

# WEALTH MANAGEMENT PLATFORM ADVISOR MANAGED PORTFOLIO **PART 2A** **APPENDIX 1** PROGRAM BROCHURE

Current as of March 29, 2019.

**VISION2020 Wealth Management Corp.**

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This wrap fee program brochure provides information about the qualifications and business practices of VISION2020 Wealth Management Corporation. If you have any questions about the content of this brochure, please contact us at 800-821-5100. VISION2020 Wealth Management Corporation is registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. Registration does not imply any level of skill or training. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about VISION2020 Wealth Management Corporation also is available on the SEC's website at **[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**.

## Item 2 - Material Changes

The last amendment of the Wealth Management Platform – Advisor Managed Portfolios Program, Form ADV Part 2A – Appendix 1 (“Appendix 1”) was March 12, 2019. There have been no additions or updates of material information since the last update of this Appendix 1. Since the last amendment, the following material changes to the Appendix-1 have occurred:

- Item 4 – Services, Fees and Compensation: An explanation of the NFS ETF-No Transaction Fee Program was added to the brochure.
- Item 4 – Services, Fees and Compensation: Updated to show fees and charges associated with Illiquid and alternative investments.
  - There is a \$9.00 transaction charge for the purchase and sale of daily NAV interval funds and monthly NAV REITs.
  - There is a \$50.00 transaction charge for the purchase and sale of Registered Daily NAV REITs when NFS is the custodian.
  - There is a \$50.00 transaction charge for the purchase and sale of Registered Daily NAV REITs when Pershing is the custodian.
  - There is an annual charge of \$35.00 for Registered Daily NAV REITs when NFS is the custodian.
  - There is an annual charge of \$35.00 for Registered Daily NAV REITs when Pershing is the custodian.

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## Item 4 - Services, Fees and Compensation

The Wealth Management Platform – Advisor Managed Portfolios (“Program”) is sponsored by VISION2020 Wealth Management Corp. (“VISION2020”, the “Firm,” “us” or “we” or “our”), an SEC-Registered Investment Adviser. VISION2020 is a subsidiary of Advisor Group, Inc., a wholly-owned subsidiary of Advisor Group Holdings, Inc., which is owned by a consortium of investors that includes Lightyear Fund III, L.P. (an investment fund affiliated with Lightyear Capital LLC) and PSPIB Lunar Investments Inc. (a wholly-owned vehicle of the Public Sector Pension Investment Board).

The Program is presented to the client (“you”) by Investment Adviser Representatives (“Advisory Representatives”) of a registered investment adviser (“Advisor”) that may be a Related Person (as defined in Form ADV) to us. Please refer to the Advisor’s Form ADV, Part I to determine if your Advisor is a Related Person to us.

To join the Program, you will enter into an investment advisory client agreement (“Client Agreement”) with us and your Advisor and establish a brokerage account (“Program Account”) on a fully disclosed basis with the Advisor’s associated broker-dealer (“Broker-Dealer”).

### Advisory Services

The Program begins with your Advisory Representative working with you to identify your investment goals and objectives as well as risk tolerance. Your Advisory Representative will then create an initial portfolio allocation designed to complement your financial situation and personal circumstances.

Your Advisory Representative has the option to allocate your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds, mutual funds and other securities (“Program Investments”) which are based on your investment goals, objectives, and risk tolerance. Your Advisory Representative has the option to recommend model portfolios, option trading and/or margin as a part of the chosen strategy. Upon your agreement, this portfolio allocation will be managed in your Program Account.

The investment strategies utilized in the Program depend upon your investment objectives and goals as provided to your Advisory Representative. Portfolios are constructed along basic investment objective categories, however you and each client have the opportunity to place reasonable restrictions on the type of investments to be held in your Program Account.

Depending on the terms you enter into with us in the Statement of Investment Selection (“SIS”), your Advisor will manage your account on either a discretionary or non-discretionary basis. We define discretionary management as the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds. Non-discretionary management means that your Advisor does not have the ability to perform the aforementioned without your consent. However, your Advisor has the option to periodically rebalance your account to maintain the initially agreed upon asset allocation without your consent.

