

**Wealth Enhancement Advisory Services, LLC (WEAS)**

**Supplement to ADV Part 2A  
Information Relating to Advisory Services  
Offered With the Assistance of  
LPL Financial LLC (“LPL”)**

The following services are offered with the operational assistance of LPL Financial, LLC (“LPL”). WEAS internal investment department managers are also licensed securities representatives of LPL.

For additional information regarding these services offered by WEAS, clients should review the WEAS and LPL’s Program Form Brochures related to these services.

**STRATEGIC ASSET MANAGEMENT (“SAM”) I AND II PROGRAMS**

The SAM Programs offer clients an asset management account in which WEAS in its capacity as a registered investment advisor and its Investment Adviser Representatives (“IARs”) direct and manage specified assets of clients. The SAM account permits clients to authorize WEAS IARs to purchase and sell on a discretionary basis no-load and load-waived mutual funds, exchange-traded funds (“ETFs”), closed-end funds and unit investment trusts and, pursuant to investment objectives chosen by the client, to liquidate previously purchased load mutual funds, and to purchase and sell separate accounts within variable annuities. Other securities approved by LPL for investment in the SAM account, including equities, fixed income, certificates of deposit, real estate investment trusts (REITS), business development companies (BDCs), structured products, options, hedge funds and managed futures, may be purchased and sold at the client’s direction. In some cases, the client may provide discretionary authorization to the IAR for equities, fixed income and options.. For purposes of this document, the term mutual fund includes both investment companies registered under the Investment Company Act of 1940 and other pooled investment vehicles that are not registered.

In opening a SAM account, the IAR obtains the necessary financial data from the client, assists the client in determining the suitability of the applicable SAM Program and assists the client in setting appropriate investment objectives.

During any month that there is activity in the SAM account, the client receives a monthly account statement showing account activity as well as positions held in the account at month-end. Additionally, the client receives a confirmation of each transaction that occurs within the SAM account unless the transaction is the result of a systematic purchase, redemption or exchange. The client will also receive detailed quarterly performance information describing performance, positions and activity.

SAM accounts pay an annualized fee (“**Account Fee**”) as follows:

<b><u>Maximum Fee</u></b>	2.50%
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The Account Fee is negotiable and is payable quarterly in advance. The Account Fee is based on the amount of assets in the Account, including cash holdings. For purposes of calculating Account Fees and providing performance information, the account quarter begins on the first day of the month in

which the account is accepted by WEAS and LPL. The Account Fee will be as stated on the Account Application. The initial Account Fee is due at the beginning of the quarterly cycle following execution of the SAM Account Agreement and includes a prorated amount for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Subsequent Account Fees will be assessed at the beginning of each quarterly cycle thereafter and will be based on the value of the assets under management as of the close of business on the last business day of the preceding quarter (as valued by an independent pricing service, where available, or otherwise in good faith as reflected on client's quarterly performance report) and based on the fee rate in effect at the time of assessment. At the time of a subsequent Account Fee assessment, the Account Fee will be adjusted for deposits or withdrawals during the prior quarter pro rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment. If there is a change in the Account Fee rate negotiated between IAR and Client during the quarter, the effective date of any increase or decrease will be at the beginning of the next quarterly cycle. All Account Fees are deducted from the account pursuant to the SAM Account Agreement unless other arrangements have been made in writing.

Beginning on or after November 21, 2016, 12b-1 fees paid to LPL by mutual funds (other than cash sweep money market mutual funds) that are held in the account are credited to the account. The credit will appear on client's quarterly SAM statement. No portion of these 12b-1 fees may be utilized for the benefit of LPL, WEAS or the IAR.

In SAM I, clients do not pay brokerage commissions to IAR for transactions in the account; however, the client pays LPL a transaction charge ("**Transaction Charge**") for the purchase and sale of certain securities in the account. In SAM II, the IAR pays LPL a Transaction Charge for the purchase and sale of certain securities in the account. The Transaction Charges are set out in the Account Agreement and the Miscellaneous Account and Service Fee Schedule-Advisory. The Transaction Charges are paid to LPL to defray costs associated with trade execution; however, they are not directly related to transaction-related expenses of LPL and are a source of revenue to LPL. Transaction charges present conflicts of interest. For example, Transaction Charges vary depending on the type of security being purchased or sold (e.g., \$9 for equities, \$50 for fixed income), and therefore LPL earns more from transactions that result in an investment with a higher charge. In addition, where Transaction Charges apply, the more transactions a client enters into, the more compensation LPL receives. Transaction charges are not shared with IARs. In the case of mutual funds, the Transaction Charges vary depending on the fund purchased or sold.

Although clients do not pay a Transaction Charge for transactions in a SAM II account, clients should be aware that IARs pay LPL various Transaction Charges for those transactions. Transaction charges paid by the IAR for equities are \$9 and \$50 for fixed income. For mutual funds, the Transaction Charges range from \$0 to \$26.50. Because the IAR pays the Transaction Charges in SAM II accounts, there is a conflict of interest. Clients should understand that the cost to IAR of Transaction Charges may be a factor that the IAR considers when deciding which securities to select and how frequently to place transactions in a SAM II account.

Accounts with assets valued at less than \$100,000 at the end of the quarter will be assessed an additional \$10.00.

Accounts with hedge funds, managed futures, BDCs, and certain REITs will be assessed an Alternative Investment Product Processing Fee of \$50 per transaction (purchase or redemption) and an annual

Alternative Investment Administrative fee of \$35.00 per position, subject to a maximum of \$100.00 per account per year.

After the advisory fee is collected by LPL, LPL retains a portion of it with the majority of the fee going to WEAS.

In addition to the Account Fee stated above, SAM I accounts are assessed a Transaction Charge by LPL to defray the costs associated with trade execution. Although the Transaction Charge is identified under the commission column on the confirmation, it represents a payment of transaction costs and not sales commissions. The WEAS IAR does not receive any portion of the Transaction Charge.

The Transaction Charges of LPL (applicable to SAM I accounts) are:

Mutual Funds

Purchase or Liquidation

Full Participating Fund\*.....\$0.00

Partial Participating Fund\*.....\$4.50

Non-Participating

Fund\*.....\$26.50

Systematic Purchases and Redemptions (only certain funds are eligible).....No Charge to Client

Exchanges (only certain funds are eligible).....No Charge to Client

Wire Purchase and Redemption Fees (if applicable).....Varies

\* The charge is \$0 for a Full Participating Fund (a fund that pays a certain level of recordkeeping fees to LPL and/or whose sponsor participates in LPL's No Transaction Fee Network), \$4.50 for a Participating Fund (a fund that pays a certain level of recordkeeping fees to LPL), and \$26.50 for a Non-Participating Fund (a fund that does not pay recordkeeping fees or pays below a certain level of recordkeeping fees to LPL).

#### Fixed Income

Purchase or Liquidation.....	\$50.00
UIT Purchase or Liquidation.....	\$35.00

#### Equities (including closed-end and exchange-traded funds)

Purchase or Liquidation.....	\$9.00
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#### Options

Purchase or Liquidation.....	\$25.00
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### **Understanding Share Classes in SAM Accounts**

Except with respect to cash sweep money market funds ("Sweep Funds") described in the section of Item 9 labeled "Participation or Interest in Client Transactions" of the LPL SAM Programs Brochure, LPL makes available for purchase only one share class per mutual fund in the SAM Programs, which can be titled, for example, as "Class I," "institutional," "investor," "retail," "service," "administrative" or "platform" share classes ("Platform Shares"). Platform Shares are no-load or load-waived share classes and therefore not subject to any upfront sales charge. Share classes previously available in the SAM Programs prior to November 21, 2016, such as Class A Shares that are subject to 12b-1 fees, are closed to new purchases ("Non-Surviving Share Classes"). If a client has a previously established systematic purchase plan to purchase Non-Surviving Share Classes, the client will be permitted to continue purchasing Non-Surviving Share Classes for a limited period of time. Any 12b-1 fees received by LPL from mutual funds in a SAM Program (other than Sweep Funds) will be credited to the client account.

Clients should understand that the Platform Share class offered for a particular mutual fund through the SAM Programs in many cases will not be the least expensive share class that the mutual fund makes available. Platform Share classes are selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through the SAM Programs.

Clients, when participating in the SAM I Program, should also understand that LPL charges clients a transaction charge of \$0, \$4.50 or \$26.50 for mutual fund purchases and redemptions. The applicable transaction charge varies depending on the amount of recordkeeping fees that LPL receives from the mutual fund and/or whether the sponsor of the mutual fund participates in LPL's No Transaction Fee ("NTF") Network. When an NTF mutual fund is purchased in a client's account, the NTF mutual fund's sponsor directs a payment to LPL on behalf and for the benefit of the client that is used

exclusively as a credit to defray the bona fide transaction charge obligations of the client's account. When an NTF mutual fund is sold, LPL waives the transaction charge.

