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FORM ADV PART 2A  
BROCHURE

This brochure provides information about the qualifications and business practices of Steward Partners Investment Advisory, LLC. If you have any questions about the contents of this brochure, contact us at 978-809-3720. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Steward Partners Investment Advisory, LLC (CRD No. 283004) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Steward Partners Investment Advisory, LLC is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

## Item 2: Summary of 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.

Since our last annual amendment, dated March 31, 2023, we have made the following material changes to our Disclosure Brochure.

- **Item 4: Services, Fees, and Compensation**

- We now offer the Advised Retirement Plan Accounts Program.
- We added Elan Wealth Management, LLC ("EWM"). We removed Monaco Capital management, LLC ("MCM") as of March 25, 2024.
- Added information regarding 408(b)(2) disclosures.
- We added description of Other Asset Management Services provided to former clients of Monaco Capital Management, LLC and Saling Simms Associates Inc.

- **Item 5: Fees and Compensation**

- Provided a description of advisory fees for Advised Retirement Plan Accounts
- Provided a description of advisory fees for Other Asset Management Services
- Added details concerning margin loan fees.
- Added details concerning the firm's cash sweep program.

- **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

- Added a detailed discussion of investment type specific risks.

- **Item 10: Other Financial Industry Activities and Affiliations**

- Added EWM.

- **Item 12: Brokerage Practices**

- Added information concerning Raymond James & Associates (RJA) clearing relationship and removed references to an RJA forgivable loan program that is no longer in effect.

- **Item 14: Client Referrals and Other Compensation**

- We added details about our Strategic Partner Program and Transition Loans.

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## Item 4: Advisory Business

### Description of Firm

Steward Partners Investment Advisory, LLC ("SPIA"), a limited liability company organized under the laws of the State of Delaware, is a registered investment adviser ("RIA") primarily based in New York, New York. SPIA has been providing investment advisory services since March 2016. SPIA is wholly-owned by Steward Partners Management Holdings, LLC ("SPMH"). Steward Partners Investment Solutions, LLC ("SPIS") operates as a broker-dealer and RIA registered with the SEC, wholly-owned by SPMH. Steward Partners Investment Advisory, LLC ("SPIA") and Elan Wealth Management, LLC ("EWM") (hereinafter collectively referred to as "Affiliated Advisers") are separate SEC-registered investment advisers. SPIS, its Affiliated Advisers and Steward Partners Global Advisory, LLC ("SPGA"), also a wholly owned subsidiary of SPMH, are affiliates and separately operated. SPGA provides corporate and related services to SPIA, SPIS and its Affiliated Advisers.

Raymond James & Associates, Inc. ("RJA"), acts as a custodian and a clearing agent to Client accounts introduced by SPIA and facilitates various advisory programs through Asset Management Services ("AMS"), an operating division of RJA (collectively "RJA").

SPIA offers insurance and investment products and services directly and through our clearing custodian, Raymond James & Associates, Inc. ("RJA", "Raymond James" or the "Custodian"). SPIA has no banking division and does not offer any proprietary products to Clients.

### Available Account Types and Relationships

When you choose to purchase products and services through SPIA, 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 for you to understand the services you will receive, the fees, costs, and expenses you will pay, and SPIA's and your IAR's conflicts of interest in connection with each of these different types of accounts and relationships with SPIA. These services, fees, costs, expenses, and conflicts of interest are described below and in greater detail in the Form CRS for SPIA and SPIS, respectively. You can find the most recent Form CRS for SPIS broker-dealer at the following location [https://files.brokercheck.finra.org/crs\\_1254.pdf](https://files.brokercheck.finra.org/crs_1254.pdf).

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," "firm," and "us" refer to Steward Partners Investment Advisory, LLC ("SPIA") and the words "you," "your," and "Client" refer to you as either a Client or prospective Client of our firm. You will also see the term "Associate" throughout this brochure. This term refers to our officers, directors, employees, financial professionals, and other personnel of our firm. The term "Investment Advisor Representative" or "IAR" refers to the financial professional who provides investment advice on behalf of our firm.

The delivery of the below described services (and their related financial products and services) occurs through our relationship with other parties described as follows:

### Investment Advisory and Portfolio Management Services

SPIA has a fiduciary duty to provide services consistent with the Client's best interest. We offer discretionary and non-discretionary portfolio management services generally exercised within the auspices of the managed account program. Regardless of the program(s) selected, when you engage for portfolio management services, we will consult with you to discuss your financial circumstances and objectives and to assist you in determining (a) an appropriate set of financial goals, (b) a time horizon for your investments, and (c) your level of risk tolerance. Based on our evaluation of your financial situation, we will provide you with recommendations as to which investment program is the most appropriate for management of your assets and as to which particular investments, asset allocation models, and/or underlying third-party managed investment program(s) is suited for your investment profile. Our investment advice is tailored to meet our clients' needs and investment objectives.

As part of its investment advisory services, SPIA will review Client portfolios on an ongoing basis to determine whether changes are necessary based upon a change in the Client's investment objective, risk tolerance or other factors. Based upon this, there will be extended periods of time when we determine that changes to a Client's portfolio or the investment program are not necessary, nor

prudent. Clients remain subject to the fees described in Item 5 during periods of account inactivity. As indicated below, there can be no assurance that investment recommendations and decisions made by SPIA will be profitable or equal any specific performance level(s).

### **Types of Investments**

We offer advice on a broad range of securities including, but not limited to, equity securities, warrants, corporate debt securities, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, exchange traded funds (ETFs), and options. We do not primarily recommend one particular type of security over another since each Client has different needs and a different tolerance for risk. Additionally, we can also provide advice on other types of investments held in your portfolio at the inception of our advisory relationship.

### **ESG/Socially Responsible Investing**

Certain Clients may desire to invest all, or a portion, of their investment portfolio in socially responsible securities including but not limited to mutual funds and exchange traded funds (the "ESG Funds") (i.e., Funds that have a mandate to avoid, when possible, investments in alcohol, tobacco, firearms, oil drilling, etc.). There are potential limitations associated with allocating a portion of an investment portfolio to ESG Funds. The number of ESG Funds are substantially few when compared to those that do not maintain such a mandate. ESG Funds could underperform broad market indices. Investors must accept these limitations, including the potential for underperformance. The Client is under no obligation to invest any portion of their portfolio in ESG Funds. As with any type of investment (including the investments and/or investment strategies recommended and/or undertaken by SPIA), there can be no assurance that an investment in ESG Funds will be profitable or prove successful.

### **Wrap Fee Programs Sponsored by Third-Party Money Managers ("TPMM")**

An account that is considered to be a wrap fee program is not charged commissions and/or transaction fees. The advisory fee paid by the Client includes custody, trades, management expertise and reporting in a bundled format. In such instances your IAR receives a portion of the wrap fee.

A Client's total cost for each of the services provided through these programs could be different if purchased separately. Cost considerations include the Client's ability to:

1. Obtain the services provided within the programs separately from any of the mutual fund sponsors,
2. Invest and rebalance the selected mutual funds without the payment of a transaction charge, and
3. Obtain performance reporting comparable to those provided within each program.

When comparing costs, the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately. As such, Clients are subject to have multiple accounts, sign numerous documents, and incur various fees. If an account is not actively traded or the Client qualifies for reduced sales charges, the fees in these programs can be more expensive than if utilized separately.

