managers make no-load or load waived share classes available for Clients within the LWP Programs.

Eagle has a conflict of interest with respect to selecting mutual funds and share classes within the Representative Directed Programs due to a financial incentive to place Clients in funds and share classes that provide more overall revenue to Eagle and its affiliates over funds and share classes that provide less revenue to Eagle and its affiliates. Eagle IARs do not receive any portion of this revenue and therefore do not have a financial incentive to recommend one fund over another because of this compensation.

**E. Proprietary Products and Affiliated Funds.** Our affiliates receive compensation if investment products that they manage (for example, Mainstay Funds and IndexIQ ETFs) are included in an Eagle account. The Mainstay family of mutual funds, managed by New York Life Investment Management (“NYLIM”), and the IndexIQ ETFs, managed by IndexIQ Advisors LLC, utilized in the Programs outlined herein are distributed through NYLIFE Distributors (all of which are affiliates of Eagle). As a result, IARs generally have a greater familiarity with MainStay and IndexIQ funds because our affiliates sponsor educational, marketing and other promotional events for our IARs. This may lead our IARs to focus on MainStay or IndexIQ funds when making investment recommendations rather than funds from other providers. However, Eagle and the IARs receive no portion of the compensation that our affiliates earn for managing these products.

An Eagle IAR or a Sub-Manager may recommend a mutual fund or ETF advised by an affiliate of Eagle. In the Representative Directed Programs (except for the RPM program) and within the Representative Directed or security sleeve of UMA programs (except for the UMA Discretionary program), you may choose not to purchase that product.

Within retirement accounts, Eagle does not charge Clients an Advisor Fee or Sponsor Fee-Administrative Fee on the market value of affiliated funds. The Advisor Fee ranges from 0%-2% for all LWP programs, and the Sponsor Fee-Administrative Fee is .09% for the UMA programs, .15% for SMA fixed income strategies and Representative Directed programs, .20% for FA Morningstar Momentum strategies and .25% for SMA equity and balanced strategies. Please see the fee table above and contact your IAR for more information. Investment in affiliated funds generates additional compensation to Eagle’s affiliates, but Eagle and the IAR receive no portion of their compensation.

#### D. COMPENSATION TO INVESTMENT ADVISER REPRESENTATIVES AND CONFLICTS

**Compensation to IARs.** Eagle and Eagle IARs receive direct and indirect compensation as a result of your participation in the programs described in this Brochure. This compensation varies depending on the exact fee negotiated with you. The amount of compensation may be more or less than Eagle or the IAR would receive if a client participated in other programs or paid separately for the investment advice, brokerage and other services provided in connection with the wrap fee programs. Sales compensation

varies between the wrap fee programs and other programs and financial products. Eagle and the IAR have a financial incentive to recommend LWP Programs over other programs or services.

Additionally, in connection with a program sponsored by New York Life Insurance Company or its affiliates, Eagle IARs are eligible for additional compensation and other benefits by earning “council credits,” which are based on sales production, or by meeting certain sales goals, which include the sale of insurance and securities products. Council credits may entitle IARs to receive higher payouts for the sale of various financial products, such as receiving a greater share of the advisory fee, and also entitles them to participate in various Company sponsored conferences. Eagle IARs receive council credits for the programs described in this Brochure and also for sales of insurance and securities products. IARs receive twice the amount of council credits for selling Eagle products than they would for selling non-Eagle products. In some cases, a combined insurance and investment sale will result in increased eligibility for these programs. This creates a conflict for the IAR to recommend LWP products instead of other products or programs. Eagle addresses this conflict by disclosing it. Please see Item 9 (Client Referrals and Other Compensation) for additional information regarding fees and compensation.

Further, sales of products that are managed and/or issued by Eagle’s affiliates, along with mutual funds and variable insurance products we do not manufacture, determine your IAR’s eligibility for retirement, medical and life insurance benefits, and conferences with educational, development and recognition components. Qualification to attend New York Life-sponsored educational, training, and development conferences is based on your IAR’s total sales of investment products, life insurance, long term care insurance, and annuities.

Third party investment advisers that we offer in our programs work with Eagle and our IARs to promote their products. They may pay for training and education events and prospecting events such as seminars for employees, IARs, clients and prospective clients. For employees and IARs, these events may be held at the firm’s location or at off-site locations, and the travel, meals and accommodations may be paid for by the third party investment adviser. Additionally, third party investment advisers may occasionally provide entertainment or gifts of nominal value to employees and IARs. In addition, Eagle reviews the invitee lists and confirms that the agenda for the event is relevant or appropriate for IARs and/or Eagle employees. Please see Item 9B (Code of Ethics) for additional information on how we address these conflicts.

Certain non-profit institutions compensate IARs for conducting seminars concerning charitable giving. In the event that persons who have attended such seminars purchase products through the IARs to effectuate charitable gifts, the IARs will receive additional compensation on the sale of Eagle advisory products or the sale of insurance or annuity products. As the IARs are receiving compensation for conducting the seminars and for the sale of products to persons who elect to make charitable contributions, such arrangements create a potential conflict of interest. Eagle addresses this conflict by disclosing it in this Brochure, in Eagle’s Firm Disclosure Brochure and the IAR’s Form ADV Part 2B. Please see Item 4 (Services, Fees and Compensation) above for additional information regarding conflicts of interest relating to fees and compensation.



When you purchase a life insurance policy or annuity policy, the Eagle IAR receives additional compensation (including commissions, service fees, allowances for expenses and benefits) in her or his capacity as an insurance agent of New York Life. This compensation is governed and limited by Section 4228 of New York State Insurance Law. Eagle IARs also receive incentive awards for the sale of insurance products from time to time. Clients have the option of purchasing recommended products through other brokers or agents who are not affiliated with Eagle.