Clients, when participating in the SAM II Program, will not be charged a transaction charge for transactions in mutual funds, equities, ETFs, fixed income, UITs and options; however, the client should understand that LPL charges IARs for transactions in those securities. The transaction charges borne by IAR vary based on the type of transaction (e.g., mutual fund, equity or fixed income security). For mutual funds, transaction charges vary based on the amount of recordkeeping fees that LPL receives from the fund and/or, in the case of non-retirement accounts, whether the sponsor of the fund participates in LPL's NTF Network ("NTF Funds"). Under LPL's NTF Network, the fund sponsor has chosen to defray the transaction charge for purchases in non-retirement accounts otherwise borne by the IAR, and the payments are directed to LPL and used exclusively as a credit to defray bona fide transaction obligations. When an NTF Fund is sold, LPL waives the transaction charge to the IAR. A non-retirement account is one not held by an ERISA plan or otherwise subject to Section 4975 of the Internal Revenue Code.

Clients, when participating in the SAM II Program, should also understand that the cost to IAR of transaction charges may be a factor the IAR considers when deciding which securities or mutual funds to select and whether or not to place transactions in the account. In particular, the IAR has a financial incentive to select NTF Funds for non-retirement accounts to avoid paying or to lower the transaction charges. Clients should consider such conflict when monitoring the purchase of NTF Funds in a non-retirement account in recognition of the overall fee and other arrangements with LPL and IAR for management of the account. All such conflicts may have an impact on the investment performance of the client's account.

### **Considerations**

- (a) The SAM Programs may cost the client more or less than purchasing applicable Program services separately. Factors that bear upon the cost of the SAM account in relation to the cost of the same services purchased separately include: the type and size of the account, the historical and or expected size or number of trades for the account, the Transaction Charges for the securities purchased and sold in the account, and the number and range of supplementary advisory and client related services provided to the account.
- (b) Clients participating in the SAM I Program do not pay IAR commissions on transactions but do pay LPL Transaction Charges. Transaction charges for the securities purchased and sold in a SAM I account may also cost the client more than purchasing the SAM I Program's services separately. The Account Fee paid by clients participating in the SAM II Program includes payment for the execution of transactions. This may cost the client more than purchasing the SAM II Program's services separately. Although the Account Fees paid by clients participating in the SAM I Program may be less than the Account Fees paid by clients participating in the SAM II Program because SAM I clients bear the cost of Transaction Charges directly, it is impossible at the outset to know which arrangement may be more financially advantageous. Clients should understand that neither LPL nor the IAR has an obligation to make recommendations to change between the SAM I or SAM

II Programs in the future based on the effect of Account Fees and Transaction Charges on account performance.

- (c) In the SAM Programs, the Account Fee and Transaction Charges (if a SAM I account) are deducted from the client's account and are noted on client statements or confirmations. The Fee Schedule and Transaction Charges continue until thirty (30) days after client has been notified in writing of any change in the amount of the Fee or Charges applicable to client's account, at which time the new Fee or Charges will become effective unless the client notifies LPL.
- (d) In addition to the Account Fees and Transaction Charges noted previously, client may also incur certain charges imposed by third parties or LPL in connection with investments made through Program accounts. These may include, but are not limited to, the following: mutual fund or money market 12b-1 and subtransfer agent fees, networking and omnibus processing fees, mutual fund or money market management fees and administrative expenses, mutual fund transaction fees, contingent deferred sales charges on the sale of certain mutual funds, annuities and alternative investments (such as REITs, BDCs and hedge funds), variable annuity expenses, REIT dealer-management fees, other transaction charges and service fees, IRA and qualified retirement plan fees, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, hedge fund investment management fees, managed futures investor servicing fees, participation fees from Auction Rate Preferred fixed income securities, and other charges required by law. In addition, in the case of a Variable Annuity in the Account, there may be additional fees and charges including mortality, expense and administrative charges, fees for additional riders on the contract and charges imposed for excessive Transfers within a calendar year. LPL and IAR may receive a portion of these fees. Further information regarding charges and fees assessed by a mutual fund or the variable annuity are available in the appropriate prospectus.
- (e) The WEAS IAR may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospective clients.
- (f) LPL makes available programs for cash in an account to be automatically swept to a money market fund or an interest-bearing Federal Deposit Insurance Corporation ("FDIC")-insured deposit account. For more information about which types of accounts are eligible to use the different sweep options, please speak to your IAR.
  - For accounts that are set up for cash to sweep to a money market fund -- the available sweep money market funds typically pay higher 12b-1 fees than other money market funds. In addition, LPL receives compensation of up to 0.35% annually of the LPL client assets invested in the sweep money market funds for recordkeeping services it provides for the funds. LPL also receives

up to 0.15% annually of the LPL client assets invested in the sweep money market funds in connection with marketing support services LPL provides to the money market fund sponsors. LPL may receive up to 1.00% annually of LPL client assets in the sweep money market funds from the money market fund sponsor in connection with 12b-1 fees, recordkeeping and other compensation.

- For accounts that sweep cash to the multi-bank insured cash account program offered by LPL (the “ICA”) -- LPL receives a fee equal to a percentage of the average daily deposit balance in the ICA. The fee paid to LPL is applied across all ICA deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this amount.
- For accounts that sweep cash to the multi-bank deposit cash account program offered by LPL (the “DCA”)—LPL receives a flat monthly fee per account based upon the prevailing fed funds target rate. LPL’s compensation under the DCA program is not affected by the actual cash amounts held in your account. The compensation LPL receives with respect to the ICA or DCA may be higher than if a client invests in other sweep investment options.
- The compensation that LPL receives related to ICA, DCA and the sweep money market funds is in addition to the Account Fee that LPL and IAR receive with respect to the assets in the sweep investment. This compensation related to ICA, DCA and sweep money market funds presents a conflict of interest to LPL because LPL has a financial benefit if cash is invested in the insured cash account or the sweep funds. However, this compensation is retained by LPL and is not shared with its IARs. Therefore, this compensation does not cause an IAR to have a financial incentive to recommend that cash be held in the account instead of holding securities.

- (g) If an account is approved for trading on margin and the client has entered into a margin agreement with LPL, the client will be charged margin interest on any credit extended to or maintained by the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact quarterly performance. LPL will retain a portion of any interest charged on margin debit balances. This interest charge is in addition to the annual investment advisory fee charged in connection with the SAM account. The annual investment advisory fee will not be charged on any margin debit balance, rather only on the net equity of the account.
- (h) Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down.

LPL, acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client.

- (i) In the SAM Programs, IARs can recommend many different types of securities, including mutual funds, unit investment trusts ("UIT's"), closed end funds, ETFs, ETNs, variable annuity subaccounts, equities, fixed income securities, options, hedge funds, managed futures, BDCs, private equity, REITs, and structured products. LPL determines the types of investments that are eligible to be purchased in program accounts. Investing in securities involves the risk of loss that clients should be prepared to bear. Please refer to the LPL Program Form Brochure disclosure for information related to the different types of securities and risks.
- (j) Clients may make additions to, or withdrawals from, the SAM account upon notice to their WEAS IAR subject to the terms of the Account Agreement. If at any time account assets are less than the minimum account size originally specified, client understands that the Account Agreement may be subject to termination. The SAM account is designed as a long-term investment vehicle and asset withdrawals may impair the achievement of a client's investment objectives.
- (k) The SAM Account Agreement may be terminated by either party effective upon written notice to the other party or parties ("**Termination Date**"). The client is entitled to a pro rata refund of any prepaid quarterly account fee based upon the number of days remaining in the quarter after the Termination Date. The Transaction Charges applicable to a SAM I account remain in effect for 30 days from the Termination Date. Thereafter, transactions in a SAM I account may be processed at normal brokerage rates.
- (l) If a SAM account is closed within the first 6 months by a client or as a result of withdrawals which bring the account value below the required minimum, WEAS and LPL reserve the right to retain the prepaid quarterly Account Fee for the current quarter or cancel and rebill all transactions in the account at normal and customary brokerage commission rates in order to cover the administrative cost of establishing the account, which may include costs of transferring positions into and out of the account, data entry costs in opening the account, costs associated with reconciliation of positions in order to issue quarterly performance information, and the costs of re-registration of positions. LPL also reserves the right, for SAM II accounts only, to charge a Transaction Charge of \$20 for each mutual fund transaction which occurred in the Account for services in connection with those transactions.
- (m) WEAS IARs may aggregate transactions in equity, options and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. For partially filled orders, the WEAS IAR will generally allocate trades pro rata or on a random basis consistent with the goal of treating clients fairly and not favoring one client over another. WEAS IARs may determine not to aggregate transactions, for example, based on the size of the trades, the number of



client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If WEAS IARs do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

- (n) The Account Fee and the quarterly charge for accounts with assets valued at less than \$100,000 represent compensation for the asset management and quarterly reporting services. The Transaction Charges represent the brokerage component of compensation paid by the client for the account and may be higher or lower than commissions otherwise payable in the absence of the Account Fee. In the SAM II Program, these Transaction Charges are paid by the IAR to LPL for processing transactions in the Account.

### **OPTIMUM MARKET PORTFOLIOS (“OMP”)**

The OMP Program offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares.