Our IARs have a financial incentive to recommend a fee-based advisory program rather than having you pay separately for investment advisory services, brokerage, performance reporting and other services. A portion of the annual fee charged in fee-based programs is paid to our IARs. This can be more than what would be received under an alternative program or if these services were paid for separately. Our IARs have a financial incentive to recommend a particular account program over another. Compensation structures vary by product type, our IARs may receive higher compensation for certain product types.

We believe the charges and fees offered within each fee-based program are competitive and reasonable. However, we make no guarantee that the aggregate cost of a particular program is lower than that which is available elsewhere. If you participate in a wrap fee program, we will provide you with a separate Wrap Fee Program Brochure explaining the program and costs associated with the program.

Within our investment advisory programs, we offer separately managed accounts ("SMA's"), multiple discipline accounts, unified managed accounts ("UMA's"), mutual fund and/or exchange-traded funds("ETF's") asset allocation programs through Asset Management Services ("AMS"), an operating division of RJA (each, an "AMS Managed Program") and a dual contract managed account platform, also through AMS, in which you enter into a separate contract with an outside manager. RJA also sponsors a

program where your Investment Advisor Representative ("IAR"), advises you on your account assets ("FA Advisory Program" or "Ambassador"). While RJA is the wrap fee program sponsor of the FA Advisory Program, the IAR and its associated registered investment adviser is providing you advisory services. Each of the AMS Managed Programs is a discretionary program, whereas the FA Advisory Program can be discretionary or non-discretionary. In a discretionary account, you delegate to your IAR the authority to decide what securities to buy or sell for your account. In a non-discretionary account, your IAR will provide you with advice in the form of recommendations but the decision to buy or sell securities is made by you. Your delegation of investment discretion to RJA will generally result in securities and other investment prospectuses (and other associated regulatory mailings) being available to RJA as the program's Manager for investment purposes. We will make these documents available to you upon request.

Once selected, the TPMM(s) will invest the Client's assets, typically on a discretionary basis, in accordance with their stated investment discipline(s) and strategy(ies) and without soliciting the Client's consent prior to engaging in portfolio transactions. You will have the ability to impose reasonable restrictions on the investments made in your account, contribute or withdraw securities and/or cash from your account, and/or to request the sale of individual securities for tax planning purposes (also called "tax harvesting") within your account. Our role is to consult with you and select and adjust (or assist you in selecting and adjusting) the particular TPMM(s) to be engaged for management of the assets within your account. In summary, these accounts are intended to provide our Clients with flexibility in developing a customized portfolio diversified across multiple investment disciplines or one which is targeted to an individual or more concentrated investment discipline through the use of a diverse set of available TPMMs. Please see the respective RJA Wrap Fee Brochure for additional details concerning these programs.

### **Other Asset Management Services**

SPIA also offers asset management services to former clients of Monaco Capital Management, LLC and Saling Simms Associates Inc. These specific services, as described in more detail below, are not offered to new clients of SPIA.

#### *Monaco Capital Management, LLC*

Clients of these services are provided with continuous advice regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio in accordance with that policy. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, growth and income, etc.).

A portfolio consists of one or all of the following: individual equities, bonds, no-load mutual funds, load-waived mutual funds, exchange-traded funds or funds whose sales charge is waived, and/or other investment products. We allocate the client's assets among various investments, taking into consideration the overall management style selected by the client. Clients can place reasonable restrictions on the types of investments that will be made on the client's behalf. Clients will retain individual ownership of all securities.

Services may be provided on a discretionary basis, meaning that we possess the discretion to buy and sell individual stocks, funds, bonds, and other investments. Please refer to the terms the advisory agreement for details.

#### *Saling Simms Associates Inc.*

This program is a wrap fee investment advisory account administered by SPIA. Your IAR will manage your account on a discretionary or non-discretionary basis according to your objective.

This account offers you the ability to pay an asset based advisory fee which includes transaction costs within the advisory fee in lieu of a commission for each transaction. Please refer to the terms the advisory agreement for details.

### **Financial Planning Services**

We offer financial planning services which typically involve providing a variety of advisory services to Clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Your IAR may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

While reviews and updates to the financial plan are not part of the contracted services, at your request we will review your financial plan to determine if the investment advice provided is consistent with your investment needs and objectives. We will also update the financial plan at your request. At our sole discretion, reviews and updates can be subject to a negotiable flat fee, hourly rate, or percentage of assets. If you implement the financial planning advice provided by our firm, you will receive trade confirmations and monthly or quarterly statements from relevant custodians, for a securities account. Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

### **Financial Consulting Services**

We offer financial consulting services that primarily involve advising Clients on specific financial-related topics. The topics we address include but are not limited to: risk assessment/management, investment planning, retirement planning, financial organization, or financial decision making.

### **Advised Retirement Plan Accounts Program**

We utilize an unaffiliated third-party platform that can allow an IAR of the Firm to facilitate the management of held-away assets for certain employer-sponsored retirement plan assets on a discretionary basis. Through this platform, the Firm does not take custody of your funds and does not have direct access to your account(s). A link will be provided to the Client, allowing them to connect account(s) to the platform. Once your account(s) is connected to the third-party platform, your IAR will review the current account(s) allocations and, when necessary, will make any changes in the current holdings and/or future allocations based on their understanding of your goals, objectives, risk tolerance, and any other circumstances necessary to make investment changes within the account. Account allocations are limited based on the options made available by the employer-sponsored plan and such limitations may impact the IARs ability to effectively manage the assets. Please be mindful that should your employer-sponsored plan make a "brokerage window" available, your IAR will not be able to manage securities through this feature.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

- We also offer assistance with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as: diversification, asset allocation, risk tolerance, and time horizon.

Our educational seminars include other investment-related topics specific to the particular plan.

We also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from



the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

We will determine with the Client in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide consulting services, the Client will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee-paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement. We will also provide additional disclosures about our services and fees, where required by ERISA. When we perform the agreed upon services, we will rely on the Client to provide accurate and consistent information, and we will not be required to verify the accuracy or consistency of any information provided by the Client. We will serve in a non-discretionary ERISA fiduciary capacity with respect to some but not all of the services that we provide, which will be further explained in the written agreement we sign with the Client. The Client is always free to seek independent advice about the appropriateness of any recommendations made by us.

The agreement we sign with the Client includes the disclosures required of Advisory Representative under Section 408(b)(2) of ERISA, in particular, (i) the services to be provided by Advisory Representative, (ii) the extent to which Advisory Representative is acting as a fiduciary, (iii) the compensation to be received by Advisory Representative, and the manner of receipt of that compensation, and (iv) any fees payable on termination of the agreement. Advisory Representative receives no indirect compensation in respect of the services provided pursuant to the agreement. We retain a portion of the compensation described in the agreement for our services in connection with the agreement, the amount of which varies with our arrangement with each Advisory Representative. Pursuant to the agreement, Advisory Representative neither provides recordkeeping services nor makes available any designated investment alternative for the plan nor advises any investment contract, fund or entity in which the plan has a direct equity investment, and no disclosures under Section 408(b)(2) are thus required to be provided in respect of those matters.

### **Assets Under Management**

As of December 31, 2023, we provide continuous management services for \$13,361,566,226 in Client assets managed on a discretionary basis. We also manage \$2,026,889,831 in Client assets on a non-discretionary basis.