### Program Costs

The Program is offered alternatively as an Account with separate advisory fees and transaction charges (“Non-Wrap Fee”) or as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions (“Wrap Fee”). In both Wrap Fee and Non-Wrap Fee accounts, you pay a quarterly Account Fee. Quarterly Fees are charged in advance based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Quarterly Account Fees are determined by prorating the applicable rate in the annual Account Fee schedule for the number of calendar days for each quarter. In the event that additions to, or withdrawals from, the account are made in excess of \$10,000 during any given quarter, the Account Fee will be adjusted on a pro-rata basis to the account from which the charge was debited. Adjustments are calculated as follows:

- a. Prior fees paid in advance for the remaining calendar days in the quarter, as of the date of the addition or withdrawal, will be refunded (“Prior Fees Paid”).

- b. Fees will be recalculated for the remaining number of calendar days as of the date of the addition or withdrawal ("Recalculated Fees"). Recalculated Fees are determined by pro-rating the applicable rate in the annual account fee schedule for the number of calendar days remaining in the quarter.
- c. The applicable rate for the Recalculated Fees will be determined based on the market value of the assets as of the date of the addition or withdrawal. This may result in a different rate for Recalculated Fees versus Prior Fees Paid for the same period.
- d. The net difference of the Recalculated Fees and the Prior Fees Paid may result in a credit or debit to the account.

The Account Fee schedule is illustrated in the SIS. Certain Advisors who are investment adviser representatives of unaffiliated investment adviser firms can charge the quarterly fees in arrears based on either the account value at the end of the quarter or the average daily balance of the account value for the preceding quarter.

In computing the market value of assets, mutual fund shares will be calculated at their respective net asset values as of the valuation date in accordance with each mutual fund prospectus. With respect to accounts that utilize margin, the "net worth" or "net equity" value of the account, not the long or short market value, will be used to determine the Account Fee. With respect to accounts that purchase or sell option contracts, the positive or negative value of the option will be included in the net equity value of the account for purposes of determining the Account Fee. Please be aware that option contracts are a "wasting" asset, in that they have value only through the date on which they expire. If call option contracts are sold in conjunction with securities held in a Program Account, (often referred to as covered call options) the cash received on the sale of the option may have the effect of temporarily increasing the net equity value of the Program Account, and thus increasing the amount of the Account Fee. In the event that additions to, or withdrawals from, the account are made in excess of \$10,000 during any given quarter, the Account Fee will be adjusted on a pro-rata basis to the account from which the charge was debited, based on the market value of the assets at such time to reflect the addition or withdrawal.

### Methods of Calculating Account Fees

Your Account Fee is billed using either the "Tiered" or "Linear" method. To illustrate, please refer to the sample billing schedule below:

Total Account Value:	Account Fee:
\$0 - \$249,999	X%
\$250,000 - \$499,999	Y%

- Under the Tiered billing method, a Total Account Value of \$400,000 would be billed as follows: the first \$249,999 would be billed at X% with the remaining \$150,001 to be billed at Y%.
- Under the Linear billing method, a Total Account Value of \$400,000 would be billed at Y%.

The SIS designates how your Account Fee is calculated.

### Negotiation of Account Fees

Subject to the maximum Account Fee limitations imposed by the fee schedules that follow, each Advisory Representative: (i) negotiates with clients their own Account Fee schedule, and (ii) determines on a client by client basis the Accounts that will be included in the same "household" for purposes of calculating the Account Fee. The actual Account Fee schedule will be shown in the SIS.

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

## Fee Schedules

### Wrap Fee Option

If you select the Wrap Fee option, you will pay a single, all-inclusive Account Fee\*. Please consider that depending upon the level of the Account Fee charged, the amount of portfolio activity in your account, the value of services that are provided under the Program, and other factors, the Account Fee may or may not exceed the aggregate cost of such services if they were to be provided separately. You pay a single fee because either your Advisory Representative pays the transaction charges for you or because we pay the transaction charges for you. In cases where the Advisory Representative pays the ticket charges, a conflict of interest exists for the Advisory Representative to potentially trade less frequently in order to retain a greater portion of the wrap fee. Our policy and procedures are designed to ensure our Related Persons recommend Wrap Fee Advisory Accounts only for actively managed accounts.