An OMP Program account will be opened through which client will authorize WEAS and client’s WEAS IAR on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. There are up to six Optimum Funds that may be purchased within a Program account: Optimum Large Cap Growth Fund, Optimum Large Cap Value Fund, Optimum Small Cap Growth Fund, Optimum Small Cap Value Fund, Optimum International Fund, and Optimum Fixed Income Fund.

WEAS’s IAR will obtain the necessary financial data from the client, assist client in determining the suitability of the Program and assist client in setting an appropriate investment objective. The IAR will also initiate the steps necessary to open a Program account and select a portfolio consistent with the client’s stated investment objective. Once the IAR has selected a portfolio and the Program minimum has been reached, LPL will purchase Optimum Funds in amounts appropriate for the portfolio selected.

LPL will rebalance the account on the frequency selected by the client at account opening or as altered by the client’s WEAS IAR from time to time. The choices for frequency of rebalancing are quarterly (four times per year), semiannually (two times per year) or annually (once per year). The Program account will be reviewed on the frequency selected based on the anniversary date of the account opening or as altered by the IAR, or the next business day closest to the anniversary date to determine if rebalancing is necessary. Though the Program account is not considered tax-efficient or tax-managed, LPL may delay placing transactions on non-qualified accounts by one day for any rebalancing scheduled to occur on the first one year anniversary date of the account opening in an attempt to limit short-term tax treatment for any position being sold. At each rebalancing review date, the Account will be rebalanced if at least one of the account positions is outside a range determined by LPL, subject to a minimum transaction amount established by LPL in its discretion. In addition, LPL may review the account for rebalancing in the event that LPL Research changes the model portfolio.

WEAS IARs will use LPL strategies and will follow an asset allocation investment style in constructing portfolios for the Program. Asset allocation methodology is implemented by combining

investments representing various asset classes that react differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. As with any investment strategy, there is no guarantee that the use of an asset allocation strategy will produce favorable results.

During any month that there is activity in the account, client will receive a monthly account statement showing account activity as well as positions held in the account at month-end. Additionally, the client will receive a confirmation of each transaction that occurs within the account unless the transaction is the result of a systematic purchase or systematic redemption. The client will also receive from LPL quarterly performance information describing account performance and positions. An additional year-end report will be provided for accounts not established on a calendar quarter basis. To the extent permissible by state and federal law, LPL may elect to deliver account information electronically.

OMP accounts pay an annualized fee (“**Account Fee**”) as follows:

<b><u>Maximum Fee</u></b>	2.5%
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The Account Fee is negotiable, is based on the value of the assets in the Account, including cash holdings, and is payable quarterly in advance. The Account Fee will be as stated on the Account Application. The initial Account Fee is due at the beginning of the quarterly cycle following acceptance of the Account and will include the prorated amount for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Subsequent Account Fees will be assessed at the beginning of each quarterly cycle thereafter and will be based on the value of the account assets under management as of the close of business on the last business day of the preceding quarter (as valued by an independent pricing service, where available, or otherwise in good faith as reflected on client’s quarterly performance report) and based on the fee rate in effect at the time of assessment. At the time of a subsequent Account Fee assessment, the Account Fee will be adjusted for deposits or withdrawals during the prior quarter pro rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment. If there is a change in the Account Fee rate negotiated between IAR and Client during the quarter, the effective date of any increase or decrease will be at the beginning of the next quarterly cycle. All Account Fees are deducted from the account pursuant to the OMP Account Agreement unless other arrangements have been made in writing.

After the fee is collected by LPL, a portion of it is retained by LPL, and the majority is sent to WEAS.

In addition to the Account Fee, the account will be assessed a transaction charge (“**Transaction Charge**”). Although the Transaction Charge may be identified under the commission column on the confirmations, it represents a payment for expenses associated with trade execution and processing, including preparing, printing and/or delivering confirmations, and not commissions. IAR will not receive any portion of the Transaction Charge.

The Transaction Charges of LPL are:

<b><u>Mutual Funds</u></b>	
Purchase or Liquidation.....	\$5.00

The OMP program may cost the client more or less than purchasing Program services separately. Factors that bear upon the cost of an OMP account in relation to the cost of the same services purchased

separately include: the type and size of the account, the historical and or expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

The WEAS IAR recommending the Program account to the client receives compensation as a result of the client's participation in the Program. The amount of this compensation may be more or less than what the IAR would receive if the client participated in other LPL programs or paid separately for investment advice, brokerage and other client services. Therefore, the IAR may or may not have a financial incentive to recommend a Program account over other programs and services.

The WEAS IAR may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with IAR, client events or workshops, or marketing or advertising initiatives, including services for identifying prospective clients.

Clients may also incur certain charges imposed by LPL or third parties other than IAR in connection with investments made through a Program account, including among others, the following types of charges: mutual fund management fees, transfer agent recordkeeping fees, and administrative servicing fees, mutual fund redemption fees, administrative servicing fees for trust accounts, and other charges required by law. LPL may receive a portion of these third-party fees. Further information regarding charges and fees assessed by the Optimum Funds are available in the appropriate prospectus.

Client retains the right to pledge Optimum Funds in the Account. Subject to restrictions that may be placed on the assets, and subject to LPL's policies regarding pledged assets, pledged assets may be held in an Account. Client will be responsible for completing the pledge of the collateral. If restrictions on the assets apply, the assets may be withdrawn from the Account. LPL will not continue to manage any positions that have been withdrawn.

The minimum account size is \$10,000. In certain instances, LPL will permit a lower minimum account size. Client may make additions (cash or eligible securities) to the Account at any time and may withdraw account assets on notice to WEAS IAR. Additional deposits will be invested into Optimum Funds consistent with the current LPL target allocation for the portfolio, but such deposits (or a portion thereof) may be liquidated and the proceeds may remain in cash until certain conditions are met related to trade size and position deviation from the target allocation.

LPL makes available programs for cash in an OMP account to be automatically swept to a money market fund or an interest-bearing Federal Deposit Insurance Corporation ("FDIC")-insured deposit account. For more information about which types of accounts are eligible to use the different sweep options, please speak to your IAR.

For OMP accounts that are set up for cash to sweep to a money market fund -- the available sweep money market funds typically pay higher 12b-1 fees than other money market funds. In addition, LPL receives compensation of up to 0.35% annually of the LPL client assets invested in the sweep money market funds for recordkeeping services it provides for the funds. LPL also receives up to 0.15% annually of the LPL client assets invested in the sweep money market funds in connection with

marketing support services LPL provides to the money market fund sponsors. LPL may receive up to 1.00% annually of LPL client assets in the sweep money market funds from the money market fund sponsor in connection with 12b-1 fees, recordkeeping and other compensation.

For accounts that sweep cash to the multi-bank insured cash account program offered by LPL (the “ICA”) -- LPL receives a fee equal to a percentage of the average daily deposit balance in the ICA. The fee paid to LPL is applied across all ICA deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this amount. For accounts that sweep cash to the multi-bank deposit cash account program offered by LPL (the “DCA”)—LPL receives a flat monthly fee per account based upon the prevailing fed funds target rate. LPL’s compensation under the DCA program is not affected by the actual cash amounts held in your account. The compensation LPL receives with respect to the ICA or DCA may be higher than if a client invests in other sweep investment options.

The compensation that LPL receives related to ICA, DCA and the sweep money market funds is in addition to the Account Fee that LPL and IAR receive with respect to the assets in the sweep investment. This compensation related to ICA, DCA and sweep money market funds presents a conflict of interest to LPL because LPL has a financial benefit if accounts invest in ICA, DCA or the sweep funds. However, LPL Research does not take into account this compensation when it makes decisions on a Portfolio’s allocation to cash. LPL does not share this compensation with IARs.

In the event client withdrawals cause the account asset value to fall below the required minimum, the client understands the OMP Account Agreement may be subject to termination. The Program is designed as a long-term investment vehicle and asset withdrawals may impair the achievement of client’s investment objectives.

The client may terminate an OMP account by providing written notice to WEAS and LPL. Upon termination, the client is entitled to a prorated refund of any prepaid quarterly Account Fee based upon the number of days remaining in the quarter after termination. If the account is closed within the first 6 months by client or as a result of withdrawals that bring the account value below the required minimum, LPL reserves the right to retain the prepaid quarterly Account Fee for the current quarter in order to cover the administrative cost of establishing the Program account, which may include costs to transfer positions into and out of the account, data entry costs to open the account, costs associated with reconciling of positions in order to issue quarterly performance reports, and the cost of re-registering positions.

The Account Fee represents compensation for the asset management and quarterly reporting services provided. The Transaction Charges represent a payment for expenses associated with trade execution and processing, including preparing, printing and/or delivering confirmations and may be higher or lower than commissions otherwise payable in the absence of the Account Fee.

Although client will not be charged a commission for transactions in Optimum Funds, client should be aware that the Optimum Funds charge internal management fees and administrative expenses. LPL will also receive administrative servicing fees from the insured deposit account paid out of that fund’s internal management fees and administrative expenses, and thus may have a conflict of interest in recommending the Program account. In addition, fees received by LPL from the ICA and DCA may offset costs incurred from servicing client investments in other funds. The amount of the Optimum

Funds' management fees and administrative expenses are included among normal mutual fund expenses and are reflected on the Optimum Fund financial statements.