While the prospect of receiving additional compensation from the sale of other products creates an incentive to recommend products based on the compensation expected to be received rather than your needs, Eagle addresses this conflict and other conflicts in this Brochure in a variety of ways, including the following:

- Eagle IARs are trained to put your interests first as part of their fiduciary duty. Eagle's Code of Ethics also addresses their conduct.
- Eagle discloses potential conflicts in this Brochure and other disclosure documents so that you can make informed decisions. While Eagle IARs are trained to make recommendations they believe are in your best interests, the ultimate decision belongs to you. You are therefore encouraged to ask questions, read all available disclosure materials, consider all your options and take other steps to make educated decisions.
- For the LWP Programs, the Eagle IARs, in their capacity as insurance agents, select the type of insurance policy or annuity, and the initial recommendation as to the amount of insurance policy or annuity to purchase is generated through the use of objective measures developed by Morningstar Investment Management LLC, an investment advisor affiliated with the Morningstar family of companies.

***Compensation to Eagle and its IARs.*** The amount of compensation Eagle and/or the Eagle IAR receives varies between programs and/or between Sub-Managers selected within a program. This leads to a conflict of interest, as Eagle and/or the Eagle IAR have an incentive to recommend certain options over others. We address this conflict by disclosing it to you.

In some cases, Eagle (or its affiliates) has other business relationships with certain outside advisers that act, or have affiliates that act as Sub-Managers. Eagle contracts with Morningstar, Inc., Morningstar Investment Services Inc., Morningstar Investment Management LLC ("MIM") (and/or their affiliates), Fund Evaluation Group, Portfolio Management Consultants, Inc. ("PMC" or "Envestnet|PMC") and Wilshire Associates for a variety of other services. These include due diligence services in connection with the LWP Programs, the provision of data and other performance information, and methodology for mapping Clients to a particular risk profile. MIM also assisted in developing the methodology for considering the value of a life insurance policy or annuity contract when determining your Portfolio Objective. Due to these relationships, Eagle may have an incentive to recommend one Sub-Manager over another. However, as your IAR is not involved with these business relationships, your IAR does not have an incentive to recommend one Sub-Manager over another.

Other Conflicts of Interest:

**Compensation for Advisory Programs.** We and the IAR are likely to earn more compensation if you invest in a program described in this Brochure than if you open a brokerage account to buy securities. This creates a conflict of interest for Eagle and Eagle IARs, as there is a financial incentive to recommend one of the programs described in this Brochure. We address this conflict of interest by disclosing it to you.

**Payments to Sub-Managers.** In programs that use a Sub-Manager, the Sub-Manager charges separately for its advisory and other services. For certain Sub-Managers (such as Brinker Capital) offered in LWP programs, we subsidize part of the Sub-Manager fee that you pay, which will reduce your Total Client Fee. To the extent that a Sub-Manager that Eagle subsidizes is recommended, Eagle will receive less compensation on that LWP account because Eagle pays the subsidy and thus has an incentive not to recommend a subsidized Sub-Manager. Eagle addresses this conflict by not charging subsidy expenses to the IAR and so the IAR does not have incentives to recommend specific Sub-Managers over others. Please see Section 4C (Additional Information Regarding Fees and Compensation) above for additional information.

**Periodic Investment Programs (“PIPs”) and Systematic Withdrawal Plans (“SWPs”).** A PIP/SWP is a plan that you establish when you want to invest a specific amount of money into a particular mutual fund, or liquidate a specific amount of money from a particular mutual fund on a scheduled and automated basis, such as monthly. The plan has a set-up fee, which is paid by Eagle. When your IAR recommends a trade rather than a PIP or SWP transaction, Eagle benefits by not having to pay the PIP/SWP set up fee and therefore Eagle has a conflict. Because neither the IAR nor the client is charged the PIP/SWP fee, your IAR does not have a conflict when recommending the use of a PIP/SWP plan.

There is also a conflict for Eagle when the IAR recommends no transaction fee funds in PIP/SWP transactions because Eagle does not have to pay a fee to the clearing firm for these transactions. Eagle addresses this conflict by not sharing or passing the cost to IARs who recommend the transactions within Client accounts.

For additional information regarding conflicts of interest, please see Item 6B (Portfolio Managers and Conflicts of Interest). Please also see Item 9 (Additional Information) regarding conflicts of interest relating to personal trading and client referrals.

## ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

### ACCOUNT REQUIREMENTS

Each Program has minimum account size requirements. Eagle and/or its Program partners have the option to waive account minimums. Accounts that fall below the stated requirement minimum may be charged an additional fee. Additionally, we have established minimum ongoing account values

("maintenance values"). Accounts that fall below the maintenance value for a specified period of time, per the Eagle Client Agreement, may be terminated.

Certain Programs also require that Clients meet a minimum net worth or minimum income requirement in order to open an account. Please see the sections below for program specific information. Please note that even if you have met the account minimums, you could still be charged a small account fee. See Item 4C (Additional Information Regarding Fees and Compensation) above for more information regarding small account fees.

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#### FUND ADVISORY PROGRAM

The initial investment minimum for the Fund Advisory Program is \$25,000; however, certain Sub-Managers may have higher account minimums. You must have at least \$20,000 in income and \$150,000 in net worth to participate in this Program. The minimum maintenance value for accounts is \$12,500; however, certain Sub-Managers may have higher maintenance values. Please contact your IAR for a list of investment minimums and maintenance values.

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#### SEPARATELY MANAGED ACCOUNT PROGRAM

The initial investment minimum for the Separately Managed Account Program is \$100,000; however, certain Sub-Managers may have higher account minimums. You must have at least \$20,000 in income and \$150,000 in net worth to participate in this Program. The minimum maintenance value is \$50,000; however, certain Sub-Managers may have higher maintenance values. Please contact your IAR for a list of investment minimums and maintenance values. Accounts that elect the Tax Transition Service (see Tax Management Services above) must have an initial investment minimum of \$750,000. Eligible accounts (see Multi-Margin Program section above) that utilize the Multi-Margin Program must have an investment minimum of \$500,000.