### **Fiduciary Responsibility for Retirement Accounts**

When we provide investment advice to a Client, on a regular basis, regarding a retirement plan account or individual retirement account, SPIA is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code of 1986, as applicable. The way SPIA makes money creates some conflicts with your interests, so we operate under regulations that require us to act in the best interest of the Client and not put SPIA's interest ahead of the Client's interest.

Pursuant to these regulations, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put SPIA's financial interests ahead of the Client's financial interests when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interests, fees, and investments;
- Follow policies and procedures designed to ensure that SPIA gives advice that is in the best interest of the Client;
- Charge no more than is reasonable for services provided; and
- Give the Client basic information about conflicts of interest.



## **Item 5: Fees and Compensation**

### **Investment Advisory and Portfolio Management Services**

Our annual fee for investment advisory and portfolio management services varies based on factors such as, but not limited to; the IAR, the market value of your assets under management, the type and complexity of the asset management services provided, the securities utilized, and the investment strategy employed, as well as the level of administration requested either directly or assumed by the Client. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. Each of our IARs negotiates fees directly with you.

You will be charged a certain percentage of assets under management but, in no event will our fees exceed 3.00% on an annualized basis. We charge our fee quarterly in advance based on the value of the account on the last day of the quarter.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a Client.

At our discretion, we can combine the account values of family members living in the same household to determine the applicable negotiated advisory fee. For example, we can combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You can terminate the portfolio management agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a Client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

As disclosed in Item 4 above, programs offered by SPIA are considered to be Wrap Fee Programs sponsored by RJA in that there are no commissions or transaction charges. The advisory fee paid by the Client includes custody, trades, management expertise and reporting in a bundled format. Please see the respective RJA Wrap Fee Program Brochure for more information on the fees you will pay.

### **Aggregation of Related Fee-Based Accounts**

Raymond James aggregates fee-based accounts for billing purposes based primarily on information provided by IARs and Clients, however, it is the Client's obligation to notify SPIA if there are accounts that the Client believes should be included as "related" and SPIA reserves the right to determine whether accounts are "related" in its sole discretion. Clients can request that Raymond James aggregate their fee-based accounts for billing purposes so that each account will pay a fee under the applicable program fee schedule that is calculated on the basis of the "Relationship Value" (that is, the total aggregate Account Values of all related accounts). In general, related accounts are typically combined based on how the Client instructs their registered representative/IAR to link their accounts for the delivery of brokerage statements, trade confirmations and other forms of Client communications. Please note that Raymond James is subject to limitations in its ability to combine a Client's retirement accounts where a prohibited transaction under the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code could result.

Clients that negotiate a reduced asset-based fee with their IAR should understand that this discounted rate will be applied until otherwise renegotiated or until the aggregate Relationship Value of their combined fee-based accounts reaches a level that would qualify for the reduced retroactive rate under the applicable program fee schedule. That is, the negotiated discount rate would be applied until the applicable program fee schedule breakpoint would result in a lower fee.

## Other Asset Management Services

SPIA also offers asset management services to former clients of Monaco Capital Management, LLC and Saling Simms Associates Inc. The compensation for these specific services is described in more detail below.

### *Monaco Capital Management, LLC*

For these asset management services, clients pay fees based on a percentage of their assets under management by household. The maximum fee schedules are below.

#### PERCENTAGE OF ASSETS UNDER MANAGEMENT\*

Household Assets Under Management	Tiered Annual Fee
\$0 to \$500,000	2.50%
Next \$500,000	1.50%
Next \$4,000,000	1.00%
Above \$5,000,000	0.75%

Fees are billed quarterly in advance, based on the value of each client's household assets, including cash, on the last day of the previous quarter. The initial quarter's fees are prorated based upon the number of days the assets are managed by us.

The Client Agreement may be terminated by the Client or the Firm at any time upon providing notice pursuant to the provisions of the Client Agreement. In the event of termination of the Agreement, the Firm will refund a portion of the fee for the quarter of termination.

### *Saling Simms Associates Inc..*

These services are offered on a wrap fee basis in which all transaction fees are included within the advisory fees that you pay.

Fees for accounts are priced as follows:

For Fee-Based Relationship Value Totaling:	Fee (Annual percentage) *
\$0 up to \$1,000,000	1.25%
\$1,000,001 up to \$5,000,000	1.00%
\$5,000,001 up to No Maximum	0.70%

The advisory fee will be payable quarterly in advance. When the account is opened, the advisory fee is billed for the remainder of the current billing period and is based on the initial contribution. The initial payment will become due in full on the date of inception. Subsequent quarterly advisory fees will be calculated based on the account value as of the last business day of the previous calendar quarter and will become due the following business day.

Our firm, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, types of assets, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, etc.).

## OTHER COMPENSATION CONSIDERATIONS

### Administrative-Only Investments

Certain securities can be held in your advisory account and designated as "Administrative-Only Investments" or non-billable assets. There are two primary categories of Administrative-Only Investments: Client-designated and TPMM-designated. Client-designated Administrative-Only Investments can be designated by IARs that do not wish to collect an advisory fee on certain assets, while TPMM designated Administrative-Only Investments are designated by the TPMM in conformance with their internal policy. For example, an IAR may make an arrangement with a Client who holds a

security that the IAR did not recommend, or the Client wishes to hold for an extended period of time and does not wish for their IAR to sell for the foreseeable future. In such cases the IAR can elect to waive the advisory fee on this security but allow it to be held in the Client's advisory account - such designations fall into the Client-designated category. Alternatively, the TPMM may determine that certain securities can be held in an advisory account but are temporarily not eligible for the advisory fee (such as for mutual funds purchased with a front-end sales charge within the last two years, new issues and syndicate offerings). Assets designated by the TPMM as temporarily exempt from the advisory fee fall into the TPMM-designated category. See RJA Wrap Brochure for more detail. Please note that SPIA does not provide ongoing monitoring services or otherwise offer advice on administrative-only positions.

### **Mutual Funds Assessed or Subject to 12B-1 Fees or Sales Charges**

Certain mutual funds, in addition to the management fees and operating expenses, pay RJA Rule 12b-1 fees, also known as "trails." In certain circumstances, RJA will choose to make share classes available that pay 12b-1 fees in investment advisory programs even if a less costly share class is available, due to the ability for Raymond James to earn marketing and education support payments from the fund adviser or its affiliates. These marketing and education support payments benefit Raymond James but do not increase costs to the Client, as the 12b-1 is refunded to the Client. Raymond James receives 12b-1 fees from fund companies on either a monthly or quarterly basis. Where advisory fee-eligible share classes that pay 12b-1 fees are used, the 12b-1 fees will be credited bi-monthly to the Client's advisory account, after they are received by Raymond James. However, 12b-1 fees received by Raymond James on share classes that are not eligible for the advisory fee, such as class C shares designated as Administrative-Only Investments, will not be credited to the Client's account as described above, but instead will be paid to your IAR.

Many mutual funds also assess sales charges on mutual fund transactions (the mutual fund equivalent to a commission, also known as a "load"), a portion of which is paid by the fund company to compensate broker-dealers and their registered representatives for providing financial advice and Client service. Sales charges apply when you make your investment (known as a "front-end sales charge" or "front-end load"), or when you redeem your investment (known as a "back-end sales charge" or "back-end load"),

Certain mutual fund shares transferred to RJA to fund a new account or supplement an existing account will be subject to Raymond James's billing procedures, including those related to 12b-1 fees or "trails," Administrative-Only Investments, or conversion processes (for example, C shares held for at least one year, and share classes designated for use by managed account programs), as applicable.

