



PlanMember Securities Corporation Wrap Fee Program Brochure

(Form ADV Part 2A, Appendix 1) for the
PlanMember Investment & Savings Plus Program

October 12, 2024

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This brochure provides information about the qualifications and business practices of PlanMember Securities Corporation. If you have any questions about the contents of this brochure, please contact us at 800.223.7608 or 800.874.6910. 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 our firm is available on the SEC's website at: www.adviserinfo.sec.gov

The terms "Registered" and "Registered Investment Advisor" do not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, PSEC will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

PlanMember Securities Corporation ("PSEC" or "PlanMember") offers a number of investment advisory programs for its clients. PSEC has prepared a separate brochure for each program (or group of similar programs) rather than a single large brochure that describes all of its programs. PSEC clients will receive only the brochure that describes the program in which they are participating or that they are considering. This brochure provides information relating to the PlanMember Investment and Savings Plus Program ("I&S Plus").

As the Investment & Savings Plus Program is a new program as of August 2024, there are no material changes to describe.

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ITEM 4. SERVICES, FEES, AND COMPENSATION

PlanMember Securities Corporation (“PSEC,” “we,” “our,” and/or “us”) is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and an investment adviser. PSEC has been providing investment advisory services since 1994. Jon M. Ziehl is the founder and President of PSEC and has been in the financial services industry since 1980. PSEC is a direct subsidiary of PlanMember Financial Corporation. More than 25% of a voting class of securities of PlanMember Financial are held by Mr. Ziehl and, indirectly, by Equitable Distribution Holdings. Equitable Distribution Holdings is a member of Equitable.

As used in this Brochure, “Your PSEC Professional” or “Professional” refers to the PSEC financial professional who is responsible for your account. The terms “you,” “your,” and/or “client” refer to you as either a current or prospective client of PSEC. As used in this Brochure, the term “Associated Person” may refer to any or all the following: PSEC officers, employees, and/or any individuals providing investment advice on behalf of PSEC.

Our brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available for you to research firms and financial professionals at investor.gov/crs, which also provides educational materials about broker-dealers, investment advisers, and investing.

Depending on your needs and your investment objectives, the Firm may assist you with brokerage services, investment advisory services, or both. There are important differences between brokerage and advisory services, including their costs, the services we provide, and the rules that govern them. You should carefully consider these differences when deciding which type, or combination of types, of services and accounts are right for you. Information regarding the differences between our brokerage and advisory services is also included in our Client Relationship Summary disclosure (Form CRS), which is available at planmember.com/disclosures.

In addition to the advisory programs and services described in this Brochure, PSEC also offers other advisory programs and services, which are described in separate Forms ADV, Part 2As. Detailed discussions of each of the advisory programs and services provided by PSEC, are available on our website at planmember.com/disclosures.

When you choose to purchase products and services through PSEC and work with a PSEC financial professional, you have the option of investing through a transaction-based account, such as a brokerage account, a fee-based investment advisory program, or both. It is important to understand the services you can expect to receive, and the costs associated with each of these different types of accounts and the relationship with PSEC and your PSEC financial professional. Additional information on the types of accounts PSEC offers and the costs associated with each are available on our website at planmember.com/disclosures.

PlanMember Investment & Savings Plus Program

PSEC provides a variety of advisory services to its clients. The advisory services described in this brochure apply to the PlanMember Investment & Savings Plus Program listed on the cover page. This Program is intended for higher net worth clients with more sophisticated investment needs. Other advisory programs and services are described in separate Investment Adviser Brochures, which are available upon request.

Services are based on the individual needs of the client. An initial interview and data gathering questionnaire is undertaken to determine the client's financial situation and investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of the account. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program.

Services

The Investment & Savings Plus (I&S Plus) program is an extension of PlanMember's Investment & Savings Program. It offers expanded investment options and advisor tools designed for clients with sophisticated investment needs. The program provides access to ETF, mutual fund, or combined ETF/mutual fund asset allocation portfolios, separately managed accounts (SMAs) that utilize individual securities, and custom indexing strategies through a unified managed account (UMA) structure.