LPL provides investment consulting services to the investment advisor of the Optimum Funds. These services include assisting the investment advisor in determining whether to engage, maintain or terminate sub-advisors for the Optimum Funds. As compensation for these services, LPL receives investment consulting compensation from the investment advisor to the Optimum Funds. In addition, the Chief Financial Officer of LPL serves as a Trustee of the Optimum Funds.

LPL also performs recordkeeping and administrative services on behalf of the Optimum Funds and receives compensation for the services based on the number of positions held by OMP clients in the Optimum Funds. These services include establishing and maintaining sub-account records reflecting the issuance, exchange or redemption of shares by each program account. The receipt of this recordkeeping and investment consulting compensation by LPL presents a conflict of interest, because LPL has a financial benefit with the more assets that are invested in the Optimum Funds. However, the investment consulting and recordkeeping compensation is retained by LPL and is not shared with its IARs. Therefore, there is no financial incentive related to this compensation for an IAR to recommend an OMP account.

## **PERSONAL WEALTH PORTFOLIOS ("PWP")**

In the Personal Wealth Portfolios ("PWP") program, clients authorize their WEAS IAR to select a model portfolio from a variety of asset allocation model portfolios designed by LPL. The IAR will then select the mutual funds, exchange-traded funds ("ETFs"), or third-party investment advisors ("PWP Advisors") within each asset class in which to invest. LPL will act as the Overlay Portfolio Manager ("OPM") on all PWP client accounts. The PWP program is designed to provide execution, money management, asset allocation, custodial and recordkeeping services to LPL clients for an ongoing advisory fee.

The PWP program permits clients to authorize a WEAS IAR to select model portfolios, mutual funds, ETFs, and PWP Advisors suitable for their financial goals and risk tolerances. The PWP program also permits a client to authorize LPL, acting as OPM, to purchase and sell on a discretionary basis no-load and load-waived mutual funds and securities, and to liquidate previously purchased mutual funds and securities. The client selects the IAR who will manage the client account.

Clients, in consultation with their WEAS IARs, provide detailed financial and other pertinent data by completing an Account Application. The Account Application enables clients to determine appropriate investment guidelines, risk tolerance and other factors that assist in ascertaining the suitability of the PWP account and appropriate PWP Advisors and mutual funds to utilize. Based on the account value and asset allocations, IARs will be able to select PWP Advisors for each asset class or PWP Advisors for a portion of the account and mutual funds for the remainder.

Clients are provided with information concerning the PWP Advisors' and funds' past performance, management style, location, size of accounts and similar matters. The IAR chooses a combination of PWP Advisors or funds based on his/her own review of available PWP Advisors and funds to meet the client's investment objectives as set forth in the Account Application.

The PWP Advisors and funds that are available to the IAR to select from are determined by LPL's Research department based on quantitative, qualitative and infrastructure criteria. When LPL's Research Department determines that a PWP Advisor, ETF or mutual fund is no longer acceptable for the PWP program, LPL will notify the WEAS IAR of the change in status and provide alternatives from which the advisor will select, which may include the selection of: 1) an ETF until a replacement model, ETF or mutual fund has been selected by the Research Department; 2) the replacement advisor, ETF or mutual fund selected by LPL Research; or 3) choice one of the remaining choices within the asset class.

LPL has contracted with participating PWP Advisors to provide investment advice regarding the construction and maintenance of portfolios ("Models") for the PWP program. LPL, as the OPM, and not the PWP Advisors, will construct and manage all PWP client accounts within the PWP program, and the PWP Advisors' responsibilities are limited as set forth in the terms and conditions of the Management Agreement between the PWP Advisor and LPL. Due to certain limitations described below, the portfolios developed for clients by LPL will vary from the Models submitted to LPL by the PWP Advisor, and will be adjusted periodically as determined by LPL.

#### INVESTMENT OVERVIEW FOR PWP

PWP Advisors will provide Models to the OPM for trade execution in client accounts. If PWP Advisors make changes to their Model after providing the Model to the OPM, the changes may not be communicated to the OPM until the next trading day. All Models submitted by PWP Advisors may represent activity that has already been implemented on behalf of other clients of that PWP Advisor. Because of this fact and because LPL (and not the PWP Advisor) has discretionary authority to implement trades, performance of a PWP account will differ from the performance of PWP Advisor's discretionary accounts.

Except as described below for municipal security Models ("Muni Models"), the role of the PWP Advisors is limited to submitting Models to LPL, who has discretion as OPM for trade execution. However, if a Portfolio is selected that includes a Muni Model, the PWP Advisor for that Model will have discretionary trading authority with respect to the purchase and sale of fixed income securities for the portion of the account invested according to the Muni Model ("Muni Sleeve"). Although the PWP Advisor has discretion over the Muni Sleeve, LPL has ultimate discretion over the entire account and may exercise discretion over securities in the Muni Sleeve (e.g., to rebalance the Account or to liquidate securities for withdrawal requests). LPL may appoint from time to time other PWP Advisors to take discretion over a portion of the Account managed according to that PWP Advisor's Model.

LPL will aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. LPL also will aggregate rebalancing transactions for an account with other program accounts. Due to the large number of accounts that may be involved in rebalancing transactions on a single day, LPL may effect transactions for some accounts on one day and for other accounts on the following day or days. In such case, LPL will have discretion to sequence the accounts involved in rebalancing transactions with the goal of treating all accounts equitably over time.

As LPL generally has discretion to implement a Model, an account's holdings may differ from the Model submitted. For example, LPL may limit small trades (defined by minimum dollar amounts, share amounts, percentage of account, or percentage of individual asset class). In addition, due to market conditions or the illiquid nature of certain issues, there may be times when LPL will not be able to invest in specific taxable fixed income securities that appear in a Model. In those circumstances LPL will attempt to invest in fixed income securities with similar characteristics as those in the Models. For clients in California and New York, if tax-free fixed income securities are selected for a Muni Model, the PWP Advisor will attempt to limit the fixed income securities purchased to state-specific, tax-free fixed income securities; however, the PWP Advisor may also include non-state-specific securities.

At the request of a WEAS IAR the OPM may perform tax loss harvesting, which may include using the proceeds of tax-related transactions to purchase appropriate ETFs for a client account until a particular time period has passed. The IAR may direct the OPM to purchase an ETF in lieu of a mutual fund selected for the client account in order to avoid capital gain distributions. If an ETF is purchased for this purpose, the account will be reallocated into the selected mutual fund after the distribution. The sale of the ETF will be a taxable event.

The OPM may accommodate client requests to restrict holdings of specific securities, specific industries, specific sectors, and certain predefined categories (e.g., 'sin' stocks). In the event that client restrictions prevent the investment in certain securities otherwise recommended by a PWP Advisor, assets will be invested pro rata across the remaining securities in the effected Model.

Upon selection of mutual funds and PWP Advisors and the deposit of funds by the client, the OPM will invest the client's funds on a discretionary basis. It typically can take between 30 to 90 days for all funds to be fully invested. Subsequent deposits will accumulate and will not be invested in mutual funds or Models until certain conditions are met, including conditions related to trade size and position deviation from the target allocation. . Withdrawals will be made in the reverse manner as deposits.

Each year on the anniversary date of the account opening the OPM will examine the account to determine if it should be rebalanced to align with its original target investment percentages. If any particular asset class in the account has drifted beyond a limit determined by the OPM, the OPM will rebalance the account to within acceptable asset allocation tolerances based on the account's original asset allocation percentages.

## PROXY VOTES AND CORPORATE ACTIONS

Unless a client instructs otherwise, LPL will vote proxies on the PWP client's behalf. LPL has adopted policies and procedures to ensure that LPL votes securities in the best interest of clients. LPL has contracted with a third-party vendor to make proxy voting recommendations and handle the administrative functions of voting proxies. Although LPL retains authority to vote client proxies, it is LPL's general policy to vote according to the recommendations of the third-party vendor. Any exceptions to this general policy are referred to LPL's Research Department, which makes the determination as to how to vote the proxy in accordance with the best interest of the client. A copy of LPL's proxy voting policies is available upon request to your IAR. A client may obtain information about how LPL voted with respect to securities held in the client's PWP account by contacting your IAR.

In the case of voluntary corporate actions, WEAS and LPL intend to follow the instructions provided by

the PWP Advisors unless, in the determination of the OPM, such instructions are overtly contrary to a client's best interest or instructions. Before making such determination, however, LPL will first determine if it has a conflict of interest with any of the companies involved in the corporate action. If LPL does have a conflict of interest, LPL will follow the instructions provided by the PWP Advisors without reviewing individual client interests.

## REPORTING

If client so elects in the Account Application, clients will not receive a confirmation of the transactions that occur within the PWP account and confirmation details for the transactions will be displayed on the monthly brokerage statement. The client will also receive a detailed quarterly performance report.