In June 2018, Raymond James began converting existing advisory fee-eligible mutual fund positions in Ambassador accounts to a specific mutual fund share class ("wrap recommended share class") in an effort to provide advisory Clients with lowest cost share class available through Raymond James. This conversion does not apply to non-wrap eligible, non-billable positions such as C shares or other back-end load shares that can be held in a Client's Ambassador account and not eligible for advisory fee billing. Raymond James will perform ongoing monthly maintenance conversions to ensure the wrap recommended share class has been selected for the Client's account. These share class conversions are non-taxable events, and Clients' cost basis will carry over to the new wrap recommended share class.

Raymond James has established conversion processes to exchange class C shares to a lower cost share class once the class C shares have been held for at least one year or are otherwise no longer subject to the fund company's contingent deferred sales charge (or CDSC, which is typically 1% of the amount invested). The one year holding period is the required minimum holding period typically established by fund companies before they become eligible for exchange to another share class without being subject to the CDSC. However, certain funds require that investors hold the class C shares greater than or less than one year before these shares are CDSC-free. CDSC-free class C shares held in advisory program accounts will automatically be exchanged, on a tax-free basis, to the recommended share class by Raymond James on a monthly basis. For example, a Client that holds \$50,000 in class C shares purchased 6 months ago that subsequently transfers these shares to their Ambassador account will not be assessed an advisory fee for 6 months, although the shares will be subsequently exchanged by Raymond James to the recommended share class the month after they are CDSC-free, at which point the newly exchanged shares will be subject to advisory fees.

Investments held in Ambassador Accounts can be comprised of mutual fund shares (both load- waived and no-load funds are permitted), individual equity and fixed income securities, or a combination of mutual fund shares and individual securities. With respect to load funds, only such funds for which the sales charge has been waived, pursuant to SEC Rules, are permitted to be purchased and eligible for the advisory fee in these programs. Clients can hold fund shares in a fee-based Ambassador account that were originally purchased in a commission-based account and assessed a front-end load at Raymond James. However, Raymond James will designate these shares as Administrative-Only assets for two years from their original purchase date, and no advisory fee will be charged during this period. Likewise, structured investments such as market-linked notes and market-linked certificates of deposit, as well as unit investment trusts assessed an upfront commission will be designated as Administrative-Only assets, and no advisory fees will be assessed for two years from their original purchase date. This two-year exclusion period (or "Two Year Rule") has been implemented by Raymond James to avoid Clients being assessed both a load or commission and an advisory fee on the same asset, but only applies to those above-mentioned securities that were purchased through Raymond James.

In the event a Client purchased a share class designated as Administrative-Only (or "ineligible") that is subsequently exchanged into a share class that is otherwise eligible for advisory fees (for example, class C shares held for a year and exchanged into a no-load or load-waived class A share as described above), the Two Year Rule will not apply, provided the Client held the ineligible share class at least one year before converting to an eligible share class and the original load was 1.05% or less. Clients should understand that this Two-Year Rule may create a financial incentive for their IAR to recommend the Client exchange to an advisory fee eligible share class. However, per the above example of exchanging C shares to load-waived A shares, this incentive is mitigated by disclosing it to you and by requiring that the C shares must be held for at least one year before they will be allowed to be exchanged for A shares, where the load associated with C shares is typically 1%. The Two-Year Rule is expressly intended to avoid assessing advisory fees on share classes assessed a load in excess of 1%, where the maximum load is typically in excess of 4%.

### **Billing on Cash Balances**

SPIA permits cash and cash equivalent positions (such as money market funds or certificates of deposit) for defensive and liquidity purposes. RJA will assess advisory fees on cash sweep balances ("cash") held in Ambassador accounts, provided the cash balance does not exceed 20% of the total Account Value. RJA will determine the Account Value as of the last business day of the quarter (the "valuation date"). RJA will bill on the full cash balance provided cash did not comprise greater than 20% of the billable Account Value for three (3) consecutive quarterly valuation dates. If the cash balance exceeded 20% of the Account Value for three (3) consecutive quarterly valuation dates, the amount in excess of 20% is excluded from billing. For example, an Ambassador account that held 30% of the Account Value for three (3) consecutive billing valuation dates (March 31st, June 30th, and September 30th) would have the amount in excess of 20% excluded from the Account Value in which advisory fees are applied. For simplicity of illustration, assuming an account was valued at \$100,000 for all three (3) quarterly billing periods, with \$30,000 held in cash, the September 30th valuation date would exclude \$10,000 of the cash from the Account Value, when assessing the advisory fee.

Within the Ambassador account, the Cash Rule applies on an individual account basis. The Cash Rule may pose a financial disincentive to a financial advisor as the portion of cash sweep balances in excess of 20% is excluded from the Fee charged to the account. This fee billing provision (or "Cash Rule") is intended to equitably assess advisory fees to Client assets for which an ongoing advisory service is being provided; the exclusion of excess cash from the advisory fee is intended to benefit Clients holding substantial cash balances (as a percentage of the total individual Account Value) for an extended period of time. Clients should understand that the portion of the account held in cash will experience negative performance if the applicable advisory fee charged is higher than the return received on the cash sweep balance although such cash balances will not be subject to market risk (that is, risk of loss) associated with securities investments. As a result, Clients should periodically re-evaluate whether their maintenance of a cash balance is appropriate in light of their financial situation and investment goals, and should understand that this cash can be held outside of their advisory account and not subject to advisory fees.

For Discretionary Ambassador accounts, the Cash Rule poses a financial incentive for an IAR to limit cash sweep balances to 20% or less of the Account Value, as values over 20% for three consecutive quarterly

valuations will be excluded from the asset-based fee charged to the account. An IAR could choose to reallocate a Client account from cash to advisory fee eligible investments, including money market funds, or to recommend against raising cash, in order to avoid the application of this provision and therefore receive a fee on the full account value. This conflict is mitigated by disclosing it to you. However, please note that Clients who have delegated investment discretion to their IAR can direct their IAR to raise cash by selling investments or hold a predetermined percentage of their account in cash at any time. The Cash Rule is applicable only to cash sweep balances and, therefore, non-sweep money market funds would not result in excess "cash" balances being excluded from the asset based advisory fee calculation.

Cash balances in AMS managed program accounts are generally expected to be a small percentage of the overall account value as determined by the managers and therefore these accounts are not subject to the Cash Rule.

For cash sweeps in IRAs and ERISA plans held at RJA as the custodian, RJA uses its bank affiliate exclusively as a depository. Please see "Investment of Cash Reserves" for additional information on cash sweep options.

If you are seeking the highest yield currently available in the market for your cash balances please contact your IAR to discuss investment options available outside of the available sweep features that may be more suitable for your investment goals.

### **Investment of Cash Reserves**

RJA has established certain programs through which cash reserves "sweep" daily to and from the Client's investment account to cover purchases or to allow excess cash balances to immediately begin earning interest, subject to certain minimum balances. The account in which these cash reserves are held is considered the Client's sweep account. RJA sweep programs include the following:

- Client Interest Program® (CIP)
- Raymond James Bank Deposit Program ("RJBDP"), including:
  - RJBDP - Raymond James Bank Only
  - RJBDP with CIP

However, not all sweep programs are available in all accounts; rather, what sweep programs are available depends on the specific account type. Please refer to the specific program guide or RJA Wrap Fee brochure for additional information.