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#### REPRESENTATIVE DIRECTED PROGRAM

The initial investment minimum is \$25,000, and the maintenance value is \$15,000. You must have at least \$20,000 in income and \$150,000 in net worth to participate in this Program. Eligible accounts (see Multi-Margin Program section above) that utilize the Multi-Margin Program must have an investment minimum of \$500,000.

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#### UNIFIED MANAGED ACCOUNT PROGRAM

Generally, the initial investment minimum is \$100,000 and the maintenance value is \$80,000; however, for certain Sub-Managers, these amounts may be higher. You must have at least \$20,000 in income and \$150,000 in net worth to participate in this Program. Accounts that elect the Tax Transition Service (see Tax Management Services above) must have an initial investment minimum of \$750,000. Eligible

accounts (see Multi-Margin Program section above) that utilize the Multi-Margin Program must have an investment minimum of \$500,000.

## TYPES OF CLIENTS

Eagle provides investment advisory services to a variety of clients, including individual investors, trusts, estates, charitable organizations, corporations and other business entities, pension and profit sharing plans, Traditional and Roth IRAs, SEP and SIMPLE IRAs. Not all clients participate in the programs outlined in this Brochure.

## ACCOUNT TERMINATION

You or Eagle may terminate your account at any time with notice as provided in your Client Agreement. When you terminate your account, you must provide Eagle instructions on where to transfer the assets. If you terminate your account without providing instructions, or if Eagle terminates your account, your account will be moved to a NYLIFE Securities brokerage account and the process explained below will apply.

When your account is terminated, in certain limited instances the securities in your Eagle account cannot be held in a brokerage account. In such instances we will notify you to request instructions from you within a reasonable time. If we do not hear from you within a reasonable time, the securities in your Eagle account will be liquidated and transferred to a NYLIFE Securities brokerage account or in some circumstances we will send you the proceeds.

Please note when Eagle terminates your LWP account or when you terminate your account without instructions on where to transfer the assets, your Eagle advisory client agreement will be terminated and the assets in this account will be transferred to a NYLIFE Securities brokerage account. When the assets are moved to a brokerage account, you will be responsible for all investment decisions in your account. You will no longer be charged an asset based fee, but standard NYLIFE Securities' brokerage commissions and fees will apply. To the extent you have mutual funds in share classes that may be held only in advisory accounts, when your account is terminated and moved to a brokerage account, such shares may be converted to a different share class that may have a higher expense ratio and/or fees.

Any termination by Eagle or you will not affect Eagle's or your liabilities or obligations arising from transactions initiated before such termination even for transactions initiated before termination but that occur after termination. Eagle will not be responsible to you for the purchase or sale of a security by the Platform Manager or your Sub-Manager(s) prior to Eagle's receipt of your written notice of termination. Eagle reserves the right to retain amounts in a terminated account sufficient to cover the costs of effecting any open and unsettled transactions and their associated brokerage commissions/fees.

## ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

Eagle selects the Sub-Managers and strategies available within the Fund Advisory and Separately Managed Account Programs. For the Representative Directed Programs, Eagle selects the securities (mutual funds, ETFs, ETNs and equities) available. The UMA Program utilizes certain strategies and/or securities that are available within the Fund Advisory, Separately Managed Account and Representative Directed Programs.

### A. SELECTION AND REVIEW PROCESS OF PORTFOLIO MANAGERS

#### FUND ADVISORY AND SEPARATELY MANAGED ACCOUNT PROGRAMS

This section describes how we select and terminate Sub-Managers and investment strategies for the programs. We assign three different statuses (Available, Watch, and Terminate) to the Sub-Managers and strategies that we offer.

**Available List.** Eagle or Envestnet|PMC, an unaffiliated third party service provider selected by Eagle, evaluates Sub-Managers and strategies. Sub-Managers and strategies listed as Available are those that have successfully undergone a due diligence review and have been approved by Eagle's Product Committee, which includes representatives from Eagle's Product department, Eagle senior management and Legal and Compliance personnel. To remain on the available list, Sub-Managers and strategies must continue to perform in line with their respective stated mandates and must not be the subject of any outstanding material compliance or regulatory concerns. Eagle may, at times, increase the level and/or frequency of monitoring of Sub-Managers or strategies on the Available list.

To be considered for inclusion on the Available List in the FA and SMA Programs, Sub-Managers provide Envestnet|PMC and/or Eagle with relevant information on the strategy being evaluated (e.g., firm, staffing, historical performance, investment process, etc.). As part of the review, the Sub-Manager's key personnel are also interviewed. After evaluation by PMC and/or Eagle, Sub-Managers are reviewed and approved by Eagle's Product Committee. Envestnet|PMC and/or Eagle periodically review the Sub-Managers and strategies on the Available List (e.g., investment performance, staffing, and/or regulatory issues).

**Changes in Status from Available List to Watch List.** We may determine that a Sub-Manager or strategy no longer meets the criteria for inclusion on the Available List and move it to the Watch List. While Watch status signifies that Eagle has a significant concern with the Sub-Manager or strategy, Clients can continue to hold their assets in the Sub-Manager or strategy, and can make additional contributions. Generally, IARs cannot initiate new investments, for new Clients, in strategies on Watch status.

Conditions that could lead a Sub-Manager or strategy to be placed on Watch status:

- The Sub-Manager's or strategy's performance continues to deteriorate through time or the magnitude of underperformance is significant while on Available status;
- Material change in the Sub-Manager's or strategy's investment process or team (e.g., departure of lead portfolio manager/primary decision maker);
- Significant organizational change that may impact implementation of the investment strategy; and/or
- Material compliance violation and/or actual or potential regulatory action.

Eagle will notify its IARs of the change to Watch status, and encourages them to notify Clients about this change. Eagle will closely monitor the Sub-Manager or strategy on Watch status on a regular basis and report any material changes to the Head of Product and the Investment Committee, which includes representatives from Eagle senior management and Legal, and Compliance personnel. Duration of a Watch status depends on how long Eagle needs to evaluate the Sub-Manager or strategy and how long it takes for the Sub-Manager or strategy to address the areas of concern.