## FEES

The PWP Advisory fee schedule is as follows:

<b><u>Maximum Advisory Fee</u></b>	2.50%
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The mutual funds in which the account invests may charge certain additional fees described below. The advisory fee is negotiable, is based on the value of the assets in the Account, including cash holdings, and is payable quarterly in advance. The Account Fee will be as stated on the Account Application.

The initial Account Fee is due at the beginning of the quarterly cycle following LPL acceptance of the Account and will include the prorated amount for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Subsequent Account Fees will be assessed at the beginning of each quarterly cycle thereafter and will be based on the value of the Account assets under management as of the close of business on the last business day of the preceding quarter (as valued by an independent pricing service, where available, or otherwise in good faith as reflected in Client's quarterly performance report) and based on the fee rate in effect at the time of assessment. At the time of a subsequent Account Fee assessment, the Account Fee will be adjusted for deposits and withdrawals during the prior quarter pro rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment. If there is a change in the Account Fee rate negotiated between IAR and Client during the quarter, the effective date of any increase or decrease will be at the beginning of the next quarterly cycle. All Account Fees will be deducted from the Account pursuant to the authorization granted under the PWP Account Agreement.

The portion of the program fee paid to PWP Advisors ranges from 15 to 50 basis points of account assets per annum. LPL receives a fee equal to 10 basis points of account assets per annum for its OPM services, and up to 0.58% for its administrative, custody and clearing services and the Portfolio design services of LPL Research. WEAS retains the balance of the fee. The fees paid to PWP Advisors in the PWP program are generally less than a PWP Advisor would charge a client seeking to establish a direct relationship with the manager outside of the PWP program. LPL is absorbing many of the billing, administrative, trading and marketing expenses that would otherwise be borne by the PWP Advisor and the role of the PWP Advisor is limited to providing Models to LPL each day. PWP Advisors generally have higher minimum account size requirements when managing direct accounts and higher fees when the PWP Advisor bears the noted expenses.

In addition to the Advisory Fee noted above, Clients may also incur certain charges imposed by third



parties or LPL in connection with investments made through PWP accounts. These may include, but are not limited to, the following: mutual fund 12b-1 sub transfer agent, networking and omnibus processing fees, mutual fund management fees and administrative servicing fees, certain deferred sales charges on previously purchased mutual funds and other service fees, fees related to American Depository Receipts, IRA and Qualified Retirement Plan fees, administrative servicing fees for trust accounts; and other charges required by law or imposed by exchanges or regulatory bodies. LPL may receive a portion of these fees.

For Retirement Accounts, 12b-1 fees paid to LPL by mutual funds that are held in the account are credited to the account. The credit will be reflected on quarterly account statements. No portion of the 12b-1 fees for Retirement Accounts may be utilized for the benefit of LPL or the IAR.

## PWP ACCOUNT TERMINATION

The PWP Account Agreement may be terminated by either party effective upon written notice to the other parties (“Termination Date”). The client is entitled to a pro rata refund of any prepaid quarterly account fee based upon the number of days remaining in the quarter after the Termination Date.

If the PWP account is closed within the first 6 months by a client or as a result of withdrawals that bring the account value below the required minimum, LPL reserves the right to retain the prepaid quarterly fee for the current quarter and cancel and rebill all transactions in the account at normal and customary brokerage commission rates, in order to cover the administrative costs of establishing the account, which may include costs of transferring positions into and out of the account, data entry costs in opening the account, costs associated with reconciliation of positions in order to issue quarterly performance reports, and the costs of re-registration of positions.

LPL makes available programs for cash in an account to be automatically swept to a money market fund or an interest-bearing Federal Deposit Insurance Corporation (“FDIC”)-insured deposit account. For more information about which types of accounts are eligible to use the different sweep options, please speak to your IAR.

For PWP accounts that are set up for cash to sweep to a money market fund -- the available sweep money market funds typically pay higher 12b-1 fees than other money market funds. In addition, LPL receives compensation of up to 0.35% annually of the LPL client assets invested in the sweep money market funds for recordkeeping services it provides for the funds. LPL also receives up to 0.15% annually of the LPL client assets invested in the sweep money market funds in connection with marketing support services LPL provides to the money market fund sponsors. LPL receives up to 1.00% annually of LPL client assets in the sweep money market funds from the money market fund sponsor in connection with 12b-1 fees, recordkeeping and other compensation.

For accounts that sweep cash to the multi-bank insured cash account program offered by LPL (the “ICA”) -- LPL receives a fee equal to a percentage of the average daily deposit balance in the ICA. The fee paid to LPL is applied across all ICA deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this amount. For accounts that sweep cash to the multi-bank deposit cash account program offered by LPL (the DCA)—LPL receives a flat monthly fee per account based upon the prevailing fed funds target rate. LPL’s compensation under the DCA program is not affected by

the actual cash amounts held in your account. The compensation LPL receives with respect to the ICA or DCA may be higher than if a client invests in other sweep investment options.

The compensation that LPL receives related to ICA, DCA and the sweep money market funds is in addition to the Account Fee that LPL and IAR receive with respect to the assets in the sweep investment. This compensation related to ICA, DCA and sweep money market funds presents a conflict of interest to LPL because LPL has a financial benefit if cash is invested in the insured cash account or the sweep funds. However, LPL does not share this compensation with IARs. LPL Research does not take into account this compensation when it makes decisions on a Portfolio's allocation to cash. **CONFLICTS OF INTEREST RELATING TO PWP**

WEAS IARs receive compensation as a result of a client's participation in the PWP program. Depending on, among other things, the size of the account, changes in its value over time, ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the WEAS IAR would receive if the client participated in other programs through WEAS and LPL, or paid separately for investment advice, brokerage, and other services.

Therefore, while account compensation cannot be determined in advance, the IAR may have an incentive to recommend the PWP program over other programs or services. The IAR may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, client events, or marketing or advertising initiatives, including services for identifying prospective clients.

PWP Advisors reimburse LPL for costs associated with the use of technology necessary for a PWP Advisor to perform its services under the program.

Certain mutual funds charge fees such as 12b-1 fees, which are received by LPL. To the extent that such 12b-1 fees may be received from mutual funds held in a non-retirement account, LPL may retain the entire amount received.

## **MODEL WEALTH PORTFOLIOS (MWP)**

### **Services Provided**

The MWP Program offers clients a professionally managed asset allocation program in which LPL, in its capacity as a registered investment advisor, and Wealth Enhancement Advisory Services (WEAS) in its capacity as a registered investment advisor, and its IARs direct and manage specified client assets. Clients who invest through the MWP Program will authorize LPL and WEAS on a discretionary basis to purchase and sell mutual funds and exchange-traded funds ("ETF"), pursuant to an investment objective chosen by the Client and to liquidate previously purchased securities. Exchange-traded notes ("ETN") and closed end funds may also be purchased in an MWP account.

The MWP Program may also be offered through a separately registered third-party investment advisor ("Advisor") and IARs of the Advisor. In that case, the Advisor, through its designated IARs, and not an

LPL IAR, directs and manages specified client assets. (WEAS and its IARs act in this capacity.) WEAS may limit its discretion with respect to the client account and the securities eligible to be purchased for the client account. WEAS receives a portion of the Account Fee described below. The portion received by WEAS is negotiable. In some cases, associated persons of WEAS are also broker-dealer registered representatives of LPL. LPL and WEAS may also utilize the services of cash solicitors in establishing client accounts.

The WEAS IAR will obtain the necessary financial data from his or her client, assist the client in determining the suitability of the MWP program, and assist the client in setting an appropriate investment objective. The WEAS IAR will initiate the steps necessary to open an MWP account and select a model portfolio ("Portfolio") designed by LPL's Research Department or third-party investment strategist ("Outside Strategist") consistent with the client's stated investment objective. LPL's Research Department or the Outside Strategist is responsible for selecting the securities within a Portfolio and for making changes to the securities selected. In the case of Portfolios of Outside Strategists, the Outside Strategist provides the Portfolio to LPL and LPL makes the decisions on how to implement the Portfolio. Client grants WEAS discretion to choose among the available Portfolios designed by LPL and Outside Strategists. The IAR may choose more than one Portfolio to be managed within a single MWP account.

The client will appoint LPL as the sole and exclusive broker-dealer with respect to securities transactions in MWP accounts. The client will also appoint LPL to act as Overlay Portfolio Manager ("OPM"). The client will authorize LPL as OPM to act on a discretionary basis to purchase and sell securities and to liquidate previously purchased securities. The client will also authorize the WEAS IAR to select the Portfolio in which MWP program assets will be invested and LPL to affect the rebalancing instructions on the frequency selected by the client or the WEAS IAR or as determined by LPL. The OPM may accommodate requests for all or a portion of an account to remain uninvested for a period of time.