PlanMember has partnered with Orion Advisor Solutions and its affiliates (“Orion”) to provide the underlying technology platform for the I&S Plus program. Orion's investment platform and advisor tools have been tailored for PlanMember. The program includes investment strategies from numerous investment managers, with PlanMember maintaining ultimate responsibility for selecting and approving these available managers.

As part of the advisory contract, each client gives PSEC a limited power of attorney to (i) allocate the assets in the accounts as indicated on the initial account application; (ii) periodically rebalance the account to adjust for changes resulting from fluctuations in the market price of the assets, by returning the account to the new quarterly asset allocation selections; (iii) reallocate the assets in the account within the portfolio(s) selected; (iv) increase, decrease or change the number of investments utilized in each allocation; and (v) add or delete investment options within the account.

The Program Fee

- **Platform Fee:** The I&S Plus program charges a tiered platform fee based on the total assets under management. The fee schedule is as follows:
 - First \$100,000: 0.50%
 - Next \$150,000: 0.45%
 - Next \$250,000: 0.30%
 - Next \$500,000: 0.20%
 - Over \$1,000,000: 0.10%

This platform fee is retained by PlanMember and a portion of it is shared with Orion for providing and servicing the program.

- **Advisor Fee:** Your PSEC professional may add a fee on top of the platform fee of up to 1.35%, which is paid directly to the advisor at their contracted payout rate.
- **Strategy Subscription Fee:** Certain investment managers may charge a subscription fee for the use of their strategies, ranging from 0.00% to 0.50%, depending on the type of strategy.
- **Account Service Fee:** A \$50 annual fee is charged for accounts with less than \$150,000 in I&S Plus assets.
- **Sleeve Fee:** Accounts with more than three investment sleeves will be charged a fee of \$15 per additional sleeve per year.
- **Account Aggregation Fee:** A \$10 annual fee is charged for clients who link outside accounts via Plaid in the Client Portal.

There is no transaction fees associated with the I&S Plus program.

The above fee schedules may be discounted on a case-by-case basis at the discretion of PSEC and/or your PSEC Professional. A negotiated fee may apply in certain cases.

Other fees related to the custody and servicing of the account and not related to the advisory services may apply. See your account application for details.

The annual fee for I&S Plus is billed monthly, in arrears, based on the average daily balance of the account during the preceding quarter.

Clients participating in I&S Plus are required to authorize PSEC to debit the Program Fee from their account.

Important Things to Consider About Fees on a Program Account

The Program Fee is an ongoing fee for investment advisory services and other administrative and custodial services. You do not pay commissions or transaction charges. The Program Fee may cost you more than purchasing the program services separately, for example, paying an advisory fee plus commissions for each transaction in the account. Factors that have a bearing upon the cost of the account in relation to the cost of the I&S Plus services purchased separately include the:

- type and size of the account
- historical and or expected size or number of trades for the account
- transaction charges for the securities purchased and sold in the account and
- number and range of supplementary advisory and client-related services provided to you

The Program Fee also may cost you more than if assets were held in a traditional brokerage account. In a brokerage account, you are charged a commission for each transaction, and your PSEC Professional has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold strategy for the account or you do not wish to

purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than a Program account.

The Program Fee may be higher than the fees charged by other investment advisors for similar services.

Program Choice Conflicts of Interest

Clients should be aware that the compensation to PSEC and our financial professionals will differ according to the specific advisory programs or services provided. This compensation to PSEC and a financial professional generally are more than the amounts we would otherwise receive if a client participated in another program or paid for investment advice, brokerage, or other relevant services separately. Lower fees for comparable services may be available through PSEC or from other sources. PSEC and its financial professionals have a financial incentive to recommend advisory programs or services that provide higher compensation over other comparable programs or services available through PSEC or elsewhere that cost you less. For example, PSEC is registered both as a broker/dealer and an investment adviser, and a majority of PSEC's advisors offer both commission-based brokerage services and fee-based advisory services to their clients. It is important to understand all the associated costs and benefits of each option so clients can decide which types of accounts and services are best suited for their unique financial goals, investment objective, and time horizon. PSEC encourages clients to review its Form CRS available on the firm's website at <https://www.planmember.com/disclosures> and to discuss their options and the many differences between brokerage and advisory relationships with a PSEC financial professional.