Please see below for the associated fee schedules:

#### Wrap Fee Schedule

	Advisory Representative Pays Transaction Charges		We Pay Transaction Charges		
Total Account Value	Administrative Fee <sup>1 2</sup>	Maximum Advisory Fee <sup>3</sup>	Administrative Fee <sup>1 2</sup>	Maximum Advisory Fee <sup>3</sup>	Maximum Total Account Fee Paid by Client
\$50,000 to \$249,999	0.170%	2.330%	0.350%	2.150%	2.500%
\$250,000 to \$499,999	0.145%	2.105%	0.310%	1.940%	2.250%
\$500,000 to \$749,999	0.145%	1.855%	0.310%	1.690%	2.000%
\$750,000 to \$999,999	0.120%	1.630%	0.270%	1.480%	1.750%
\$1,000,000 to \$1,249,999	0.095%	1.655%	0.245%	1.505%	1.750%
\$1,250,000 to \$1,999,999	0.095%	1.405%	0.220%	1.280%	1.500%
\$2,000,000 to \$4,999,999	0.070%	1.180%	0.170%	1.080%	1.250%
\$5,000,000 to \$24,999,999	0.045%	1.205%	0.105%	1.145%	1.250%
Over \$25,000,000	0.035%	0.965%	0.065%	0.935%	1.000%

\*A \$26 per-transaction fee may apply for certain short-term redemptions of mutual funds as described in the section entitled, "Transaction Charges" that follows.

<sup>1</sup> **Administrative Fee:** A portion of the Total Account Fee is allocated to the Administrative Fee, which covers administrative, and supervisory services provided by your Advisor's associated Broker-Dealer as well as transaction, execution, clearing and custodial services as provided by the clearing broker-dealer. The Administrative Fee is set on a sliding scale depending on the size of the assets in the account.

<sup>2</sup> **Program Administrative Fee Discount:** Advisory Representatives may qualify for a discounted Administrative Fee Schedule. The discount will be based upon the aggregated total of Account Fee billings of all clients your Advisory Representative maintains in the Program. The discount ranges from a 10% to 80% reduction of the Administrative Fee. If your Advisory Representative receives a discounted Administrative Fee, your Advisory Representative's compensation will increase or decrease by the amount of the discount received, but your Total Account Fee and cost will remain unchanged.

<sup>3</sup> **Maximum Advisory Fee:** The Advisory Fee is paid to Advisory Representatives for the provision of their personal advisory services rendered in qualifying you for investment in the Program, as well as for ongoing supervision and/or portfolio monitoring of Program Investments. The amount of Advisory Fees charged to clients is determined by each Advisory Representative up to an amount not to exceed the fee breakpoint set for each level of investment as described above.

The Wrap Fee option offers a bundled charge that is inclusive of transactional (i.e., trading) costs and is meant to be utilized by investors who have an intention to actively trade their account. A non-wrap account is generally more cost-effective for you if you do not intend to actively trade your account. While there is no precise determinant for an actively traded account, if you are engaging in a small number of transactions per year, you should discuss in detail with your advisor if a wrap-account is appropriate for your needs. To the extent that your Advisory Representative is paying for transaction charges, s/he may have a disincentive to trade actively for your account.

### **Non-Wrap Fee Option**

Clients who select the Non-Wrap Fee option will pay separate Transaction Charges in addition to the Account Fee. The custodian and Advisor's associated broker-dealer receive portions of the transaction charges. Please see below for the Account Fee schedule followed by the Transaction Charge schedule.

**[This section purposely left blank. Fee schedules begin on the following page.]**



## Non-Wrap Fee Schedule

### Transaction Charges

Total Account Value	Administrative Fee <sup>1</sup>	Maximum Advisory Fee <sup>1</sup>	Maximum Total Account Fee Paid by Client
\$50,000 to \$249,999	0.170%	2.130%	2.300%
\$250,000 to \$499,999	0.145%	1.905%	2.050%
\$500,000 to \$749,999	0.145%	1.655%	1.800%
\$750,000 to \$999,999	0.120%	1.430%	1.550%
\$1,000,000 to \$1,249,999	0.095%	1.455%	1.550%
\$1,250,000 to \$1,999,999	0.095%	1.205%	1.300%
\$2,000,000 to \$4,999,999	0.070%	0.980%	1.050%
\$5,000,000 to \$24,999,999	0.045%	1.005%	1.050%
Over \$25,000,000	0.035%	0.765%	0.800%

### Transaction Fee Schedule

Exchange Listed Equities including ETFs (purchases & sales)	\$9.00
OTC Equities (purchases & sales)	\$9.00
Options (purchases & sales)	\$9.00
Listed Bonds (purchases & sales)	\$9.00
Bonds (Corp., Treasury, Municipal & Money Mkt) & CDs (purchases & sales)	\$9.00
UITs (purchases & sales)	\$9.00

### Load Mutual Funds @NAV

Purchases & Redemptions	\$9.00
Dollar Cost Averaging	\$0
Systematic Redemption	\$0
Internal Exchanges	\$0

### No-Load Mutual Funds

Purchases (initial & subsequent)	\$9.00
Redemptions (initial & subsequent)	\$9.00

<sup>1</sup> Please see footnotes on previous page for definitions and further information.