LPL will review the client account to determine if rebalancing is appropriate based on the frequency selected by the client at account opening or as altered by the client or WEAS IAR from time to time. The choices for frequency of rebalancing review are quarterly (four times per year), semiannually (two times per year) or annually (once per year). The client account will be reviewed on the frequency selected to determine if rebalancing is necessary. At each rebalancing review date, the account will be rebalanced if at least one of the account positions is outside a range determined by the OPM, subject to a minimum transaction amount established by LPL in its discretion. In addition, LPL may review the account for rebalancing in the event that LPL's Research Department or the Outside Strategist changes the Portfolio. LPL may delay placing rebalancing transactions for non-retirement accounts by a number of days, to be determined by LPL, in an attempt to limit short-term tax treatment for any position being sold.

LPL will aggregate rebalancing transactions for a Program account with other Program accounts. Due to the large number of accounts that may be involved in rebalancing transactions on a single day, LPL may effect transactions for some accounts on one day and for other accounts on the following day or days. In such case, LPL will have discretion to sequence the accounts involved in rebalancing transactions with the goal of treating all accounts equitably over time.

The client will authorize LPL, at the request of the WEAS IAR, to perform tax harvesting. In such case,

proceeds of tax-related transactions may be held in cash until appropriate wash sale periods have expired. Once the wash sale period has expired, the related proceeds will be invested according to the current targeted allocation for the model portfolio. In order to permit trading in a tax-efficient manner, Client further expressly grants LPL or IAR, the authority to select specific tax lots when liquidating securities within the Account.

Transactions in mutual fund shares in an account (e.g., for rebalancing, liquidations, deposits or tax harvesting) may be subject to a fund's frequent trading policy.

LPL makes available programs for cash in an MWP account to be automatically swept to a money market fund or an interest-bearing Federal Deposit Insurance Corporation ("FDIC")-insured deposit account. For more information about which types of accounts are eligible to use the different sweep options, please speak to your IAR.

For accounts that are set up for cash to sweep to a money market fund -- the available sweep money market funds typically pay higher 12b-1 fees than other money market funds. In addition, LPL receives compensation of up to 0.35% annually of the LPL client assets invested in the sweep money market funds for recordkeeping services it provides for the funds. LPL also receives up to 0.15% annually of the LPL client assets invested in the sweep money market funds in connection with marketing support services LPL provides to the money market fund sponsors. LPL may receive up to 1.00% annually of LPL client assets in the sweep money market funds from the money market fund sponsor in connection with 12b-1 fees, recordkeeping and other compensation.

For accounts that sweep cash to the multi-bank insured cash account program offered by LPL (the "ICA") -- LPL receives a fee equal to a percentage of the average daily deposit balance in the ICA. The fee paid to LPL is applied across all ICA deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this amount. For accounts that sweep cash to the multi-bank deposit cash account program offered by LPL (the DCA)—LPL receives a flat monthly fee per account based upon the prevailing fed funds target rate. LPL's compensation under the DCA program is not affected by the actual cash amounts held in your account. The compensation LPL receives with respect to the ICA or DCA may be higher than if a client invests in other sweep investment options.

The compensation that LPL receives related to ICA, DCA and the sweep money market funds is in addition to the Account Fee that LPL and IAR receive with respect to the assets in the sweep investment. This compensation related to ICA, DCA and sweep money market funds presents a conflict of interest to LPL because LPL has a financial benefit if cash is invested in ICA, DCA or the sweep funds. However, unaffiliated Portfolio Strategists do not share in this compensation and therefore an unaffiliated Portfolio Strategist does not have a financial incentive to allocate a Portfolio to cash instead of other holdings. In addition, LPL does not take into account this compensation when it makes decisions on a Portfolio's allocation to cash. LPL does not share this compensation with IARs.

Client retains the right to pledge assets held in the Account. Subject to restrictions that may be placed on the assets, and subject to LPL's policies regarding pledged assets, pledged assets may be held in an Account. Client will be responsible for completing the pledge of the collateral. If restrictions on the assets apply, the assets may be withdrawn from the Account. LPL will not continue to manage any positions that have been withdrawn.

For more information about certain types of investments that are available for purchase in the MWP Program, please see the response to Item 3.

## PROXY VOTES AND OTHER SHAREHOLDER INFORMATION

Clients retain the right to vote all proxies that are solicited for securities held in an MWP account. LPL and the WEAS IAR are expressly precluded from voting proxies for securities held in an account and will not be required to take any action or render any advice with respect to the voting of proxies. LPL will provide clients with proxy materials prepared by the mutual funds held in an account.

Neither LPL nor the WEAS IAR are obligated to render any advice or take any action on behalf of client with respect to any legal proceedings, including bankruptcies, involving securities or other investments held in an account, or the issuers thereof. Clients retain the right and obligation to take action with respect to legal proceedings relating to securities held in the account.

Clients designate LPL, as a broker-dealer and investment advisor, to receive all prospectuses, annual reports and disclosure statements for securities held in an MWP account. Clients retain the right to rescind this designation by notifying LPL and WEAS in writing. A client may request prospectuses and reports from his or her WEAS IAR.

## FEE SCHEDULE

In the MWP program, clients pay the following fees (collectively, the “Account Fee”):

Advisor Fee. The Advisor Fee is an annual fee for the investment advisory services of WEAS that is set out in the Account Application. The Advisor Fee is a straight percentage based on the value of all assets in the account, including cash holdings. The Advisor Fee will not exceed 2.00%. The Advisor Fee is negotiable between the client and the WEAS and is shared between LPL, WEAS and its IARs.

Strategist Fee. Depending upon the model selected for the account, clients will pay a fee for the model portfolio design services of a Portfolio Strategist. This fee presently ranges from 0% to 0.20%. A list of the current models and their associated fee rates are set out in the Account Agreement.

LPL Program Fee. Clients will pay a fee for the investment advisory, administrative, trading and custodial services of LPL according to the schedule set out below, and depending on the investment model selected for the account. The list below indicates the Program Fee for models under Program Fee A and B. LPL determines whether a model is under Program A or B based on the strategic or tactical investment mandate of the model.

Model Allocation Value	Program Fee A	Program Fee B
\$0 –\$99,999	0.35%	0.45%
\$100, – \$749,999	0.25%	0.35%
\$750,000 – \$1,249,999	0.20%	0.30%
\$1,250,000 – \$4,999,999	0.18%	0.28%
\$5,000,000 – \$24,999,999	0.13%	0.23%

\$25,000,000 +	0.08%	0.18%
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Please note that if the Account includes more than one model, the applicable Strategist Fee and Program Fee rate applies to the assets invested in that model. LPL reserves the right to increase the upper limit of the Strategist Fee range and Program Fee range upon 30 days prior notice to clients. If the IAR changes the model selected for the Account, or if the model investment value changes, the aggregated Account Fee may increase or decrease, depending on the applicable Strategist Fee and the LPL Program Fee level.

### Legacy Fee Structure

Accounts remaining under the legacy fee structure (those Accounts opened before January 1, 2016 that have not converted to the new fee structure described above) are charged an aggregate Account Fee, which was negotiable between the client and the IAR and set out in the Account Application. This aggregate Account Fee under the legacy fee structure is a straight percentage based on the value of all assets in the account, including cash holding. The maximum aggregate Account Fee is 2.50%. The Account Fee is paid to LPL, and LPL retains the LPL Program Fee pursuant to the schedule set forth above. For Portfolios designed by Portfolio Strategists other than LPL, LPL pays a portion of the Account Fee to the Portfolio Strategist. LPL shares up to 100% (typically between 90% and 100%) of the remaining portion of the Account Fee with the IAR based on the agreement between LPL and the IAR.

The portion of the Account Fee paid to the Portfolio Strategist is negotiated between LPL and the Portfolio Strategist and ranges from 0.00% to 0.20% as set forth in the schedule above. The fee rates charged by Portfolio Strategists vary based on the Portfolio selected. In providing ongoing advice and management for the Account, the IAR may recommend or select a Portfolio that would result in the IAR retaining more or less of the Account Fee than it would if another Portfolio were recommended or selected.

The Account Fee is negotiable, is based on the value of the assets in the account, including cash holdings, and is payable quarterly in advance. For purposes of calculating Account Fees and providing performance information, the account quarter begins on the first day of the month in which the account is accepted by LPL. The initial Account Fee is due at the end of the first quarter in which the account is accepted by LPL and will include a prorated amount for the initial quarter. Subsequent Account Fees will be

assessed at the beginning of each quarter thereafter and will be based on the value of the assets under management as of the close of business on the last business day of the preceding quarter (as valued by an independent pricing service, where available, or otherwise in good faith as reflected on client's quarterly performance report) and based on the fee rate in effect at the time of assessment. At the time of a subsequent Account Fee assessment, the Account Fee will be adjusted for additional deposits and withdrawals during the prior quarter pro rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment. If there is a change in the Account Fee rate negotiated between IAR and Client during the quarter, the effective date of any increase or decrease will be at the beginning of the next quarterly cycle. All Account Fees are deducted from the account pursuant to the MWP Account Agreement unless other arrangements have been made in writing.