For important information on what sweep programs are available for each account type and how each sweep program operates, please refer to "Sweeps (Transfers) To and From Income-Producing Accounts" in the "Your Rights and Responsibilities as a Raymond James Client" Brochure, a current copy of which is available from your IAR, or you can visit the Raymond James public website for additional information: <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps> That website also includes a link at which the interest rates and rate tiers for CIP and RJBDP are posted online. For information on the rate being paid on your particular account(s), please contact your IAR or consult your periodic account statements.

With respect to cash reserves of advisory Client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian will offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian can, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation ("FDIC") and SIPC). The custodian is permitted to change, modify, or amend an investment option at any time by providing the Client with thirty days advance written notice of such change, modification, or amendment. Clients selecting the Raymond James Bank Deposit Program ("RJBDP") option are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. Raymond James is not responsible for any insured or uninsured portion of Client deposits at any of the Banks.

In the RJBDP sweep program, Raymond James receives revenue from the participating banks. Each participating bank, except Raymond James Bank, will pay Raymond James a fee equal to a percentage



of the average daily deposit balance in the Client account at the bank. The fee paid to Raymond James can be an annual rate of up to an average of 3% as applied across all Client accounts taken in aggregate. Raymond James Bank will pay Raymond James an annual fee of up to \$100 per account. Raymond James does not receive fees in connection with account deposits of advisory IRAs and ERISA accounts.

Deposits in Client accounts at Raymond James Bank provide a stable and low-cost source of funds for Raymond James Bank which helps contribute to the overall profitability of the Bank. Raymond James Bank generally earns a higher rate of interest on deposit balances than the interest it pays on those balances. The banks participating in the sweep programs earn income by lending or investing the deposits they receive and charging a higher interest rate to borrowers, or earning a higher yield, than the participating banks pay on the deposits held through these sweep programs. Like the other participating banks in the program, Raymond James Bank earns revenue minus interest paid by Raymond James as a participating member to Clients who have assets on deposit at Raymond James Bank. Raymond James Bank is permitted to also buy securities using the deposits placed in the RJBDP sweep program. Raymond James Bank uses the funds in the Client accounts to fund new lending and investment activity. The revenue received by Raymond James Bank on those balances is dependent upon lending activities and which securities are purchased. The profitability of Raymond James Bank is determined in large part by the difference between the interest paid and other costs associated with its deposits, and the interest or other income earned on its loans, investments, and other assets.

Raymond James Bank and the interest rate it offers through the RJBDP sweeps can differ from the interest rate or yield on the Client Interest Program ("CIP"). Raymond James Bank does not receive revenue for assets held within the CIP sweep program and in those cases where assets are not allocated to Raymond James as part of the RJBDP sweep program.

The revenue generated by Raymond James or an affiliate will vary compared to revenue generated by sweep programs available at other firms. The interest rate or yield on the Raymond James sweep programs can be higher or lower than the interest rate or yield available in other sweep programs at other institutions. Clients may be able to earn more favorable rates of return by investing in other asset classes, including alternatives to cash such as money market mutual funds and treasury bills, but performance of those asset classes is not guaranteed.

#### **Additional Expenses Not Included in the Asset-Based Advisory Fee**

You are also subject to charges for other account services provided by the custodian not directly related to the advisory, execution, and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, charges/interest for maintenance of margin and/or short positions, and fees for legal or courtesy transfers of securities.

For a complete list of account service charges, visit Raymond James's public website: [http://www.raymondjames.com/services\\_and\\_charges.htm](http://www.raymondjames.com/services_and_charges.htm).

Certain open-end mutual funds that are available to you, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. IARs that are also registered representatives of SPIS are eligible to receive this fee in addition to any advisory fee that is assessed in your account. However, the IAR would not receive both the advisory fee and 12b-1 fee on the same position. The existence of a 12(b)-1 fee is disclosed in the mutual fund prospectus.

You should also understand that the shares of certain mutual funds offered in an advisory program impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds to deter "market timers" who trade actively in fund shares. You should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, can increase the overall cost to you by 1%-2% (or more). More information is available in each fund's prospectus.

You should be aware that exchange traded funds ("ETFs") incur a separate management fee based on the fund's assets annually which is assessed by the fund directly. This management fee is in addition to the ongoing advisory fee assessed by SPIA, and will generally result in Clients which utilize an SMA or

TPMM or Investment Strategy that invests in ETFs paying more than Clients utilizing one that does not invest in ETFs, without taking into effect negotiated asset-based fee discounts, if any.

Certain ETFs are classified as partnerships for U.S. federal income tax purposes, which may result in unique tax treatment, including Schedule K-1 reporting. Prospective or existing Clients should consult their tax adviser for additional information regarding the tax consequences associated with the purchase, ownership, and disposition of such investments.

Additional information is also available in the ETF prospectus, which is available upon request.

The cost structures of Mutual Funds differ significantly, typically ranging from 0.75% to 1.5% versus .20% to 1% for ETFs.

Alternative Investments refers to securities products that serve as alternatives to more traditional asset classes and include investment products such as hedge funds, private equity funds, private real estate funds and structured products. IARs that are also registered representatives of SPIS can offer you a wide range of alternative investments. It is important for you to work with us to evaluate how a particular alternative investment and its features fit your individual needs and objectives. An important component of the selection process includes carefully reading the accompanying offering documents and/or prospectus prior to making a purchase decision. The offering documents contain important information that will help you make an informed choice.

As part of the review process, you should consider the fees and expenses associated with a particular alternative investment, along with the fact that IARs will receive compensation related to any such purchase. It is important to note that the fees and expenses related to alternative investments are often higher than those of more traditional investments.

While each investment will differ in terms of both total fees and expenses and how those fees and expenses are calculated, the following section will discuss the primary categories of fees and expenses that are common to many alternative investments and the different ways that our Company and our IARs that are also registered representatives of SPIS can be compensated.

- *Management fees:* The manager for any particular investment will often charge a management fee that is based on the total value of your investment. As the value of your investment increases, the total management fees that a manager receives will increase. As the value of your investment decreases, the total management fees that a manager receives will decrease. These fees are similarly structured but are often higher than management fees associated with other, more traditional, investments such as mutual funds. IARs that are also registered representatives of SPIS share in a portion of management fees to which an investment manager is entitled.
- *Incentive-based compensation:* Many alternative investment managers receive incentive-based compensation in addition to management fees. Incentive-based fees typically involve the manager retaining a percentage of profits generated for Clients. Fees related to incentive compensation are often referred to as incentive/performance-based fees or carried interest. It is important to note that these fees are in addition to management fees that are charged by the manager and that the exact calculation of incentive fees or carried interest differs by product and manager. IARs that are also registered representatives of SPIS may share in any incentive-based compensation to which an investment manager is entitled.
- *Upfront or ongoing servicing fees or placement fees:* Many alternative investments have upfront costs directly related to compensating IARs that are also registered representatives of SPIS. These fees are generally based on the total amount of your investment. Additionally, there may be ongoing fees, based on the value of your investment, that are directly related to compensating IARs that are also registered representatives of SPIS.
- *Redemption fees:* Some investments may have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors.