### **Illiquid and Alternative Investments (Transaction Charges)**

<b>Daily NAV Interval Funds (purchases &amp; sales)</b>	\$9.00
<b>Monthly NAV REITs (purchases &amp; sales)</b>	\$9.00
<b>Registered Daily NAV REITs (purchases &amp; sales)</b>	\$50.00

### **Illiquid and Alternative Investments (Annual Charges)**

<b>Registered Daily NAV REITs (NFS as Custodian)</b>	\$35.00 per account*
<b>Registered Daily NAV REITs (Pershing as Custodian)</b>	\$35.00 per account

\*Total annual maximum charge is capped at \$500.00

All other transaction fees are \$9.00 unless noted otherwise.

### **No Transaction Fee Programs**

Certain no-load or load at net asset value ("NAV") mutual funds may be purchased, sold or exchanged without incurring transaction costs. These funds may be purchased through Pershing and NFS' no transaction fee programs (respectively, the "Pershing Mutual Fund NTF Program" and "NFS Mutual Fund NTF Program") as described below. Certain exchange-traded funds may also be purchased through Pershing and NFS' no transaction fee program (the "Pershing ETF-NTF Program" and the "NFS ETF-NTF Program"), also described below.

#### **Pershing Mutual Fund NTF Program**

No-load, institutional share classes and Class A share purchases at NAV mutual funds may be purchased without incurring transaction costs subject to a \$500 minimum purchase amount through Pershing (the "Pershing Mutual Fund NTF Program"). If a mutual fund in the Pershing NTF Program is sold prior to a 2 month hold/redemption period, a \$26.00 charge will be passed on to you, under both wrap and non-wrap fee contracts (except for wrap programs where we pay the ticket charge). This charge is in addition to other fees, charges, and restrictions that may be imposed by the mutual fund company for short-term trading and redemptions. Please see the below table as a reference guide.

<b>Purchases of \$500 or more</b>	\$0.00
<b>Purchases Less Than \$500</b>	\$9.00
<b>Redemptions held 2 months or longer</b>	\$0.00
<b>Redemptions held Less Than 2 months</b>	\$26.00

#### **Pershing ETF-No Transaction Fee Program**

You may also participate in Pershing's no-transaction fee exchange-traded fund program (the "Pershing ETF-NTF Program") which, includes ETFs with no transaction fees. ETFs in the Pershing ETF-NTF Program have no purchase minimums or holding periods.

#### **NFS Mutual Fund NTF Program**

You can purchase, sell or exchange a select group of no-load or load at NAV mutual funds through NFS' no-transaction fee program (the "NFS Mutual Fund NTF Program") without incurring transaction costs, purchase minimums or holding periods.

## NFS ETF-No Transaction Fee Program

You may also participate in NFS' no-transaction fee exchange-traded fund program (the "NFS ETF-NTF Program") which, includes ETFs with no transaction fees. ETFs in the NFS ETF-NTF Program have no purchase minimums or holding periods.

## Surcharge Fees Imposed on Your Advisory Representative

A \$10 surcharge may be assessed for accounts held in certain mutual funds. The surcharge applies to each purchase and sale transaction for such mutual funds, but excludes exchanges and periodic investments. This surcharge is paid by your Advisory Representative and potentially creates a conflict of interest as it may incentivize your Advisory Representative to recommend mutual funds that are not subject to this surcharge over mutual funds that are to avoid paying the surcharge. Upon request, your Advisory Representative will provide you with a list of mutual funds subject to the \$10 surcharge. This list may change from time to time.

## Advisory Services to Variable Annuity Sub-Accounts

Your Advisory Representative has the option to utilize the Program tools to manage Variable Annuity products ("Program VAs") that are maintained outside of a standard Program Account. Although the Variable Annuities and their respective Sub-Accounts will be represented on various Program reports (i.e., Performance Reporting) the Variable Annuities are held directly at the Variable Annuity Sponsor.

Program VAs may only be managed as part of an existing client group, consisting of one or more Program Accounts. Your Advisory Representative has the option to use the various Program tools to manage the Program VA's Sub-Accounts in accordance with your risk tolerance. However, the Advisory Representative will not direct reallocations of the Sub-Accounts through the Program. In such cases when a reallocation is required, the Advisory Representative will direct and execute such reallocation transactions directly through the Variable Annuity Sponsor.