Once the Sub-Manager or strategy has been placed on Watch Status, Eagle may issue one of the following recommendations:

- Keep the Sub-Manager or strategy on Watch status;
- Remove the Sub-Manager or strategy from Watch status and place it on Available status; or
- Recommend the termination of the Sub-Manager or strategy.

***Changes in Status to Terminate.*** Eagle may determine that a Sub-Manager or strategy no longer meets the criteria for inclusion on the Available or Watch List and, as a result, the Sub-Manager or strategy will no longer be recommended in Eagle's investment advisory programs. Eagle may, at its discretion, terminate a Sub-Manager or strategy from its platform if it believes that the Sub-Manager or strategy poses a significant risk to Eagle's Clients or to Eagle and its affiliates. A Sub-Manager or strategy need not be on Watch status prior to termination. If the potential risks of the Sub-Manager or strategy are significant, Eagle may decide to terminate a Sub-Manager or strategy directly from Available status.

Conditions that may lead a Sub-Manager or strategy to be terminated:

- The deterioration of the Sub-Manager's or strategy's performance becomes severe and can no longer be justified;
- Material change in portfolio management team and/or investment process; and/or
- Material compliance violations and/or actual or impending regulatory actions.

You will be notified of the change in status and will receive notification that you will be transitioned to a substitute Sub-Manager/strategy. The notification may also outline other available options. Generally we provide a replacement Sub-Manager or strategy for a terminated Sub-Manager or strategy. In selecting the replacement Sub-Manager or strategy, Eagle generally looks for a Sub-Manager or strategy in the same asset class, and with similar attributes and holdings to the terminated Sub-Manager or strategy. The replacement Sub-Manager or strategy will be on the Available List.

In the event that a replacement Sub-Manager or strategy cannot be provided, Eagle will provide you with notice to re-assess your account and to contact your IAR to discuss other program options. If we do not hear from you or you have not selected a new program, Eagle will (i) move the assets to a brokerage account or (ii) in limited instances where the terminated Sub-Manager or strategy cannot be accommodated in a brokerage account, liquidate the securities and send you the proceeds. Please reference Item 5 (Account Requirements and Types of Clients) above for more information regarding the termination process.

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## REPRESENTATIVE DIRECTED PROGRAMS

**Available List.** We select the securities (mutual funds, ETFs, ETNs, equities and bonds) available in the Representative Directed Program. We also maintain and monitor our Available List which reflects the Securities that may be purchased in Client accounts. We, at our discretion, may include any Security to our Available List.

For mutual funds, we utilize an unaffiliated third party service provider, Wilshire Associates, who generally uses a proprietary quantitative and qualitative evaluation methodology for reviewing and monitoring the Available List. Generally, we offer one share class for each fund available in the Representative Directed Programs. In our sole discretion, we make available the fund share class that we deem best suited for the program. Based on Wilshire Associates' review, we determine the mutual funds that should remain on the Available List.

For ETFs and ETNs, Eagle conducts the review, and its screening process can include factors such as liquidity, tracking error, and the length of time that the fund has been in existence.

For individual equities, criteria may be different and can include an external analyst rating and market capitalization. We generally offer individual equity securities that meet certain market capitalization criteria and hold a Morningstar rating of 3 or more stars.

In certain instances, Securities that do not meet the initial screening criteria may be considered on an *ad hoc* basis and may be added to the Available List by the Head of Eagle Product Management. For example, a new fund that does not have a long track record may be considered if the portfolio managers and/or fund family have a well-established track record. Mutual funds will be evaluated by the third party vendor, as described above, after its addition to the Available List.

**Removal from the Available List.** On a periodic basis, Wilshire Associates will identify mutual funds on the Available List that have experienced a material quantitative (e.g., performance) or qualitative (e.g., organizational changes) deterioration. In such circumstances, we will determine whether or not the mutual funds should be removed from the Available List.

On a periodic basis, Eagle will identify ETFs or ETNs on the Available List that have experienced a material quantitative (e.g., performance) or qualitative (e.g., organizational changes) deterioration. We will then determine if such ETFs/ETNs should be removed from the Available List.

If individual equities no longer meet the qualifications noted above, we will determine whether or not they should be removed from the Available List.

When securities are removed from the Available List, your IAR will work with you to find suitable alternatives (“Alternate Securities”). In certain situations, you may continue to hold securities even if they are no longer on the Available List. These securities will continue to be included within your Total Client Fee calculations, unless such assets are moved “below the line” as Unsupervised Assets. Such Unsupervised Assets are not billed on. Please see the Fees section above for additional information.

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## CALCULATING PERFORMANCE OF CLIENT ACCOUNTS

Eagle contracts with Envestnet to provide performance information for each LWP account. Eagle does not independently verify the accuracy of this performance information that Envestnet provides.

Performance is calculated by Envestnet for all LWP Accounts in the following manner:

- Performance history is calculated using a time-weighted rate of return and is shown net of management fees. For performance periods greater than one year, the return is annualized to show the average annual return over the period.
- Performance history is calculated on an account level, as well as on a “household” level. For purposes of performance reporting, a “household” is any combination of Client accounts that you (through the IAR) requested to combine for reporting purposes.

## B. PORTFOLIO MANAGERS AND CONFLICTS OF INTEREST

Our IARs act as portfolio managers within the RPM and UMA Discretionary programs described in this Brochure. We and your IAR have certain conflicts of interest when we make investment recommendations to you. This section discusses the limits of authority and conflicts of interest when an IAR is acting as portfolio manager of discretionary programs.