Alternative investment strategies can be accessed through a variety of legal structures, including mutual funds, limited partnerships, and limited liability companies. In certain structures, particularly for new offerings, investors can incur organization and offering expenses that are related to the creation of the legal structure and marketing of the product. These costs ultimately serve to decrease the amount of the



Client's investment. Additionally, investors may incur other expenses based on the investment activity of the fund. For instance, in a real estate fund, investors can be charged fees related to the acquisition of a property. In a hedge fund that shorts stock, there are costs associated with establishing and maintaining the short position. Lastly, investors in alternative investments generally bear the cost of certain ongoing expenses related to administration of the product. These expenses include costs related to tax document preparation, auditing services or custodial services.

Alternative investments often have limited liquidity, intermittent pricing and values based on appraisal-based pricing versus market-based pricing. Client accounts with alternative investments are charged advisory fees based on the fair value of the assets determined by the underlying fund managers. The fund managers value investments at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Please note: Values based on information from the funds, may not be currently priced, are for informational purposes only and may not be realized if you seek to liquidate your investment. There may not be an established market for interests in alternative investment funds or for privately held portfolio companies of alternative investment funds, and there may not be any comparable companies for which public market valuations exist. Additionally, if an alternative investment is reflected on your statement, the value reflected is often an estimate subject to revision by the fund manager. One or a combination of these issues impact the value on which you are charged when your investment is eligible for asset-based advisory fees. Client accounts will not be adjusted based on value revisions made by the fund manager or fluctuations in the fair value subsequent to advisory fees being charged. Thus, Client accounts may be charged advisory fees that can be higher or lower than the actual value of the assets. We will typically only assess an advisory fee on alternative investment products that are priced at least quarterly and are not assessed an upfront commission or sales load upon initial investment. Conversely, alternative investment products not eligible for the asset-based advisory fee typically price less frequently than quarterly and/or have an upfront commission or sales load assessed upon the initial investment; such investments will be designated as Administrative-Only assets.

You should also understand that certain no-load variable annuities can be offered in the Ambassador program and charged an advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products.

Your total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors include your ability to:

- obtain the services provided within the programs separately with respect to the selection of mutual funds,
- invest and rebalance the selected mutual funds without the payment of a sales charge, and
- obtain performance reporting comparable to those provided within each program.

When making cost comparisons, you should be aware that the combination of multiple mutual fund investments, advisory services, and custodial and brokerage services available through each program may not be available separately or can require multiple accounts, documentation, and fees. If an account is actively traded or you otherwise do not qualify for reduced sales charges for fund purchases, the fees can be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or you otherwise would qualify for reduced sales charges, the fees in these programs can be more expensive than if utilized separately. Further information regarding fees assessed by mutual funds, variable annuities or UITs is available in the appropriate prospectus, available upon request.

The mutual funds and ETFs available in the advisory programs can often be purchased directly. Therefore, you could avoid the second layer of fees by not using the investment advisory account and making your own decisions regarding the investment.

If you are considering transferring mutual fund shares to or from SPIS you should be aware that if the firm from or to which the shares are to be transferred does not have a selling agreement with the fund company, you must either redeem the shares (paying any applicable contingent deferred sales charge and potentially incurring a tax liability) or continue to maintain an investment account at the firm where the fund shares are currently being held. You should inquire as to the transferability, or "portability", of mutual fund shares prior to initiating such a transfer.

### **Buying Securities on Margin and Margin Interest**

If suitable for you, you can open a margin account for the purpose of borrowing funds for securities purchases. If a margin account is opened, you will be charged interest on any credit balance extended to or maintained on your behalf at RJA. While the value of the margined security will appear as a debit on your statement the margin balance in an account(s) will be assessed asset-based advisory fees based on the gross value of the account(s) without any offset for margin or debit balances. This creates a conflict of interest where your IAR benefits from the use of margin by creating a higher absolute market value and therefore receiving a higher fee. This conflict is mitigated by disclosing it to you.

If you purchase securities on margin you should understand: 1) the use of borrowed money will result in greater gains or losses than otherwise would be the case without the use of margin, and 2) there will be no benefit from using margin if the performance of your account does not exceed the interest expense being charged on the margin balance plus the additional advisory fees assessed on the securities purchased using margin. Read the Truth in Lending Statement carefully prior to opening a margin account.

### **Short Sales**

When executing short sales, you should be aware that RJA receives compensation for maintenance of the short position, which is in addition to the asset-based advisory fee. This compensation is generally calculated on a daily basis as a percentage of the current market value of the security sold short. With respect to short sales, the Client will be assessed asset-based advisory fees based on the value of the security sold short, but not on the proceeds received upon initiation of the short sale. Three of the major variables that impact the amount of the fee RJA retains, as well as the transparency of the fee on your statement are: 1) availability of the security from RJA; 2) the current interest rate environment in the U.S.; and 3) the availability of the security based on the supply and demand of loanable securities in the market.

When you borrow a security which RJA can lend from its own inventory or its available customers' securities holdings, RJA generally retains all of the fees generated by that loan. In a higher interest rate environment, this fee may not be transparent to you because RJA may not charge it directly to your account. In such instances, the fee is retained from the return generated by the investment of the collateral posted for the transaction (such as short sale cash proceeds). In the case of a limited supply of a loanable security and/or a lower interest rate environment, the interest earned on the invested cash collateral may not be sufficient to cover the fee; in this case RJA can directly charge the fee to your account until the borrowed balance is closed.

In cases where RJA has no available supply of loanable securities, RJA can borrow the security from another firm. In these cases, you will be charged a fee to cover the borrowed securities, and RJA and the firm which lent the securities will generally split this fee. As above, in a higher interest rate environment this fee may not be transparent to you because the fee is retained from the return generated by the investment of the collateral posted for the transaction and not charged directly to the account. Alternatively, where the interest earned is not sufficient to cover the fee, RJA can directly charge the fee to your account until the borrowed balance is closed; a portion of that fee is passed from RJA to the firm from which the securities were borrowed.

### **Financial Planning and Financial Consulting Services**

Financial planning and consulting fees are negotiable. Fees charged for these services will be dependent upon the anticipated time to provide the services and complexity of the plan and/or your financial situation. The fees are determined in advance and disclosed to you at the time the Investment Advisory Consulting Agreement is executed. It is possible that you would pay more or less for similar services which are available through another firm.

The manner in which you pay financial planning and consulting fees are payable as follows:

1. Hourly rates for plan development or consultation will vary depending on the amount of time it takes to complete services rendered.
2. Fixed fees for plans or consulting services will vary depending on a number of factors which include, but are not limited to, the complexity and comprehensiveness of the plan or consulting services rendered.
3. Fees as a percentage of assets are generally assessed on the aggregate value for which services are rendered. Services rendered and fees charged are disclosed in each Investment Advisory Consulting

## Agreement.

You can terminate the advisory relationship without penalty within five (5) business days of entering into the advisory agreement.

It is important to note that we provide investment products or securities recommendations as part of financial planning services or hourly consulting services. This presents a conflict to the extent that your IAR receives compensation from implementation of such recommendations. Also, compensation to your IAR varies depending on the product or service your IAR recommends.