### Variable Annuity Fee Schedule

Total Account Value <sup>1</sup>	Administrative Fee <sup>1</sup>	Maximum Advisory Fee <sup>1</sup>	Maximum Total Account Fee Paid by Client
\$50,000 to \$249,999	0.170%	2.130%	2.300%
\$250,000 to \$499,999	0.145%	1.905%	2.050%
\$500,000 to \$749,999	0.145%	1.655%	1.800%
\$750,000 to \$999,999	0.120%	1.430%	1.550%
\$1,000,000 to \$1,249,999	0.0975%	1.455%	1.5525%
\$1,250,000 to \$1,999,999	0.0975%	1.205%	1.3025%
\$2,000,000 to \$4,999,999	0.070%	0.980%	1.050%
\$5,000,000 to \$24,999,999	0.045%	1.005%	1.050%
Over \$25,000,000	0.035%	0.765%	0.800%

Program VAs are not assessed transaction charges since all reallocations are placed directly with the Variable Annuity sponsor.

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<sup>1</sup> Please see footnotes on page 6 for definitions and further information.

## **Mutual Funds**

Please be aware that Account Fees are charged on all mutual fund shares that are designated as Program Investments, including shares on which you may have previously paid a sales charge. Also, to the extent that cash used for investments in an account comes from redemptions of your other non-managed mutual fund investments, you should consider the cost, if any, of the sales charge(s) previously paid and redemption fees that would be incurred. Such redemption fees would be in addition to the Account Fee on those assets. Please be aware that such redemptions and exchanges between mutual funds that participate in the Program might have tax consequences, which should be discussed with your independent tax adviser.

Notwithstanding the foregoing paragraph, no Account Fees will be charged on any mutual funds or unit investment trusts transferred to accounts which were purchased within the past two years if a commission was paid to your Advisory Representative.

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

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

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to the more commonly offered retail share classes (typically, Class A, B, and C shares), mutual funds may also offer institutional shares classes and other share classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have a lower expense ratio than other shares classes. Clients should not assume that they will be invested in the share class with the lowest possible expense ratio.

## **Variable Annuities**

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges. These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the variable annuity prospectus for full details.

## **Retirement Accounts**

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

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

Depending upon the level of the Account Fee, your Advisor may receive more compensation:

- 1) as a result of your participation in the Program than if you participate in other programs that your Advisor offers.
- 2) if your Advisor charges you the Wrap Account Fee which wraps management, administrative and transaction costs into one fee rather than having you pay for these services separately.

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

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

## **CASH SWEEP PROGRAM (PERSHING & NFS)**

Your Program Account is maintained at Pershing or NFS, which are the clearing agents for Advisor Group and its four affiliated broker-dealers; FSC Securities Corporation, Royal Alliance Associates, Inc., SagePoint Financial, Inc., and Woodbury Financial Services, Inc. The Free Credit Balance will be automatically deposited or "swept" into to a deposit account at one or more banks whose deposits are insured by the FDIC, or, in limited cases, a money market mutual fund product.

### **Cash Sweep Program (Pershing)**

#### Eligible products

1. FDIC Insured Deposit Program (*Tiered & Level* Rate)
2. Money Market Mutual Fund

Accounts custodied at Pershing will be eligible for the Pershing sweep program, the "Cash Sweep Program (Pershing)". The Cash Sweep Program automatically transfers free credit balances to a deposit account at one or more banks whose deposits are insured by the Federal Deposit Insurance Corporation (the "FDIC Insured Deposit Program - *Tiered*" or the "FDIC Insured Deposit Program - *Level*"), or, in limited cases, a money market mutual fund product (the "Money Market Mutual Fund Program").

### **FDIC Insured Deposit Program (*Tiered & Level* Rate)**

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

Free credit balances in a deposit account may earn interest that is compounded daily and credited to your account monthly. Interest begins to accrue on the date of deposit within banks participating in the program ("Program Banks"), through the business day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 (or 1/366 on a leap year) of the interest rate.

#### FDIC Insured Deposit Program - *Tiered*

Advisor Group has established deposit tiers and ordinarily pays different rates of interest on different deposit levels or tiers; higher deposit balances may receive higher rates of interest than deposits with lower balances. The amount of interest paid on deposit accounts will be determined by the amount of interest paid by Program Banks minus the amount of fees charged by Pershing, Advisor Group, and other service providers. Interest rates paid on the deposit accounts may be higher or lower than interest rates available to depositors making deposits directly with Program Banks or other depository institutions in comparable accounts.