In addition, PSEC offers its financial professionals one or more financial benefits based on the professional's total assets under management held at PSEC or in PSEC's own Program accounts, as well as financial assistance for transitioning from another firm to PSEC. The types of financial benefits that are available to PSEC financial professionals include, but are not limited to, forgivable or unforgivable loans, enhanced payouts, and discounts or waivers on transaction, platform, and account fees; technology fees; research package fees; administrative fees; brokerage account fees; account transfer fees; licensing and insurance costs; and the cost of attending conferences and events. The enhanced payouts, discounts, and other forms of financial benefits that financial professionals have the opportunity to receive from PSEC provide a financial incentive for a financial professional to select PSEC as broker/dealer for client accounts over other broker/dealers from which they may not receive similar financial benefits or to use certain PSEC Advisory programs over other programs available through PSEC.

Additionally, some PSEC financial professionals own and operate locations known as PlanMember Financial Centers. These Financial Centers may be single advisor branches or may include two or more advisors. As these Financial Centers grow, their fee-based business within PSEC's suite of PSEC Programs, PSEC's economies of scale are shared with those Financial Centers by increasing the payout percentage to the Financial Center owner, making loans to the Financial Center owner that are forgivable when the Financial Center accumulates certain client asset levels in PSEC Programs, and accruing and paying a deferred growth participation bonus based on client assets accumulated in PSEC Programs. As the amount of the advisors' client assets in PSEC's programs grows above certain levels, the advisors receive more financial benefits than they would otherwise receive with fewer assets in PSEC's programs.

These increases in a financial professional or Financial Center's revenue translate into higher payouts for reaching various PSEC AUM levels which present a conflict of interest because they provide a financial incentive for financial professionals who receive the discounts to recommend PSEC's Programs over other available managed or wrap account programs that do not offer such discounts or higher payouts to the financial professionals.

Important Considerations Regarding Rollovers

If you are a participant in an employer-sponsored retirement plan such as a 401(k) plan, and decide to roll assets out of the plan into a PSEC account, PSEC and your financial professional have a financial incentive to recommend that you invest those assets in a PSEC Account, because PSEC and the financial professional will be paid on those assets, for example, through commissions, fees and third party payments. You should be aware that such fees likely will be higher than those a participant pays through a plan, and there can be maintenance and other miscellaneous fees. As securities held in a retirement plan are generally not transferred directly to a PSEC Account, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to the commissions and sales charges previously paid on transactions in the plan. Deciding what to do with assets saved in an employer-sponsored retirement plan is one of the most important financial decisions a worker will make. For more information about distribution options, including IRA rollovers, check out the resources available to you on [sec.gov](https://www.sec.gov), [irs.gov](https://www.irs.gov), and [dol.gov](https://www.dol.gov). As with any important financial decision, an individual should consider seeking professional assistance. Financial Advisors with investment

expertise, as well as tax and legal advisers, can provide valuable support to individuals who want to learn more about IRA rollovers.

ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

The I&S Plus program is intended for higher-net-worth clients with more sophisticated investment needs. The minimum investment requirement for the program is \$5,000. However, each investment manager sets their own minimums, typically ranging from \$5,000 to \$100,000, depending on the strategy.

ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION

Portfolio managers are selected based on advisor demand and are subject to a due diligence process performed by Orion, though PlanMember retains the final decision on whether to add a manager. The performance of these managers is monitored to ensure they meet the standards required by the program.