In providing financial planning services, we may recommend our services and/or our Associated Persons services in their separate capacity as licensed insurance agents and/or registered representatives of SPIS. A conflict of interest exists when we make such recommendations. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the recommendations through your IAR or our firm. If you decide to implement the financial plan or consulting advice through one of the programs or services we offer, your IAR will provide you at the time of engagement with a Client agreement that will contain specific information about fees and compensation that your IAR and SPIA will receive in connection with that program.

You should also understand that your IAR can perform advisory services for various other Clients and give advice or take actions for those other Clients that differ from the advice given to you. Also, the timing or nature of any action taken for your account can be different. You should note that similar advisory services may be available from other registered investment advisers for similar or lower fees.

In the event we agree to billing in advance, we do not require you to pay fees in excess of \$1,200 six months or more in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date. At our discretion, we can offset our financial planning fees to the extent you implement the financial plan through our Investment Advisory and Portfolio Management Services.

Our financial planning fees are negotiable and generally payable in advance of services rendered. You can terminate the financial planning agreement by providing written notice to our firm. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Either party can terminate the advisory agreement. You can terminate upon 30 days written notice to our firm. If you were charged fees in arrears, you will be responsible for a prorated fee based on services performed. If fees are paid in advance, you may be entitled to a refund of unearned fees.

## Selection of Other Advisers

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the TPMM. The advisory fee you pay to the TPMM is established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. Our compensation can differ depending upon the individual agreement we have with each TPMM. As such, a conflict of interest exists where our firm or persons associated with our firm has an incentive to recommend one TPMM over another TPMM with whom we have more favorable compensation arrangements or other advisory programs offered by TPMMs with whom we have less or no compensation arrangements.

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the *Investment Advisory and Portfolio Management Services* section in this brochure. Advisory fees that you pay to the TPMM are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

You may be required to sign an agreement directly with the recommended TPMM(s). You can terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you are able to terminate your advisory relationship with the TPMM and how you will receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

### **Advised Retirement Plan Accounts Program**

You will be charged an Advisory Fee as specified in your program agreement. A portion of the Advisory Fee is paid to the third party in exchange for access to their system. Fees are assessed quarterly in advance and determined based on the total account value on the last business day of the prior quarter. However, for the initial period, the Advisory fee will be paid on a pro-rata basis based on the number of days in the billing period for which services were provided in arrears, based on the market value of assets in the account on or about that date. No Fee adjustment will be made during any quarter for appreciation or depreciation in asset value during that current period, nor shall any adjustment or refund be made with respect to partial additions or withdrawals during that current period.

Fees cannot be debited directly from the employer-sponsored plan. You are required to maintain a non-qualified brokerage account with the Firm from where the Advisory fee will be debited. In the event of an account closure or termination of the agreement, Advisory fees will not be rebated based on the remaining days in the period.

### **Pension Consulting Services**

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Depending on the arrangements made at the inception of the engagement we will agree to either send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the pension consulting services agreement upon 30 days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a Client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds in a retail brokerage account. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities in a brokerage account. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Associates providing investment advice on behalf of our firm are registered representatives with SPIS, our affiliated broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In their capacity as registered representatives, these associates receive compensation in connection with the purchase and sale of securities or other investment products, including sales charges, commissions, service fees or 12b-1 fees for the sale, or holding, of mutual funds. Compensation earned by these associates in their capacities as registered representatives is separate and in addition to our advisory fees. Associates providing investment advice on behalf of our firm may also be licensed as independent insurance agents. These associates will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees.

This receipt of commission-based compensation presents a conflict of interest because associates providing advice on behalf of our firm have an incentive to recommend investment or insurance products based on the compensation received. We mitigate this conflict by disclosing it to you and conducting a suitability review of your account and securities transactions in an effort to ensure that with any securities transaction the interests of the Client are ahead of the interests of the IAR or firm. Moreover, you are under no obligation to purchase securities or insurance products through any person affiliated with our firm.

### **Investment Advisor Representative Loans**

SPGA, in order to facilitate the recruitment of IARs and the acquisition of existing registered investment advisory firms ("RIAs") offers recruited IARs and the IARs of acquired RIAs recruitment loans (the "Recruitment Loans"). Any Recruitment Loans would be expected to have a term of up to ten (10) years and would be accompanied by an unrelated bonus agreement which would provide the recipient IAR of the loan with monies over a similar period to repay the loan over time (the "Bonus Agreement"). These Recruitment Loans and the Bonus Agreement payments would constitute an additional economic benefit for SPIA IARs.

The receipt of Recruitment Loans presents a conflict of interest because recruited or acquired IARs are incentivized to recommend that Clients move their assets to, and continue to utilize the services of, SPIA rather than basing such recommendations on a Client's particular needs or best interest. The Recruitment Loans incentivize Steward Partners, SPIA and its IARs to recommend that existing Clients begin or continue to utilize the services of SPIA. Persons providing investment advice on behalf of SPIA and who are also registered representatives of SPIS, along with their Clients, may choose to solely use RJA as their custodian. Consequently, these individuals are generally limited to conducting securities transactions through RJA. **Please note: SPIA's IAR's have a fiduciary duty to act in the Client's best interest. Clients are reminded that they are not under any obligation to custody assets at a particular custodian or purchase securities commission products through SPIS and/or SPIA's IARs, and that they can purchase such securities commission products through other, non-affiliated broker-dealers or registered representatives. Clients are also reminded that they are not required to utilize RJA for its custodial services.**

These conflicts are mitigated by disclosing them to you and by requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, risk tolerance, financial circumstances, and other characteristics.

### **Growth Award Program**

The Growth Award Program ("Program") is intended to incentivize investment adviser representatives who grow their business by providing them with additional equity ownership in our parent company, Steward Partners Management Holdings ("SPMH"). The program incentivizes an IAR or IAR Team ("Team") who have a certain amount of growth in revenue as determined by the Firm in its sole discretion. An additional award representing a percentage of the amount awarded to the IAR/Team may be distributed among the IAR or Team's Support Staff, subject to the Firm's sole discretion and with Management Approval. The review period is based on Calendar Year production (January through December). Please contact us for further information on the program.

This program presents a conflict of interest between the IAR and/or the Team and you as a Client since it creates a financial incentive for the IAR and/or the Team to act to increase their revenue rather than acting in your best interest. However, as a fiduciary, SPIA and our IAR have an obligation to always put your interests first. In assessing whether this standard is met, we must determine whether our recommendations and investment strategies are not only appropriate for you but are in your best interests as well. We periodically evaluate the holdings in your account and the advice provided to you to ensure it aligns with your current investment objectives and risk tolerance. In addition, whenever trading could create a conflict of interest, we have an obligation to obtain your informed consent after providing full and fair disclosure of all material facts. While we cannot mitigate the conflict of interest, we believe the disclosures provided herein are sufficient for you to provide us with your informed consent before we engage in trading activity on your behalf.