**Limited Discretionary Authority.** In the UMA Discretionary program, your Eagle IAR acts as the portfolio manager with limited discretion to replace, purchase or sell securities or strategies for your account without consulting you, as described above. In the RPM program, your Eagle IAR acts as the portfolio manager with limited discretion to replace securities within your account, within certain criteria, and to rebalance your account without consulting you. We and in turn the IAR retain a greater portion of the advisory fee in these discretionary programs than in those in which an unaffiliated investment manager acts as your portfolio manager. This creates a conflict of interest for Eagle and its IARs to recommend the RPM and UMA Discretionary programs to you over other Eagle programs (as described in this Brochure or within Eagle’s Firm Disclosure Brochure) where an unaffiliated Sub-Manager is the portfolio manager of the account. However, you are ultimately responsible for selecting the program that you wish to invest in.



***Selection and Review Process of Affiliated Portfolio Managers.*** Eagle IARs are not subject to the same level of review as third-party Portfolio Managers. However, the IARs who act as Portfolio Managers are subject to certain qualifications and requirements, which include, but are not limited to, licensing, advisory assets under management, years of experience and training. Please see Item 6A (Selection and Review Process of Portfolio Managers) above regarding the selection and review process for unaffiliated Sub-Managers.

***Trade Allocations.*** Eagle IARs may aggregate, or “bundle,” orders for securities to be sold or purchased for more than one Client to obtain favorable execution to the extent permitted by law. Eagle IARs will then allocate the trade in a manner that is equitable and consistent with Eagle’s fiduciary duty (including pro rata allocation, random allocation or rotation allocation for client accounts participating in the bundled order). Allocation methods vary depending on various factors (including the type of investment, the number of shares purchased or sold, the size of the accounts, and the amount of available cash or the size of an existing position in an account). Your price is the average price for the aggregate order.

Please review Items 4C (Additional Information Regarding Fees and Compensation) and 4D (Compensation to Investment Adviser Representatives and Conflicts) for information regarding additional conflicts of interest.

### C. PORTFOLIO MANAGERS FOR WRAP FEE PROGRAMS

Our Eagle IARs act as portfolio managers in the discretionary RPM and UMA Discretionary programs described in this Brochure.

***Advisory Business.*** Please see Item 4 above for a description of the advisory services Eagle offers and their program fees.

***Tailoring Services to Client Needs.*** Our advisory services are based on your individual financial situation and objectives. Our IARs gather this information, often using an IPQ. In order to tailor our advice to your individual needs, we may review your investment objectives, risk tolerance, intended investment amount, liquid net worth, human capital insurance analysis and retirement and insurance goals. The IAR’s recommendations depend on the information you provide. For example, depending on the IPQ answers, you may be placed in a more or less aggressive portfolio.

Clients with accounts that are managed on a discretionary basis may place reasonable restrictions on the management of those assets. You may ask your Eagle IAR to manage your account pursuant to a particular investment strategy. In the RPM and UMA Discretionary Programs, your Eagle IAR will manage your account in accordance with your Portfolio Objective, as applicable (as discussed above in Item 4). You may also place investment restrictions on your RPM and UMA account (as discussed above in Item 4).

You can impose reasonable restrictions in the LWP SMA Programs on your account investments. You may restrict the purchase of specific securities or a category of securities, such as prohibiting investments in firearms or tobacco producers. The restrictions are provided to your IAR who will pass them onto Envestnet or the Executing Sub-Managers (if applicable). Within the SMA Program, restrictions are included in the SIS. Restrictions are not accepted within the FA Program. Although restrictions cannot be systematically coded for the GP and RAA non discretionary programs, you can reject any security recommendation made for your portfolio.

***Performance-Based Fees.*** The Programs described in this Brochure do not charge performance-based fees.

***Methods of Analysis, Investment Strategies and Risk of Loss.*** Eagle IARs may use any investment strategy that is approved by Eagle, and for which they qualify, when providing investment advice to you in the Programs described in this Brochure. Investing in securities involves risk of loss that you should be prepared to bear.

For the Representative Directed Programs, the Eagle IAR provides you with a personalized investment proposal, which may include securities recommended by the IAR. Such recommendations will be consistent with your Portfolio Objective. The Portfolio Objective takes your investment objectives and risk tolerance, among other factors, into consideration. Each Client's precise strategy will differ based on the Client's goals and preferences and the IAR's recommendations.

For RAA and GP programs, upon the Client's instruction and approval, the IAR will invest the Client's account in securities that the IAR recommends. For the discretionary RPM program, the Eagle IAR creates the initial Model, which is approved by the Client.

For all other investment advisory programs, please see the program disclosure documents for a description of the investment strategies and methods of analysis employed by the Sub-Managers or program sponsors.

The following section outlines the risks associated with specific strategies and securities.

***Tactical Asset Allocation.*** Generally, accounts managed through a tactical approach to asset allocation will trade more frequently and may incur greater trading costs than a strategic approach. Performance for accounts using a tactical approach may be more volatile and may under-perform in some market cycles.

***Strategic Asset Allocation.*** Accounts managed through a strategic approach generally trade less frequently and may have lower trading costs. Performance for accounts using a strategic approach may be more volatile and may under-perform in some market cycles.

***Active Management Style.*** For accounts that utilize an active management style, returns may be reduced by the cost of hiring a professional manager and the cost of buying and selling investments in

the account. Performance for accounts using an active management approach may be more volatile and may under-perform in some market cycles.

*Passive Management Style.* Accounts that utilize a passive management style normally have lower costs than accounts that are actively managed because these accounts may not need to retain active professional managers, and because their holdings are not as frequently traded. Performance for accounts using a passive management approach may be more volatile and may under-perform in some market cycles.

In any investment account, frequent trading can affect investment performance through increased brokerage costs, transaction costs and tax inefficiencies.

With any investment product, including those available in Eagle's programs, there is a risk of loss. Clients investing in securities through any program should be able and prepared to bear the risk of loss in the event that the overall market and/or the specific products purchased decline in value.

Clients purchasing mutual funds, ETFs and ETNs should refer to the relevant prospectus for more information about the risks of investing in a particular fund, as well as applicable fees and expenses. Clients purchasing ETFs and ETNs should understand that the market price of ETFs and ETNs may be at, above or below its net asset value, and that the ETF's and ETN's performance may not mirror the performance of its underlying index. Operating expenses and other costs are deducted daily from the value of these products and will lower their rate of return. Please see Item 4 (Services, Fees and Compensation) for more information regarding fund expenses.