Investment Discretion

As part of the advisory contract, each client gives PSEC a limited power of attorney to (i) allocate the assets in the accounts as indicated on the initial account application; (ii) periodically rebalance the account to adjust for changes resulting from fluctuations in the market price of the assets, by returning the account to the new quarterly asset allocation selections; (iii) reallocate the assets in the account within the portfolio(s) selected; (iv) increase, decrease or change the number of funds or sub-accounts utilized in each allocation; and (v) add or delete new funds/fund families, variable annuity sub-accounts, or other investment options within the mutual funds or variable annuities.

Performance-Based Fees and Side-by-Side Management

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while, at the same time, managing accounts that are not charged performance-based fees. Performance-based fees are based on a share of the capital gains or capital appreciation of a client's account. Our fees are calculated as described in the Services, Fees and Compensation section above, and are not charged on the basis of a share of capital gains or capital appreciation of the assets within your advisory account.

Methods of Analysis, Investment Strategies and Risk of Loss

Third-Party Strategists

PlanMember leverages the diligence process conducted by Orion, which utilizes specific qualitative and quantitative screening criteria to identify appropriate Strategists for the Strategist Program. The quantitative review focuses on the performance and track record of the Strategist as compared against benchmarks. Our qualitative analysis reviews information surrounding the operations of the Strategists, including history, experience, firm size and structure, investment analysis and decision-making process, and portfolio risk review. Qualitative screening includes a review of each Strategist's organizational history and stability, including depth/experience of investment team and research group, investment process and strategy, internal resource allocation, legitimacy of track record, experience with taxable clients, client servicing capabilities, relationship with Orion, and other characteristics.

Each Strategist is reviewed and analyzed, in detail, by the Orion Investment Committee. On at least an annual basis, the Orion Investment Committee will review the performance of each Strategist Model along with any organizational changes that may have occurred during the year.

The Strategists are not provided your individual information or investment goals and objectives and do not have an advisory relationship with you.

PlanMember Elite ETF Portfolios

In addition to third-party Strategist Models, we offer the PlanMember Elite ETF Portfolios which are portfolios managed by PlanMember and composed of ETFs. PSEC utilizes strategic asset allocation, i.e. a top-down approach, in the management of client portfolios. Portfolios are primarily constructed using mutual funds or sub-accounts of variable annuities, both of which are investment vehicles that provide diversification in a cost-effective manner. Within each investment program, clients can generally pick from a series of five portfolios (labeled I through V) that graduate risk from

conservative to aggressive. One typically finds higher equity allocations in the more aggressive portfolios, and higher fixed-income allocations in the more conservative portfolios.

PSEC's investment process can be divided into 3 main parts:

1. Economic Framework: PSEC develops a broad, intermediate to long-term view of the global economy and financial markets.
2. Portfolio Strategy: PSEC develops its strategy for each managed portfolio. Such strategy may increase or decrease expected portfolio risk or shift into or out of investments based on their perceived attractiveness.
3. Selection and Weighting: PSEC's investment strategy is then translated into specific mutual fund and variable annuity sub-account weightings. Adjustments to the strategy can be made depending on the strengths and weaknesses of the individual mutual funds or sub-accounts being used. PSEC also implements a monitoring process to identify if and when another portfolio reallocation or rebalancing should occur.

Decisions to change portfolio weightings rely on Strategic Rebalancing Events (SREs). These events can be classified into the following categories (but are not exclusive).

- Changes in economic circumstances
- Financial market disparities
- Drift-based repositioning
- Repositioning based on the characteristics of individual mutual funds or sub-accounts

Orion-Managed Strategies

PlanMember also makes available certain strategies that are managed by Orion, including certain direct indexing strategies, which replicate broad market indexes through the direct purchase of individual securities – rather than purchasing the index itself. These strategies seek to replicate the performance of the target index and create tax alpha by harvesting tax losses to offset taxes on capital gains elsewhere.