#### FDIC Insured Deposit Program - *Level*

Advisor Group will receive a maximum monthly per account fee of \$31.10 for services in connection with maintaining and administering the Cash Sweep Program for IRA accounts held in an advisory/ fee-based office range, ("Cash Sweep Account Fee"). The Cash Sweep Account Fee is not based on the amount of assets in the FDIC Program or your Program Account and does not depend on or vary with (and is not affected by), the actual amounts held in the deposit accounts or your Program Account. The Cash Sweep Account Fee will generally be paid on your Program Account's behalf by the Program Banks; however, the fee may be deducted directly from your Program Account if, for example, the amounts paid by the Program Banks are insufficient to cover the Fee. Advisor Group may waive any portion of the fee, or the fee in its entirety, received from the Program Banks. Your Advisory Representative will not receive any portion of the fees paid by the Program Banks. The amount of fees

received by Advisor Group, Pershing, and any other service provider, will affect the interest rate paid on your deposit account(s).

### **Money Market Mutual Fund**

#### **Eligible Account Types: ERISA only**

Free credit balances in the following brokerage account types will be automatically swept into the Federated Government Reserves Fund ("Fund") (GRFXX), which is managed by Federated Investors ("Federated"):

Eligible Account types:

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

The Federated Government Reserves Fund invests primarily in a portfolio of short-term U.S. Treasury and government securities. These investments include repurchase agreements collateralized fully by U.S. Treasury and government securities. This Fund uses repurchase agreements to provide a liquidity base for the portfolio and a potential yield advantage relative to other short-term securities. This Fund is a money market mutual fund and seeks to maintain a stable share price of \$1.00.

Advisor Group and Pershing may receive additional compensation, in the form of distribution assistance from the Fund.

For additional information about the Cash Sweep Program, please refer to the Disclosure page on [www.advisorgroup.com](http://www.advisorgroup.com) and then locate the section entitled "Cash Sweep Program (Pershing)".

### **Cash Sweep Program (NFS)**

#### **Eligible Products**

1. FDIC Insured Deposit Program (*Tiered & Level* Rate)
2. Money Market Mutual Fund

Accounts custodied at NFS will be eligible for the NFS sweep program, the "Cash Sweep Program (NFS)". The Cash Sweep Program automatically transfers free credit balances to a deposit account at one or more banks whose deposits are insured by the Federal Deposit Insurance Corporation (the "FDIC Insured Deposit Program - *Tiered*" or the "FDIC Insured Deposit Program - *Level*"), or, in limited cases, a money market mutual fund product (the "Money Market Mutual Fund Program").

### **FDIC Insured Deposit Program (*Tiered & Level* Rate)**

#### **Eligible Account types: all non- ERISA Title 1 accounts, 403(b)(7), & Keogh plans**

Free credit balances in a deposit account may earn interest that is compounded daily and credited to your account monthly. Interest begins to accrue on the date of deposit within banks participating in the program ("Program Banks"), through the business day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 (or 1/366 on a leap year) of the interest rate.

### FDIC Insured Deposit Program - Tiered

Advisor Group has established deposit tiers and ordinarily pays different rates of interest on different deposit levels or tiers; higher deposit balances may receive higher rates of interest than deposits with lower balances. The amount of interest paid on deposit accounts will be determined by the amount of interest paid by Program Banks minus the amount of fees charged by Advisor Group, NFS, and other service providers. Interest rates paid on the deposit accounts may be higher or lower than interest rates available to depositors making deposits directly with Program Banks or other depository institutions in comparable accounts.

### FDIC Insured Deposit Program – Level

Advisor Group will receive a maximum monthly per account fee of \$20.75 for services in connection with maintaining and administering the Cash Sweep Program for IRA accounts held in an advisory/fee-based office range (Cash Sweep Account Fee). The Cash Sweep Account Fee is not based on the amount of assets in the FDIC Program or your Program Account and does not depend on or vary with (and is not affected by), the actual amounts held in the deposit accounts or your Program Account. The Cash Sweep Account Fee will generally be paid on your Program Account's behalf by the Program Banks; however, the fee may be deducted directly from your Program Account if, for example, the amounts paid by the Program Banks are insufficient to cover the Fee. Advisor Group may waive any portion of the fee, or the fee in its entirety, received from the Program Banks. Your Advisory Representative will not receive any portion of the fees paid by the Program Banks. The amount of fees received by Advisor Group, NFS, and any other service provider, will affect the interest rate paid on your deposit account(s).