Risks relating to investing in individual securities include non-diversification and volatility. For instance, the decline in value of one security may not be offset by the increase in value of other portfolio securities. There is no guarantee that diversification will provide gains or prevent losses. Clients purchasing individual securities should be aware of the greater volatility associated with those products.

For an explanation of risks associated with other securities and/or strategies, please see the applicable Sub-Manager's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) or applicable fund prospectus.

***Voting Client Securities (Proxy Voting Policy).*** As a matter of firm policy and practice, we do not have authority to vote, and do not vote proxies on your behalf or participate in any legal proceedings involving investments in your accounts. We do not provide advice to Clients regarding the voting of proxies or their participation in legal proceedings involving investments within their accounts, and you should not contact Eagle or IARs with questions about a particular proxy solicitation. You are encouraged to review the applicable Program disclosure document and Client Services Agreement for further information.

For the Representative Directed Programs, you will receive proxy materials and legal proceeding-related documents directly from NFS, the custodian, so that you can act upon the materials.

For the FA and UMA Programs, all proxies will be directed to Envestnet on your behalf, and Envestnet will vote the proxies, unless you request otherwise.

For the SMA Program, all proxies will be directed on your behalf to, and will be voted by, Envestnet (when a Model-Delivery Sub-Manager is selected), or to the Executing Sub-Manager, unless you request otherwise.

## BEST EXECUTION AND TRADING AWAY

As an investment adviser, Eagle has an obligation to ensure the “best execution” of Client trade orders. “Best execution” means that we place Client trade orders with broker-dealers we believe are capable of providing the best qualitative execution of Client trade orders under the circumstances, taking into account the full range and quality of the services offered by the broker-dealer, including the value of the research provided (if any), the broker-dealer’s execution capabilities, the cost of the trade, the broker-dealer’s financial responsibility, and its responsiveness to the trade order. Best execution does not necessarily mean best price. It is important to note that our best execution obligation does not require us, Envestnet or the Sub-Managers to solicit competitive bids for each transaction or to seek the lowest available cost of trade orders, so long as the broker-dealer selected can be reasonably expected to provide Clients with the best qualitative execution under the circumstances.

### Envestnet and NFS

Eagle has selected NFS, the custodian for all LWP accounts, to execute all trades within the Fund Advisory, Representative Directed, UMA and SMA programs, except for trades submitted by Executing Sub-Managers within the SMA program. Within these programs (except for SMA accounts managed by an Executing Sub-Manager), Envestnet submits all trade orders directly to NFS for execution.

When NFS executes a trade within your account, you do not pay a separate commission or sales charge for trade execution services. Instead, execution services are imbedded within the overall fee you are charged. Therefore, Clients generally receive a cost advantage whenever NFS executes Client transactions. See Item 4A for additional details on fees.

NFS contracts with a third-party provider to review their overall trading and execution activity to ensure compliance with their best execution obligations. NFS provides NYLIFE Securities, our affiliate, with a copy of their analysis report on a quarterly basis.

### Executing Sub-Managers

Executing Sub-Managers within the SMA Program may determine that placing trade orders for the Client’s Account with NFS is the most favorable option for the Client, given NFS’ execution capabilities and cost methodology outlined above. However, Executing Sub-Managers may place a Client’s trade orders with a broker-dealer other than NFS if it determines that using another broker-dealer would comply with its best execution obligations to Clients. This practice is frequently referred to as “trading away” and these types of trades are frequently called “step out trades.” For example, an Executing Sub-

Manager trading fixed income securities may use a broker-dealer that specializes in fixed income markets to execute an order. In this case, your trade order is executed through a different broker-dealer, and is then cleared and settled through NFS in what is frequently referred to as a “step in.”

In some instances, “step out trades” are executed by a broker-dealer without any additional commission or markup or markdown. In other instances, the executing broker-dealer may impose a commission or a markup or markdown for the trade. If an Executing Sub-Manager trades away with a broker-dealer that imposes a commission or equivalent fee on the trade (including a commission imbedded in the price of the investment), you will incur trading costs. As a result, these types of Sub-Managers and their strategies may be more costly to you than Sub-Managers that primarily place Client trade orders with NFS for execution. However, despite the potential to incur a commission or markup when trading away, it is important to keep in mind that an Executing Sub-Manager would use another broker-dealer besides NFS because other benefits may be derived from trading away, such as better security price or more timely execution services.

You should review the Executing Sub-Manager’s Form ADV Part 2A Brochure (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)), inquire about the Executing Sub-Manager’s trading practices, and consider that information carefully (including the applicable trading costs), before selecting a Sub-Manager. You should also review our Sub-Manager Trading Disclosure Statement (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)) for important information regarding our Executing Sub-Managers’ trading away practices, their percentage of Client trades stepped out, and any additional costs you may incur.

Each Executing Sub-Manager is responsible for ensuring that it complies with its best execution obligations to the Client.

#### Eagle’s Reviews

We monitor the trading activity of SMA Program Executing Sub-Managers and also trading activity within the Representative Directed Programs. We have hired a third-party vendor to analyze the trading activity within these programs and to provide us with periodic execution reports so that we can review whether these trades comply with best execution obligations.

## ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

### IAR: REPRESENTATIVE AS PORTFOLIO MANAGER AND UMA DISCRETIONARY PROGRAMS

The Eagle IAR is the portfolio manager in the RPM and UMA Discretionary Programs described in this Brochure. The Eagle IAR has access to the information that the Client provides at account opening, including information in the IPQ. In the event that information previously provided to your IAR changes, you should notify your IAR.