To monitor Strategists and manage the PlanMember and Orion strategies, the I&S Plus program utilizes a Orion's risk scoring methodology. This tool assists Investment Advisors in developing and selecting model portfolios by assigning a risk score to each Strategist Model on the I&S Plus platform. The tool also defines each Strategist Model according to their investment style or mandate. Risk of Loss

Investing involves risk. The investment return and principal value will fluctuate and, when redeemed, the investment may be worth more or less than the original purchase price.

By its nature, asset allocation looks to the long-term. After the client's short-term cash needs and emergency fund is evaluated, investment and insurance strategies are designed to help the client achieve his or her financial goals.

While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

PSEC is disclosing those risks and opportunities for our investment strategy or for particular types of securities used.

High yield, high risk bonds generally involve more credit risk. These securities may also be subject to greater market price fluctuations than lower yielding higher rated debt securities. Fixed income investments are subject to interest rate risk and values may decline in an increasing interest rate environment.

- The return of principal for the bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.
- Investing outside the United States entails additional risks, such as currency fluctuations, as more fully described in the prospectus.
- Small cap and Mid-cap investments may have additional risk, including greater price volatility.
- Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high-quality, short-term investments issued by the U.S. Government, U.S. corporations, and state and local governments. Money market funds try to keep their net asset value (NAV), which represents the value of one share in a fund, at a stable \$1.00 per share. However, the NAV may fall below \$1.00 if the fund's investments perform poorly. Investor losses have been rare, but they are possible.

- There may be tax consequences for short-term trading wherein capital gains are taxed as ordinary income. Additionally, some Funds charge short-term trading fees that are more fully disclosed in the Fund families' prospectus.
- While diversification through an asset allocation strategy is a useful technique that can help to manage overall portfolio risk and volatility, there is no certainty or assurance that a diversified portfolio will enhance overall return or outperform one that is not diversified. An investment made according to one of these asset allocation models neither guarantees a profit nor prevents the possibility of loss.
- Investment portfolio rebalancing is subject to market risk primarily that the value of redeemed and purchased shares may vary during the rebalancing process, resulting in gains or losses to your account.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Voting Client Securities

PlanMember does not vote securities for the I&S Plus program.

ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Your PSEC Professional obtains the necessary financial data from you and assists you in determining your risk tolerance and other factors that will assist you in selecting the proper portfolio. Your PSEC Professional obtains this information by having you complete a PlanMember Client Profile Form and a PlanMember New Account Form. In quarterly communications, PSEC asks you to contact your PSEC Professional if there have been any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions on the management of your account or reasonably modify existing restrictions. You should be aware that the investment objective selected for the Program is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. You should further be aware that achievement of the stated investment objective is a long-term goal for the account.

The portfolio managers of the I&S Plus Program do not receive information regarding individual clients. The portfolios underlying these programs have been structured to provide an efficient investment opportunity for a broad range of clients, grouped by similar risk tolerance and investment objective.

Privacy Policy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Sean Haley, Chief Compliance Officer, at 805-684-1199 if you have any questions regarding this policy.

ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS

PSEC does not place any restrictions on your ability to contact and consult with your PSEC Professional.

ITEM 9. ADDITIONAL INFORMATION

Disciplinary Information

2010. NASD Rules 2110, 3010 - PSEC outsourced its mutual fund breakpoint determinations to a third party vendor. Due to a software programming error, PSEC's vendor failed to take certain B shares into consideration when determining PSEC's customers' breakpoints. As a result, some of PSEC's customers (39 accounts) were overcharged for their mutual fund purchases. During this period, PSEC did not have in place a system or procedures for supervising the vendor's breakpoint determinations. PSEC's decision to outsource breakpoint determinations to a third party did not relieve PSEC of its ultimate responsibility for the outsourced activity. During the relevant period, PSEC failed to have in place adequate policies and procedures to monitor the outside vendor's compliance with the terms of its agreement with PSEC, and to assess the outside vendor's continued fitness and ability to perform the outside activities. PSEC failed to properly supervise its outside vendor to ensure that it was adequately carrying out the outsourced functions.

Without admitting or denying the findings, PlanMember Securities Corporation consented to the described sanctions and to the entry of finding; therefore, it was censured and fined \$20,000.