### **Money Market Mutual Fund**

Free credit balances in the following brokerage account types will be automatically swept into the Fidelity Government Cash Reserves Fund ("Fund") (FDRXX), which is managed by Fidelity Investments:

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

The Fidelity Government Cash Reserves invests at least 99.5% of its total assets in cash, U.S. Government securities and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash or government securities). The Fund invests in U.S. Government securities issued by entities that are chartered or sponsored by Congress but whose securities are neither issued nor guaranteed by the U.S. Treasury. This Fund is a money market mutual fund and seeks to maintain a stable share price of \$1.00.

Advisor Group and NFS may receive additional compensation, in the form of distribution assistance from the Fund.

For additional information about the Cash Sweep Program, please refer to the Disclosure page on [www.advisorgroup.com](http://www.advisorgroup.com) and then locate the section entitled "Cash Sweep Program (NFS)".

### **Material Conflicts of Interest**

For the Cash Sweep Program (Pershing) and Cash Sweep Program (NFS), a conflict of interest arises due to the financial incentive from offering a Sweep Program that generates third party payments to Advisor Group. Since additional compensation is earned by Advisor Group through its Sweep Program, a conflict of interest also arises due to an economic benefit derived by cash balances being swept into the program rather than reinvested in other investment funds or securities.

In addition, a conflict of interest arises as a result of the financial incentive for Advisor Group to recommend and offer a Sweep Program that may be viewed as a proprietary product, and that generates additional compensation, up to a maximum of 400 basis points annually. The foregoing conflicts of interest are mitigated under the Advisor Group's Policies and Procedures, that have been adopted for this purpose, and by the fact that the Advisory Representative who makes investment recommendations for your Program Account does not receive any economic benefit from these payments.

### **Distribution Assistance**

For additional information on such distribution assistance, please visit [www.royalliance.com](http://www.royalliance.com); [www.sagepointfinancial.com](http://www.sagepointfinancial.com); [www.joinfsc.com](http://www.joinfsc.com); [www.joinwoodbury.com](http://www.joinwoodbury.com) and refer to the "Indirect Compensation" section underneath the "Disclosures" link, or you may refer to the Fund's prospectus or your Advisory Representative for additional information related to such fees. In an effort to maintain a positive yield to a customer, a Fund company such as the Fund may reduce or waive a portion or all of its internal management and/or distribution fees. Please consult the Fund's prospectus, or your Advisory Representative, for additional information on such fee waivers.

### **Section 31 SEC Transaction Fee**

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

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

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

## **Item 5 - Account Requirements and Types of Clients**

### **Types of Clients**

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

### **Minimum Account Size**

The minimum account size is \$50,000, which, in certain scenarios, may be waived by the Advisor. This includes but is not limited to instances where the client intends to bring in additional assets or the account depreciates.

## **Item 6 - Portfolio Manager Selection and Evaluation**

Your Advisory Representative is the sole portfolio manager available with respect to the Program. Because your Advisory Representative is the portfolio manager in this Program you acknowledge that you have chosen him or her to act in this capacity. Advisory Representatives are selected by their Firms based on various criteria including experience. You should refer to the relevant Form ADV of the Firm with which your Advisory Representative is associated.



## **Item 7 - Client Information Provided to Portfolio Managers**

Your personal identification, account and holdings data are disclosed to your Advisor to enable your Advisor to help determine the Program Investments that are suitable for you.

Your Advisor provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you imposed on management of assets); (ii) your investment guidelines (if applicable); and (iii) reports relating to the performance of your account.

A copy of the Firm's privacy notice is available in the disclosure section of our affiliated broker/dealers websites: [www.royalalliance.com](http://www.royalalliance.com); [www.sagepoint.com](http://www.sagepoint.com); [www.joinfsc.com](http://www.joinfsc.com) and [www.joinwoodbury.com](http://www.joinwoodbury.com).

## **Item 8 - Client Contact with Portfolio Managers**

### **Client-Advisor Relationship**

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Investments.

You should direct any questions that you have regarding the Program to your Advisor.

## **Item 9 - Additional Information**

### **Disciplinary Information**

Not applicable. Neither we, nor any of our management personnel have been involved in any disciplinary events that are material to your evaluation of our Program or the integrity of our management.