If an MWP account is terminated, the client will be entitled to a prorated refund of any prepaid quarterly Account Fee based upon the number of days remaining in the quarter after the date of termination. However, if an account is closed within the first 6 months by a client or as a result of withdrawals that bring the account value below the required minimum, LPL reserves the right to retain the prepaid quarterly Account Fee for the current quarter in order to cover the administrative cost of establishing the account, which may include costs to transfer positions into and out of the account, data entry costs to open the account, costs associated with reconciling of positions in order to issue quarterly performance reports, and the cost of re-registering positions.

Unless otherwise stated in Account Agreement, for Retirement Accounts, 12b-1 fees paid to LPL by mutual funds that are held in the account are credited to the account. The credit will be reflected on your quarterly statement. No portion of the 12b-1 fees for retirement accounts may be utilized for the benefit of LPL or WEAS.

There are no transaction charges in addition to the Account Fee. The Account Fee is paid to and retained by LPL and the WEAS in connection with their respective services. If a model portfolio of an Outside Strategist is selected, a Strategist Fee will also be charged. Outside Strategists may pay LPL a portion of the costs associated with the use of technology necessary for an Outside Strategist to perform its services under the Program.

In addition to the Account Fee, clients may incur certain charges imposed by LPL or third parties in connection with investments made through an MWP account, including among others, the following types of charges: mutual fund 12b-1 fees, sub transfer agent fees, networking fees, omnibus processing fees, mutual fund management fees and administrative servicing fees, certain deferred sales charges on previously purchased mutual funds and other transaction charges and service fees, IRA and qualified retirement plan fees, administrative servicing fees for trust accounts, and other charges required by law. LPL may receive all or a portion of certain of these third-party fees. Further information regarding charges and fees assessed by the mutual funds held in an account are available in the appropriate prospectus.

If Program account assets are invested in mutual funds, Client should be aware that there will be two layers of advisory fees with respect to those assets. Client will pay the mutual fund manager an advisory fee as a shareholder of the fund. Client will also pay LPL and WEAS the Account Fee with respect to those assets. Most of the mutual funds available in the Program may be purchased directly. Therefore, Client could generally avoid the second layer of fees by not using the advisory services of LPL and WEAS and by making his or her own decisions regarding the mutual fund investment.

Mutual funds may also charge a redemption fee if a redemption is made within a specific time period following the investment. The terms of any redemption fee are disclosed in the fund's prospectus. Decisions regarding the sale of mutual funds in an account may be made by LPL without regard to whether a client will be assessed a redemption fee.

## CONFLICTS OF INTEREST

The MWP program may cost the client more or less than purchasing program services separately.

Factors that bear upon the cost of the MWP account in relation to the cost of the same services purchased separately include: the type and size of the account, the historical and or expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

WEAS receives compensation as a result of a client's participation in the MWP program. This compensation includes a portion of the Account Fee and may also include other compensation, such as bonuses, awards or other things of value offered by LPL to WEAS. Depending on, among other things, the size of the account, changes in its value over time, ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what WEAS would receive if the client participated in other programs through LPL, or paid separately for investment advice, brokerage, and other services. Therefore, while account compensation cannot be determined in advance, WEAS may have an incentive to recommend the MWP program over other programs or services.

The Account Fee represents compensation for asset management and reporting services. LPL is appointed by client as the sole and exclusive broker-dealer with respect to processing securities transactions for accounts.

Securities transactions for accounts are effected through LPL without commissions being paid to LPL. While LPL makes every attempt to obtain the best execution possible, there is no assurance that it will be obtained. Clients should consider whether or not the appointment of LPL as the sole broker-dealer may or may not result in certain costs or disadvantages to the client as a result of possibly less favorable executions. In considering whether or not to restrict the execution of transactions through LPL, LPL considered its capabilities to execute, clear and settle transactions.

LPL will aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. LPL also will aggregate rebalancing transactions for an account with other program accounts. Due to the large number of accounts that may be involved in rebalancing transactions on a single day, LPL may effect transactions for some accounts on one day and for other accounts on the following day or days. In such case, LPL will have discretion to sequence the accounts involved in rebalancing transactions with the goal of treating all accounts equitably over time.

Although clients will not be charged a commission for transactions in the MWP account, clients should be aware that certain mutual funds charge fees such as 12b-1 fees, sub transfer agent fees, omnibus processing fees and/or networking fees, a portion of which may be received by LPL and the IAR. The amount of such fees is described in the mutual fund's prospectus under fund expenses and is also reflected on the fund's financial statements. To the extent that such 12b-1 fees may be received from mutual funds held in a non-retirement account, LPL and WEAS may retain the entire amount received.

WEAS, LPL and LPL employees may receive additional non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, client events, or marketing or advertising initiatives, including services for identifying prospective clients.



Advisory product sponsors may also pay for education or training events that may be attended by LPL employees and WEAS IARs.

In certain cases a model portfolio may consist only of mutual funds or ETFs within the same fund family or within affiliated fund families. In such a model portfolio, LPL's Research Department or the Outside Strategist (as applicable) will select only those funds within the fund family or affiliated fund families. Because mutual funds or ETFs in a model portfolio may be affiliated with the Outside Strategist that designs the model portfolio, an investment in the affiliated fund generates compensation to the Outside Strategist or its affiliates, including, among other types of compensation, fund-level management fees, in addition to the portion of the Account Fee it receives.

### **MANAGER SELECT PROGRAM ("Manager Select")**

In the Manager Select Program, WEAS and its IARs assist clients in identifying a third-party investment advisor (Portfolio Manager) from a list of available advisors to assist client with respect to investment of their funds. WEAS may also act as a Portfolio Manager on a Manager Select account at the client's election. Portfolio Managers may hire one or more sub-advisors to manage all or a portion of the client's Manager Select account. The Manager Select program is designed to provide execution, money management, custodial and recordkeeping services to WEAS clients for a single fee.

Clients, in consultation with WEAS IARs, provide detailed financial and other pertinent data in completing an Account Application. The Account Application enables clients to determine appropriate investment guidelines, risk tolerance and other factors that assist in ascertaining the suitability of the Manager Select account and appropriate Portfolio Managers to utilize.

Clients are provided with data concerning the Portfolio Manager's past performance, management style, location, size of accounts and similar information. In consultation with WEAS IARs, the client chooses a Portfolio Manager based on his/her own review of available Portfolio Managers or based on the investment objectives as set forth in the Account Application.

The Manager Select program also permits client to select a third-party investment advisor in lieu of an IAR to assist client in selecting a Portfolio Manager.

Upon selection of a Portfolio Manager, deposit of funds by the client, and acceptance of the account by the Portfolio Manager, the Portfolio Manager invests the client's funds on a discretionary basis.

During any month that there is activity in the Manager Select account, the client receives a monthly brokerage statement from LPL showing account activity as well as positions held in the account at month-end. If client so elects in the Account Application, clients will not receive a confirmation of the transactions that occur within the Manager Select account, and confirmation details for the transactions will be displayed on the monthly brokerage statement. Clients may request to receive confirmation statements by contacting their IAR. The client will also receive a detailed quarterly performance report.

The Manager Select fee schedule is as follows:

#### **Maximum Fee**

3.00%

The fee is negotiable, is based on the value of assets in the Account, including cash holdings, and is

payable quarterly in advance. The Account Fee will be as stated on the Application. The initial Account Fee is due at the end of the month in which this Account is accepted by Portfolio Manager and LPL and will include a prorated amount for the initial quarter. Subsequent Account Fees will be assessed at the beginning of each quarterly cycle thereafter and will be based on the value of the Account assets under management as of the close of business on the last business day of the preceding quarter (as valued by an independent pricing service, where available, or otherwise in good faith as reflected on Client's quarterly performance report) and based on the fee rate in effect at the time of assessment. At the time of a subsequent Account Fee assessment, the Account Fee will be adjusted for deposits and withdrawals during the prior quarter pro rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment. If there is a change in the Account Fee rate negotiated between IAR and Client during the quarter, the effective date of any increase or decrease will be at the beginning of the next quarterly cycle. Account Fees will be deducted from the Account pursuant to the Manager Select Account Agreement.

Transactions in Manager Select accounts generally will be executed by Portfolio Manager through LPL. In some cases, Portfolio Manager may choose to execute fixed income transactions through a broker-dealer other than LPL. Portfolio Managers will seek to obtain the best execution possible given the direction to trade exclusively through LPL for equity securities. LPL may aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained.

After the fee is collected by LPL, LPL pays the Portfolio Manager, retains a portion of the fee for its services and sends the balance to WEAS to cover its fee.

In addition to the Account Fees noted previously, client may also incur certain charges imposed by third parties or by LPL in connection with investments made through Manager Select accounts. These may include, but are not limited to, the following: mutual fund 12b-1, sub-transfer agent, networking and/or omnibus processing fees, mutual fund management fees and administrative expenses, fees related to American Depositary Receipts, other transaction charges and service fees, IRA and qualified retirement plan fees, administrative servicing fees for trust accounts, and other taxes and charges required by law or imposed by exchanges or regulatory bodies. LPL and IAR may receive a portion of these fees.

The IAR may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with IAR, client events or workshops, or marketing or advertising initiatives, including services for identifying prospective clients.