2018. MSRB Rules G-17, G-27, and G-30 – During the period from October 1, 2015, through December 31, 2015, PlanMember was found by the FINRA to have committed municipal securities fair pricing and related supervision violations with respect to 8 transactions in 3 accounts, in violation of Municipal Securities Rulemaking Board regulations.

Without admitting or denying the findings, PlanMember consented to the described sanctions and to the entry of the finding; it was fined \$18,500 and paid restitution in the amount of \$5,808, plus interest.

2019. Investment Advisers Act Sections 206(2) and 207 – During the period from January 2014 to June 2018, PlanMember purchased, recommended, or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible. PlanMember and its associated persons received 12b-1 fees in connection with these investments. PlanMember failed to adequately disclose in its Form ADV or otherwise the conflicts of interest related to (a) its receipt of 12b-1 fees, and/or (b) its selection of mutual fund share classes that pay such fees.

Without admitting or denying the findings, PlanMember Securities Corporation entered into a settlement with the U.S. Securities and Exchange Commission (SEC), agreeing to disgorge the 12b-1 fees it had received, plus interest, in the total amount of \$3,550,660.48 and be censured, but the firm was not assessed any fines.

2019. FINRA Rules 3010, 3110, 2330(d)(1), 2210, and 2010. During the period July 2012 to June 2016, PlanMember is alleged to have failed to establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with respect to four aspects of its business: the review of variable annuity exchanges; the review, approval, and retention of consolidated reports; the review of e-mail and customer correspondence; and the review of its registered representatives' business-related websites and social media.

On July 3, 2019, PlanMember, without admitting or denying the findings of FINRA, entered into a letter of Acceptance, Waiver, and Consent ("AWC") to settle the alleged violations. As conditions of its settlement, PlanMember consented to a censure and a monetary fine of \$90,000.

Other Financial Industry Activities and Affiliations

PSEC is not, but some PSEC Professionals are licensed as securities salespersons ("Registered Representatives") and insurance agents and are in the business of selling securities and insurance products.

PSEC Professionals are associated with PlanMember Securities Corporation ("PSEC"), a dually registered investment adviser and securities broker/dealer, as Registered Representatives or Investment Adviser Representatives. PSEC is a general securities broker/dealer having membership in the Financial Industry Regulatory Authority ("FINRA"). PSEC is a wholly owned subsidiary of PlanMember Financial Corporation, a diversified financial services company engaged in the design and sale of investment products. We may recommend securities, asset management, or insurance products. If you purchase these products through us, we will receive the normal commissions or fees. Thus, a conflict exists between our interests and those of our advisory clients. You are under no obligation to purchase products recommended, or to purchase products through PSEC.

PSEC Professionals are licensed with several life, disability, and other insurance companies. Insurance products offered by these companies may be recommended. If you purchase these products through us, we receive the normal commissions. Thus, a conflict of interest exists between our interests and those of our advisory clients. You are under no obligation to purchase products recommended, or to purchase products either through us or through these insurance companies.

For certain Turn-key Asset Management Programs ("TAMPs") accounts, PSEC is acting as a Promotor or referral agent on behalf of the TAMP and may act as a point of contact between you and the TAMP. In other cases, PSEC may act as an investment adviser and sub-advice on the account along with the TAMP. PSEC enters into agreements with TAMPs to whom PSEC refers Customers, pursuant to which PSEC may provide (i) marketing services on behalf of the third-party investment advisers to PSEC representatives or (ii) data technology services to integrate third party investment adviser account data on PSEC's technology systems. For TAMPs, clients pay an advisory fee as set out in the client agreement with the TAMP sponsor. The fee is typically negotiated among the TAMP sponsor, the financial professional and the client. The TAMP sponsor may establish a fee schedule or set a minimum and/or maximum fee. The TAMP fee schedule will be set out in the Disclosure Brochure provided by the TAMP sponsor. The advisory fee typically is based on the value of assets under management as valued by the custodian of the assets for the account and will vary by program. The advisory fee is often paid to the TAMP sponsor, who in turn pays a portion to PSEC. The maximum fee typically paid to PSEC is 2%, but may be higher or lower in certain circumstances, of which PSEC shares between 90% and 100% of the portion of the fee with the financial professional based on the agreement between PSEC and the financial professional. The TAMP Brochure or client agreement will explain how clients can obtain a refund of any pre-paid fees if the agreement is terminated before the end of a billing period. There are other fees and charges imposed by third parties (i.e. Custodian) that apply to investments in TAMPs. These fees and charges will be outlined in the TAMP sponsors' respective ADV Disclosure Brochure and the agreement executed by the client at the time the account is opened.