## SUB-MANAGERS

Sub-Managers may request that we provide them with information about you and your account (including your financial situation and investment objectives), and we may provide your Sub-Managers with a list of all transactions effected on your behalf. Your selection of a Sub-Manager constitutes your consent to our providing the Sub-Manager with that information as well as data and copies of your account statements. You may revoke that consent at any time by terminating your account.

***Model-Delivery Sub-Managers.*** Certain Sub-Managers provide a model to Envestnet and are not responsible for making ongoing trading decisions for your accounts. Unless you request otherwise, for these strategies, the Sub-Manager usually does not receive any Client specific information.

***Executing Sub-Managers.*** Certain Sub-Managers are responsible for ongoing management and trading of the account. For these strategies, Eagle provides Envestnet, which then provides the Sub-Manager with your account number, deposit and withdrawal information, requested restrictions, and selected strategy. Eagle promptly provides updated information based on changes in Client preferences as communicated to Eagle by you (e.g., change in restriction requests).

## ENVESTNET

Envestnet has access to the information that you provide at account opening, including information in the IPQ. To the extent that you provide the Eagle IAR with updates, Envestnet will have access to the updated information as well.

## ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

For all the programs described in this Brochure, your Eagle IAR will be available to meet or speak with you on at least an annual basis.

### IAR: REPRESENTATIVE AS PORTFOLIO MANAGER AND UMA DISCRETIONARY PROGRAMS

Your Eagle IAR acts as a portfolio manager in the RPM and UMA Discretionary accounts. In these Programs, you may contact your IAR at any time during normal business hours.

## SUB-MANAGERS

For the programs described in this Brochure where the Sub-Manager has investment discretion over your account, the number of meetings per year is generally at the Sub-Manager's discretion; however Sub-Managers will make their personnel familiar with your account reasonably available for consultation with you and your IAR, when requested.

## ITEM 9: ADDITIONAL INFORMATION

### A. DISCIPLINARY INFORMATION AND OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Eagle does not have any material disciplinary information to report.

#### I. BROKER-DEALER REGISTRATION

Eagle is not registered as a broker-dealer. Certain management persons and back office personnel of Eagle are also registered representatives of NYLIFE Securities, an affiliated broker-dealer. All Eagle IARs are registered representatives of NYLIFE Securities.

#### II. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR OR A COMMODITY TRADING ADVISOR

Neither Eagle nor any of its management persons are registered as a Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor.

#### III. MATERIAL RELATIONSHIPS WITH RELATED PERSONS

Eagle is an indirect wholly owned subsidiary of New York Life Insurance Company, a New York mutual life insurance company. Eagle is also an affiliate of two other insurance companies, NYLIAC and NYLIFE Insurance Company of Arizona (together with New York Life Insurance Company and NYLIAC, “New York Life”). New York Life’s principal business is the sale of individual and group life insurance and annuity contracts. Eagle IARs, acting in their capacity as agents of New York Life, will receive compensation for the sale of insurance and annuity products offered by New York Life.

Eagle is affiliated with the following broker-dealers, which are indirect wholly-owned subsidiaries of New York Life.

**NYLIFE Securities LLC (“NYLIFE Securities”)** is a registered broker-dealer. All IARs of Eagle are also registered representatives of NYLIFE Securities and, acting in their capacity as registered representatives of NYLIFE Securities, receive commissions or other compensation for the sale of securities products offered through NYLIFE Securities. Eagle’s LWP accounts utilize the NYLIFE Securities brokerage platform through which trades in the account are processed. The actual trades take place at NFS, the clearing broker-dealer. A potential conflict exists because Eagle works through an affiliate to open the LWP accounts.

**NYLIFE Distributors LLC (“Distributors”)** is registered with the SEC as a broker-dealer and is the principal underwriter of the MainStay mutual funds, which are managed by New York Life Investment

Management LLC, an Eagle affiliate. Distributors is also the principal underwriter for variable insurance and variable annuity contracts issued by NYLIAC.

We are a wholly owned subsidiary of NYLIFE LLC, which, in turn, is a wholly owned subsidiary of New York Life Insurance Company.

***Transfer between Eagle and an affiliated brokerage accounts.*** Eagle reserves the right to journal securities from your LWP account to a NYLIFE Securities brokerage account in your name with a matching registration. Eagle does not provide advice on any securities in NYLIFE Securities brokerage accounts.

Eagle is affiliated with a number of registered investment advisers. New York Life Investment Management LLC is the manager of the Mainstay mutual funds, and other Eagle affiliates are sub-advisers' to these funds. Eagle is also affiliated with Index IQ Advisors LLC, which is the manager of the IndexIQ exchange traded funds. Potential conflicts may arise because investments in affiliated funds generate additional management fees and other compensation to Eagle's affiliates. This conflict is mitigated because Eagle and the IAR receive no portion of their compensation.

Currently, Eagle's investment adviser affiliates do not provide investment advisory services directly to Eagle Clients. A listing of the registered investment advisers that are affiliated with Eagle can be found in Eagle's Form ADV Part 1.

## B. CODE OF ETHICS

### I. CODE OF ETHICS PURSUANT TO SEC RULE 204A-1

The Eagle Strategies Code of Ethics ("Code") sets forth the standards of business conduct for Eagle personnel defined as "Access Persons" under SEC guidelines, and serves as an ethical blueprint for ensuring that all Eagle Clients are treated fairly. The Code emphasizes the core values of the Eagle organization, our commitment to compliance with securities law, and protection of material nonpublic information. The Code also sets forth ethical standards to which all Eagle IARs are expected to adhere, including but not limited to requirements to observe guidelines regarding fiduciary responsibilities and restrictions in the giving and receipt of gifts. The Code of Ethics is one of the tools we use to mitigate some of the conflicts of interest set forth herein.