LPL makes available programs for cash in an account to be automatically swept to a money market fund or an interest-bearing Federal Deposit Insurance Corporation ("FDIC")-insured deposit account. For more information about which types of accounts are eligible to use the different sweep options, please speak to your IAR.

For accounts that are set up for cash to sweep to a money market fund -- the available sweep money market funds typically pay higher 12b-1 fees than other money market funds. In addition, LPL receives

compensation of up to 0.35% annually of the LPL client assets invested in the sweep money market funds for recordkeeping services it provides for the funds. LPL also receives up to 0.15% annually of the LPL client assets invested in the sweep money market funds in connection with marketing support services LPL provides to the money market fund sponsors. LPL receives up to 1.00% annually of LPL client assets in the sweep money market funds from the money market fund sponsor in connection with 12b-1 fees, recordkeeping and other compensation.

For accounts that sweep cash to the multi-bank insured cash account program offered by LPL (the “ICA”) -- LPL receives a fee equal to a percentage of the average daily deposit balance in the ICA. The fee paid to LPL is applied across all ICA deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this amount. For accounts that sweep cash to the multi-bank deposit cash account program offered by LPL (the DCA)—LPL receives a flat monthly fee per account based upon the prevailing fed funds target rate. LPL’s compensation under the DCA program is not affected by the actual cash amounts held in your account. The compensation LPL receives with respect to the ICA or DCA may be higher than if a client invests in other sweep investment options.

The compensation that LPL receives related to ICA, DCA and the sweep money market funds is in addition to the Account Fee that LPL and IAR receive with respect to the assets in the sweep investment. This compensation related to ICA, DCA and sweep money market funds presents a conflict of interest to LPL because LPL has a financial benefit if cash is invested in ICA, DCA or the sweep funds. However, this compensation is retained by LPL and is not shared with Portfolio Managers. Therefore, this compensation does not cause a Portfolio Manager to have a financial incentive to recommend that cash be held in the account instead of holding securities. LPL does not share this compensation with IARs.

The Manager Select Account Agreement may be terminated by any party effective upon written notice to the other parties (“Termination Date”). The client is entitled to a pro rata refund of any prepaid quarterly account fee based upon the number of days remaining in the quarter after the Termination Date.

If the Manager Select account is closed within the first 6 months by a client or as a result of withdrawals that bring the account value below the required minimum, LPL reserves the right to retain the prepaid quarterly fee for the current quarter and cancel and rebill all transactions in the account at normal and customary brokerage commission rates, in order to cover the administrative cost of establishing the account, which may include costs of transferring positions into and out of the account, data entry costs in opening the account, costs associated with reconciliation of positions in order to issue quarterly performance reports, and the costs of re-registration of positions.

## METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGIES

### Manager Select Accounts.

WEAS IARs obtain detailed financial and other pertinent data from client on a Client Questionnaire. This assists Portfolio Manager in determining the appropriate investment strategy for the account. All security analysis methods, sources of information with respect to securities, and investment strategies are determined by the portfolio manager selected by clients to manage their accounts.

### SAM I and SAM II.

Each WEAS IAR managing a SAM I or SAM II customized program account chooses his/her own

research methods, investment style and management philosophy. The WEAS IAR has access to various research reports and model portfolios to which he/she may refer in determining which securities to purchase or sell.

#### OMP Accounts.

WEAS IARs obtain detailed financial and other pertinent data from client on a client questionnaire. This assists the IAR in selecting an appropriate portfolio for the client based on client's investment objective and goals. The WEAS IAR has access to a variety of research information from LPL. The percentage allocation of Optimum Funds within the various available portfolios is determined by LPL.

#### Personal Wealth Portfolios Accounts.

IARs obtain detailed financial and other pertinent data from client on a client questionnaire. This assists the WEAS IAR in selecting an appropriate portfolio, as well as selecting mutual funds, ETFs, or PWP advisors, for the client based on client's investment objective and goals. The percentage allocation of asset classes within the various available portfolios is determined by LPL.

#### Model Wealth Portfolios Accounts.

The MWP Program offers clients a professionally managed asset allocation program in which LPL, in its capacity as a registered investment advisor, and Wealth Enhancement Advisory Services (WEAS), in its capacity as a registered investment advisor, and its IARs direct and manage specified client assets. Clients who invest through the MWP Program will authorize LPL and WEAS on a discretionary basis to purchase and sell mutual funds and exchange-traded funds ("ETF"), pursuant to an investment objective chosen by the Client and to liquidate previously purchased securities. Exchange-traded notes ("ETN") and closed-end funds may also be purchased in an MWP account.

## CONDITIONS FOR RECEIVING SERVICES

A minimum account value of \$25,000 is required for SAM and SAM II  
A minimum account value of \$10,000 is required for Optimum Market Portfolios  
A minimum account value of \$250,000 is required for Personal Wealth Portfolios  
A minimum account value of \$25,000 is required for Model Wealth Portfolios  
A minimum account value of \$100,000 is required for Manager Select

The above minimums may be waived or lowered.

## REVIEW OF ACCOUNTS

SAM and SAM II. LPL reviews program accounts using a risk-based exception reporting system that flags accounts on a quarterly basis for criteria such as performance, trading activity, and concentration. The Advisory Chief Compliance Officer of LPL oversees the process for reviewing flagged accounts. WEAS IARs meet with clients. Such meetings may include review of accounts statements, quarterly performance information, and other information or data related to the client's account and investment objectives.

LPL provides clients with regular written reports regarding their accounts. LPL provides detailed quarterly performance information describing account performance and positions. LPL also provides an additional year-end report for accounts not established on a calendar quarter basis. In addition, LPL sends trade confirmations and account statements to clients showing transactions, positions, and deposits and withdrawals of principal and income. LPL does not send trade confirmations for systematic purchases, systematic redemptions and systematic exchanges. Portfolio values and returns shown in performance reports for the year-end time period may include mutual fund dividends paid out before December 31 but that were posted to the account within the first 2 business days of the subsequent year. The inclusion of such dividends in the year-end performance report may cause discrepancies between the report and the account statement the client receives from LPL for the same period.

Optimum, Manager Select, MWP and PWP. WEAS IARs review monthly or quarterly accounts statements as well as quarterly performance reports, copies of which are also provided to the client. The number of client accounts handled by each WEAS IAR varies.

## REPORTS

SAM I, SAM II, and OMP Programs. In addition to the portfolio reports already described in this brochure, LPL will transmit to clients: (1) trade confirmations unless the trade is the result of a systematic purchase, systematic redemption or systematic exchange; and (2) account statements, showing all transactions in cash and securities and all deposits and withdrawals of principal and income during the preceding calendar month. For SAM I and SAM II, trade confirmations and account statements for the variable annuities, hedge funds, and managed futures are provided by a third party.

Manager Select, Personal Wealth Portfolios and Model Wealth Portfolios. In addition to the portfolio reports already described in this brochure, LPL will transmit to clients account statements showing all transactions in cash and securities and all deposits and withdrawals of principal and income during the preceding calendar month.

## INVESTMENT AND BROKERAGE DISCRETION

With respect to SAM I and SAM II accounts, WEAS may be granted the discretionary authority to select for investment the security and the amount to be bought or sold pursuant to a written authorization. With respect to OMP accounts, WEAS and LPL will be granted the discretionary authority to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client and to liquidate previously purchased securities. With respect to MWP accounts, WEAS and LPL will be granted the discretionary authority to purchase and sell mutual funds and exchange-traded funds ("ETF") pursuant to an investment objective chosen by the Client and to liquidate previously purchased securities. With respect to PWP accounts, WEAS and LPL will be granted the discretionary authority to select a model portfolio, PWP Advisor, mutual funds, ETFs, and equity and fixed income securities (including the amount to be bought or sold) pursuant to a written client authorization. Upon opening an PWP account, the client designates LPL as the broker-dealer to execute trades.

In the SAM I, SAM II, OMP, MWP and PWP Programs, LPL is appointed by client as the sole and exclusive broker-dealer with respect to handling of securities transactions for client accounts.

Securities transactions for SAM I, SAM II, OMP, MWP, PWP and Manager Select accounts are affected through LPL without sales commissions being paid to an IAR. LPL charges transaction charges in SAM I and OMP accounts.

In the Manager Select Program, LPL is generally appointed by client as broker-dealer with respect to handling of securities transactions for client accounts. In cases where Portfolio Manager executes fixed income trades through LPL, LPL may act as a principal on such trades. Securities transactions for Manager Select accounts are effected by portfolio manager without commissions through LPL. In some cases, portfolio manager may choose to execute fixed income transactions through a broker-dealer other than LPL.

LPL may aggregate transactions for a client with other clients to improve the quality of the execution. When trades are so aggregated, the actual prices applicable to the aggregated trades will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. For orders that are only partially filled in SAM I and SAM II accounts, the WEAS IAR will allocate trades pro rata or on a random basis consistent with the goal of treating clients fairly and not favoring one client over another. For partially filled orders in OMP, PWP and MWP accounts, LPL will generally allocate trades pro rata or on some other basis consistent with the goal of treating all clients equitably over time.