PSEC is affiliated by common ownership with PlanMember Services Corporation ("PSC"), a pension administration and recordkeeping company, which is registered with the SEC as a transfer agent. PSC will perform client level recordkeeping and plan administration for PSEC clients enrolled in the PlanMember Advisor and PlanMember Preference and PlanMember Rep-Directed Programs and may receive fees for such services from the Fund Companies.

PSEC is a wholly owned subsidiary of PlanMember Financial Corporation ("PFC"). More than 25% of a voting class of securities of PFC is owned by a subsidiary of Equitable Distribution Holdings, Inc. ("EQH"). PSEC offers various products, including variable annuities and mutual funds, which are sponsored by affiliates of EQH. This relationship represents a conflict of interest, in that PSEC and PSEC Professionals are inclined to invest client assets in EQH-affiliated products. PSEC and EQH have attempted to mitigate this conflict by ensuring that neither PSEC nor PSEC Professionals receive any direct or indirect monetary incentive to make such investments. The decision to invest or retain client assets in EQH-affiliated products is made by PSEC investment professionals based on objective quantitative and qualitative processes dependent upon due diligence investigation and monitoring of the products and their investment performance.

Fiduciary Duty with Respect to Retirement Plan Accounts and IRAs

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our employees and PSEC Professionals. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Advisors are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by

persons associated with our firm. Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Sean Haley at (805) 684-1199.

Review of Accounts

Client accounts are monitored on a continuous basis, with a formal review conducted at least annually by the PSEC Professional assigned to your account.

The custodian holding your funds and securities (or its designated agent) will send you a confirmation of every securities transaction in your account(s), and a brokerage statement at least quarterly. Our firm will provide reports to you on an as-needed basis. Such reports may include information about accounts that are not directly managed by our firm.

Client Referrals and Other Compensation

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Promoters formerly known as Solicitors) for client referrals. In order to receive a cash referral fee from our Firm, Promoters must comply with the requirements of the jurisdictions in which they operate. If you were referred to our Firm by a Promoter, you should have received a copy of this Disclosure Brochure along with the Promoter's Disclosure Statement (formerly known as a Solicitors Disclosure Statement) at the time of the referral. If you become a client, the Promoter that referred you to our Firm will receive either a percentage of the advisory fee you pay our Firm for as long as you are a client with our Firm (or until such time as our agreement with the Promoter expires) or a one-time, flat referral fee upon your signing an advisory agreement with our Firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Promoter are contingent upon your entering into an advisory agreement with our Firm. Therefore, a Promoter has a financial incentive to recommend our Firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our Firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Promoters that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Promoters disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Promoters' compensation is less favorable.

PSEC distributes investment products through independent financial professionals who are Registered Representatives of our broker-dealer, Investment Adviser Representatives affiliated with our Registered Investment Adviser, or both. Many of these financial professionals are affiliated with a PlanMember Financial Center—a group of financial professionals who work together under the guidance of a Financial Center principal. Financial Centers and financial professionals associated with Financial Centers receive sales and marketing support from us in the form of access to our business development and marketing staffs.