### **Other Financial Industry Activities and Affiliations**

Advisors that offer the Program may be "Related Persons" to us. You should see the ADV Part 2A of your Advisor that will be provided to you for information regarding any of their other financial industry affiliations and for any associated conflicts of interest.

### **Code of Ethics**

We have adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and your financial circumstances is confidential; and
- The principle that independence in the investment decision-making process is paramount.

We provide a copy of the Code to any client or prospective client upon request to their Advisory Representative.

In limited circumstances, and in compliance with the Investment Adviser's Act of 1940, Section 206(3) and the Rules hereunder (collectively, the "Act"), we perform principal or agency cross transactions as such activities are described in the Act.

Individuals who are covered by our Code ("Access Persons") can buy or sell securities identical to those recommended to you for their personal accounts. In addition, any of our Related Person(s) may have an interest or position in securities which are recommended to you. Our Code requires Access Persons to report their personal securities holdings for review by us.

### **Participation and Interest in Client Transactions**

Your Advisor, who may be a Related Person to us, can recommend or buy and sell securities that it or its Related Persons' have a financial interest in. Please see the ADV Part 2A of your Advisor for further details on these financial interests and associated conflicts of interest.

### **Trade Confirmation Suppression in Wrap Fee Accounts**

If your Program Account is managed on a discretionary basis and is offered using a Wrap Account, then you will have the option to request that we suppress trade-by-trade confirmations and present a periodic account statement, not less often than monthly. The periodic account statement must contain the same information as is required pursuant to Rule 10b-10 ("Trade Confirmation Suppression Option"). If you choose the Trade Confirmation Suppression Option, you will have the opportunity to signify this request by providing your initials as designated in the "Acknowledgement" section of the SIS.

### **Trade Confirmation Suppression Option**

If you elect the Trade Confirmation Suppression Option, you will be able to later change your mind and request, for no additional cost, trade-by-trade confirmations for any transaction since the date of the last periodic statement, as well as for all subsequent transactions. You will also be able to request, for no additional fee, trade-by-trade confirmations for previous transactions for up to a one-year period preceding the last periodic statement. If you elect not to receive trade-by-trade confirmations, you will be able to receive an interim update and further details concerning any transactions conducted between period statements without charge, by contacting your Advisory Representatives or by checking our website. In accessing our website, you will be able to view, no later than the next business day after trade date (T+1), all information required by Rule 10b-10. You will also be able to obtain the same information required by telephoning their representative or by requesting the trade-by-trade confirmation for the particular transaction.

If interested in the Trade Confirmation Suppression Option, you should contact your Advisory Representative to obtain more information or to obtain a SIS to request such option.

### **Trade-by-Trade Confirmations**

We will continue to generate and send trade-by-trade confirmations to you should you elect not to request the Trade Confirmation Suppression Option. In no event will we charge you for trade confirmations.

### **Review of Accounts**

Your Advisor periodically reviews your account and contacts you annually. For further account review details, please see the ADV Part 2A of your Advisor.

### **Indirect Compensation**

The Advisor and Broker-Dealer offer a range of investments and services to its clients. As you work with your Advisory Representative to determine the right investments and services to achieve your investment goals, it is also important for you to understand how your Broker-Dealer, Advisor, and Advisory Representative are

compensated. This is because various forms of compensation may create potential conflicts of interest, and it is important for you to assess potential conflicts of interest in making investment decisions.

To better understand how your Advisor and Advisory Representative are compensated, please refer to your Advisor's Form ADV Part 2A. For additional information regarding Broker-Dealer compensation please refer to the "Indirect Compensation" disclosures in the "Client Information and Disclosures" section of our affiliate broker-dealer websites ([www.royalalliance.com](http://www.royalalliance.com); [www.sagepointfinancial.com](http://www.sagepointfinancial.com); [www.joinfsc.com](http://www.joinfsc.com); [www.joinwoodbury.com](http://www.joinwoodbury.com)).

### **Client Referrals and Other Compensation**

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above. For further details on compensation and other economic benefits that your Advisor receives, please see their ADV Part 2A.

### **Financial Information**

Your Program assets will be custodied at Pershing, LLC or on a limited basis, at National Financial Services, LLC. The Program does not allow, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We have no financial condition that might impair our ability to meet our contractual commitments to clients, and has never been the subject of a bankruptcy proceeding.

## **Item 10 - Requirements for State-Registered Advisers**

Not Applicable. We are an SEC registered investment adviser. We are not registered with any state securities authority.