We will provide a Code of Ethics to all Clients and prospective Clients upon written request to:

Eagle Strategies LLC  
Attn: Eagle Securities Standards  
51 Madison Avenue, Room 251  
New York, NY 10010

### II. RECOMMENDATIONS INVOLVING SECURITIES IN WHICH EAGLE HAS A MATERIAL FINANCIAL INTEREST



For the programs described in this Brochure, an Eagle IAR or a Sub-Manager may recommend a mutual fund or ETF that is advised by an affiliate of Eagle. In the Representative Directed Programs (except for the RPM Program), you may choose not to purchase that product. Within the RPM Program, you may instruct the IAR not to purchase funds advised by an Eagle affiliate. Eagle and our IARs do not receive fees on affiliated funds within retirement accounts. Please see Item 4C (Additional Information Regarding Fees and Compensation) for additional information.

### **III. CONFLICTS IN CONNECTION WITH PERSONAL TRADING**

From time to time, an Eagle IAR, Sub-Manager or affiliate may:

- recommend to you, or buy or sell for your account, securities in which we, an IAR, Sub-Manager or affiliate has a material financial interest;
- invest in the same securities (or related securities, such as warrants, options or futures) that we, an IAR, Sub-Manager or affiliate recommends to you; or
- recommend securities to you, or buy or sell securities for your account, at or about the same time that we, an IAR, Sub-Manager or affiliate buys or sells the same securities for their own accounts.

A conflict could arise where the Sub-Manager, Eagle affiliate or the IAR takes an action with a security that disadvantages a Client that is trading in the same security. For IARs, Eagle's Code specifies personal securities transaction procedures designed to prevent unethical trading practices, and includes prohibitions on trading on knowledge about Client transactions. We also monitor the personal trading activities of certain Eagle personnel, IARs and staff to identify instances where these policies may have been violated.

### **IV. CONFLICTS IN CONNECTION WITH TIMING OF PERSONAL TRADING**

From time to time, Eagle IARs may own the same securities that are being bought or sold in Client accounts. Our Code specifies personal securities transaction procedures designed to prevent unethical trading practices. In addition, we monitor the accounts of Access Persons to ensure that an IAR does not trade in a covered security within seven days before or after one of the IAR's Clients trade in the same security, if certain criteria are met.

## **C. REVIEW OF ACCOUNTS**

### **I. PERIODIC REVIEWS**

The Eagle IAR will be available to meet with or speak to you at least annually to review your current financial situation, risk tolerance and time horizon, as well as to verify that your profile information is current and accurate and to update any account restrictions. In addition, at your request, your IAR is available to review your account's investment allocation, performance and fees of the program that you

selected. Based on these reviews, your IAR may recommend adjustments to your investment allocation, strategy or program, as appropriate. Please carefully consider any recommendation before accepting it.

We determine the policies and reports for monitoring accounts participating in the Representative Directed Programs. Such reports differ between programs. Examples of reports include a concentrated positions report and a risk report. These reports are monitored by a team reporting to the Corporate Vice President of Eagle's Securities Standards department. For Clients participating in the other investment advisory programs, the periodic reviews will differ based on the practices of the outside adviser. Please refer to that adviser's Form ADV Part 2A for more information.

On an annual basis, the Managing Partner or another designated person within the office to which your IAR is assigned reviews a sample of Eagle client files for each IAR in that office.

## **II. NON-PERIODIC REVIEWS**

In the event of a Client complaint or other concern, we will review the Client's relevant account(s).

## **III. REGULAR REPORTS PROVIDED TO CLIENTS**

For the LWP Programs, you will receive quarterly performance reports from Envestnet. These reports include performance information, current portfolio composition, and the reinvested and paid earnings with respect to your holdings. These reports are mailed or emailed directly to you and, where applicable, posted by Envestnet to the Internet (available at [https://advisor.envestnet.com/secure/app.jsp?\\_channel=nf](https://advisor.envestnet.com/secure/app.jsp?_channel=nf)) on a quarterly basis. In addition, based on trading activity within the account, you will receive prospectuses (where applicable), trade confirmations, monthly statements and transaction history reports from NFS, the account's custodian, which are also mailed or emailed to you and, where applicable, posted by NFS to the internet (available at [www.eaglestrategies.com](http://www.eaglestrategies.com)).

All reports described above are written.

## **D. CLIENT REFERRALS AND OTHER COMPENSATION**

### **I. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)**

We are a party to cash solicitation agreements with Brinker Capital, Independent Portfolio Consultants, and Frontier Asset Management, which are unaffiliated investment advisers. Eagle and its IARs receive compensation pursuant to these agreements for introducing Clients to these unaffiliated investment advisers and for providing certain ongoing services. This compensation is typically equal to a percentage of the investment advisory fee charged by that investment adviser (which, in turn, is based on the total assets being managed by the investment adviser on a Client's behalf); such compensation will differ depending on the terms of the agreement between the investment adviser and Eagle. This

compensation is generally paid to us by the investment adviser on a monthly or quarterly basis, depending on the Program, from which we pay a portion to the IAR. To the extent that one investment adviser pays Eagle a higher solicitor fee than another investment adviser to manage a given level of assets, the IAR has an incentive to recommend the higher paying investment adviser over the other. Additional disclosure, including applicable Forms ADV and solicitor disclosure documents, will be provided to the Client at the time of solicitation in accordance with Rule 206 (4)-3 of the Investment Advisers Act.

You should be aware that the receipt of additional compensation itself creates a conflict of interest. We address such conflicts through disclosure. Please see Item 4C (Additional Information Regarding Fees and Compensation) and Item 4D (Compensation to Investment Adviser Representatives and Conflicts) for additional information.

## **II. COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS**

Eagle does not currently have any referral arrangements with non-advisory personnel.

### **E. FINANCIAL INFORMATION**

#### **I. BALANCE SHEET**

To request a copy of Eagle's most recent audited financial statement, which includes its balance sheet, please contact your IAR or Eagle directly at (888) 695-3245.

#### **II. FINANCIAL CONDITION REASONABLY LIKELY TO IMPAIR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Eagle is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients.

#### **III. BANKRUPTCY PETITIONS DURING THE PAST TEN YEARS**

Eagle has never filed a bankruptcy petition nor been subject to an involuntary bankruptcy petition.