Our financial professionals offer investments that are part of the PlanMember Services Program, as well as a broad range of other investments that are not part of the Program. The PlanMember Services Program includes PSEC-managed investment advisory programs, mutual funds and annuities that have been selected based on our assessment of our clients' general investment needs and the ability to consolidate these investments into our service model. For investments that are part of the Program, we provide clients with consolidated account statements, access to the PlanMember Center, web and mobile app account access and ongoing financial education and communications. The intent of the PlanMember Services Program is to provide our clients a "one-stop shop" for their investment needs.

As described in the Fees and Costs section, we charge additional fees for certain investments included in the PlanMember Services Program. As described below, we also receive additional revenue from some of the mutual fund and insurance companies included in the program. Additionally, some of the incentives that we provide to our investment professionals or Financial Center principals are based on PlanMember Program asset levels.

While the PlanMember Securities Programs includes a broad array of investments, our financial professionals are not limited to selling investments that are part of the Program.

We have identified certain conflicts of interest ("conflicts" or "COIs") that relate to the recommendations we and our financial professionals make. A conflict arises when an interest (such as an economic benefit) might incline us or a financial professional, consciously or unconsciously, to make a recommendation that is not disinterested. Some of these conflicts exist between retail customers and both our firm and our financial professionals, while others exist primarily between retail customers and our firm or between retail customers and our financial professionals. The section below

discloses material facts relating to these conflicts so that you are able to make an informed decision regarding any recommendation a financial professional provides you.

The manner in which we are paid varies based on the types of services we provide.

For our broker-dealer services, we are paid each time you make a new investment or trade in your self-clearing account, brokerage account or directly-held account. For our investment advisory services, we are paid based on a percentage of the assets in your advisory account (an "advisory fee"). The different methods of payment create an incentive for us or our financial professionals to recommend one type of product or service over another depending on how we prefer to be paid.

The amount of commissions, fees, transaction-based payments, ongoing payments, and other forms of compensation we share with financial professionals is dictated by a compensation grid. Additionally, your financial professional's payout percentage can be adjusted periodically depending on your financial professional's total sales and overall performance.

Our financial professionals are also eligible to receive cash compensation and/or non-cash compensation based on the revenue he/she generates from sales of PlanMember Services Program accounts. Cash compensation is conveyed through back-end bonuses, higher contractual payout percentages, and payment in the form of forgivable loans. Non-cash compensation includes, but is not limited to, eligibility for practice management/service support, free or reduced-cost marketing materials, and reimbursement or credits of fees that financial professionals pay to PSEC for items such as administrative services or technology. This provides an incentive for your financial professional to recommend PlanMember Services Program products over other products for which we do not provide such additional compensation.

Financial Center principals are eligible to receive Growth Participation Payments. Growth Participation Payments are tiered payments based on incremental growth in PlanMember Program AUM and result in increased compensation of 1 to 5 basis points paid on incremental Financial Center PlanMember Program AUM. This payment structure incentivizes financial professionals to promote PlanMember Programs over other programs or investment products.

Certain product sponsors or their affiliates also make payments to us to cover the costs associated with certain educational conferences or training seminars we host for our financial professionals. These payments are typically for fixed amounts and are not tied to total sales or customer assets. Even so, these payments incentivize us to sell you or recommend you hold investments issued by issuers that make these payments rather than investments of issuers that do not make these payments or make comparatively lower payments. A list of mutual fund product sponsors from whom we receive such compensation is available at planmember.com/disclosures.

In all cases, such marketing allowances or other compensation will be paid to PSEC from the Program Sponsor's own resources and not from client funds or assets.

Financial Information

We do not receive fees of more than \$500 six months or more in advance, thus we are not required to provide financial information to our clients. We do not have any financial condition that is reasonably likely to impair our ability to meet our contracted commitment to any client.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

From time to time, securities held in your accounts may be the subject of class action lawsuits. Without exception, we have no obligation to determine if securities held by you are subject to a pending or resolved class action lawsuit. We also have no duty to evaluate your eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, we have no obligation or responsibility to initiate litigation to recover damages on your behalf if you may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held in your account.

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.