## **IRA Rollover Considerations**

As part of our investment advisory services to you, we may suggest you consider withdrawing the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. In doing so, we are acting as a fiduciary, within the meaning of Title I of ERISA and/or the Internal Revenue Code of 1986, as amended. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because associates providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Pursuant to Department of Labor regulations, employers are required to permit former employees to keep their retirement assets in their company plan, if their vested balance is over \$5,000. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

An employee will typically have four options:

1. Leaving the assets in your employer's (former employer's) plan.
2. Moving the assets to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the assets into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

It is important that you understand the differences between these types of accounts and decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative. Please be sure to discuss your options with your IAR who will provide you with additional information.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a Client's account. 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. Our fees are calculated as described in the *Fees and Compensation* section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7: Types of Clients**

We offer investment advisory services to individuals (including high net worth individuals), pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

SPIA requires a minimum new advisory account opening value of \$25,000 in our Ambassador program. Other advisory programs through AMS have higher and lower minimums. Each IAR will also have different account relationship minimums and smaller accounts may be accepted based upon the specific circumstances of an account. Please refer to the specific program guide and/or the RJA Wrap Fee Program Brochure for more information on account minimums.

## Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

We will use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data are used to detect departures from expected performance and diversification and predict future price movements and trends.

- **Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

- **Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

- **Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and can have many fluctuations between long-term expansions and contractions.

- **Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

- **Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

- **Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of time.

**Short Sales** - Unlike a straightforward investment in stocks where you buy shares with the expectation that their price will increase so you can sell at a profit, in a "short sale" you borrow stocks from your



brokerage firm and sell them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes that the price of a stock will go down in the near future. A short seller thus uses declines in the market to his advantage. The short seller makes money when the stock prices fall and loses when prices go up. The SEC has strict regulations in place regarding short selling.

- **Risk:** Short selling is very risky. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, gains have a ceiling level because the stock price cannot fall below zero. A short seller has to undertake to pay the earnings on the borrowed securities as long as the short seller chooses to keep the short position open. If the company declares huge dividends or issues bonus shares, the short seller will have to pay that amount to the lender. Any such occurrence can skew the entire short investment and make it unprofitable. The broker can use the funds in the short seller's margin account to buy back the loaned shares or issue a "call away" to get the short seller to return the borrowed securities. If the broker makes this call when the stock price is much higher than the price at the time of the short sale, then the investor can end up taking huge losses.

**Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

- **Risk:** If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

**Option Writing** - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. For puts, the seller must purchase from the buyer a specified number of shares if the buyer exercises the option. The buyer pays the seller a premium (the market price of the option at a particular time) in exchange for writing the option.

- **Risk:** Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice will vary depending upon each Client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Additionally, your restrictions and guidelines affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third-party money managers. We primarily rely on investment model portfolios and strategies developed by the third-party money managers and their portfolio managers. We may replace/recommend replacing a third-party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

### **Tax Considerations**

Our strategies and investments can have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in Client accounts on or after January 1, 2011. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method.

Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.

We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. All investment programs have certain risks that are borne by the investor. Investors face the following investment risks:

*Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

*Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

*Inflation Risk:* This type of risk is the chance that future cash from an investment will not be worth as much due to inflation. Inflation is the increase in the price of goods and services, which causes purchasing power to erode.

*Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

*Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

*Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

*Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

### **Recommendation of Particular Types of Securities**

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

**Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other

investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

**Certificates of Deposit:** Certificates of deposit ("CD") are generally a safe type of investment since they are insured by the Federal Deposit Insurance Company ("FDIC") up to a certain amount. However, because the returns are generally low, there is risk that inflation outpaces the return of the CD. Certain CDs are traded in the marketplace and not purchased directly from a banking institution. In addition to trading risk, when CDs are purchased at a premium, the premium is not covered by the FDIC.

**Municipal Securities:** Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return. Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors. ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its 17 weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Commercial Paper:** Commercial paper ("CP") is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default. There is a less risk in asset based commercial paper (ABCP). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing

company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

**Real Estate Investment Trust:** A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends

**Limited Partnerships:** A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner has management authority and unlimited liability. The general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks are dependent on the nature of the partnership and disclosed in the offering documents if privately placed. Publicly traded limited partnership have similar risk attributes to equities. However, like privately placed limited partnerships their tax treatment is under a different tax regime from equities. You should speak to your tax adviser in regard to their tax treatment.

**Private Placements:** A private placement (non-public offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission. Risk: Private placements generally carry a higher degree of risk due to illiquidity. Most securities that are acquired in a private placement will be restricted securities and must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.

**Digital Assets:** Digital Assets generally refers to an asset that is issued and/or transferred using distributed ledger or blockchain technology, including, "virtual currencies" (also known as cryptocurrencies), "coins", and "tokens". We may invest client accounts in and/or advise clients on the purchase or sale of digital assets. This advice or investment may be in actual digital coins/tokens/currencies or via investment vehicles such as exchange traded funds (ETFs) or separately managed accounts (SMAs). The investment characteristics of Digital Assets generally differ from those of traditional securities and currencies. Digital Assets are not backed by a central bank or a national, international organization, any hard assets, human capital, or other form of credit and are relatively new to the market place. Rather, Digital Assets are market-based: a Digital Asset's value is determined by (and fluctuates often, according to) supply and demand factors, its adoption in the traditional commerce channels, and/or the value that various market participants place on it through their mutual agreement or transactions. The lack of history to these types of investments entail certain unknown risks, are very speculative and are not appropriate for all investors.

*Price Volatility of Digital Assets Risk:* A principal risk in trading Digital Assets is the rapid fluctuation of market price. The value of client portfolios relates in part to the value of the Digital Assets held in the client portfolio, and fluctuations in the price of Digital Assets could adversely affect the value of a client's portfolio. There is no guarantee that a client will be able to achieve a better than average market price for Digital Assets or will purchase Digital Assets at the most favorable price available. The price of Digital Assets achieved by a client may be affected generally by a wide variety of complex factors such as supply and demand; availability and access to Digital Asset service providers (such as payment processors), exchanges, miners or other Digital Asset users and market participants; perceived or actual security vulnerability; and traditional risk factors including inflation levels; fiscal policy; interest rates; and political, natural and economic events.

*Digital Asset Service Providers Risk:* Service providers that support Digital Assets and the Digital Asset marketplace(s) may not be subject to the same regulatory and professional oversight as traditional securities service providers. Further, there is no assurance that the availability of and access to virtual currency service providers will not be negatively affected by government regulation or supply and demand of Digital Assets. Accordingly, companies or financial institutions that currently support virtual currency may not do so in the future.

*Custody of Digital Assets Risk:* Under the Advisers Act, SEC registered investment advisers are required to hold securities with "qualified custodians," among other requirements. Certain Digital Assets may be deemed to be securities. Many Digital Assets do not currently fall under the SEC definition of security and therefore many of the companies providing Digital Assets custodial services fall outside of the SEC's definition of "qualified custodian". Accordingly, clients seeking to purchase actual digital coins/tokens/currencies may need to use nonqualified custodians to hold all or a portion of their Digital Assets.

*Government Oversight of Digital Assets Risk:* Regulatory agencies and/or the constructs responsible for oversight of Digital Assets or a Digital Asset network may not be fully developed and subject to change. Regulators may adopt laws, regulations, policies or rules directly or indirectly affecting Digital Assets their treatment, transacting, custody, and valuation.

### **Asset Allocation**

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Adviser may recommend professionally managed investment products like low-cost mutual funds and exchange traded funds (ETFs). As with any investment, past performance is not a guarantee of future results. But costs often do affect investment performance. Adviser attempts to use low-cost products whenever possible, such as index funds and ETFs. Clients should always review and understand an investment's key literature such as a prospectus and annual report.

Adviser constructs portfolios based on different risk and return objectives which are reviewed with each client in order to identify the most appropriate portfolio. Adviser's investment strategy involves analyzing global market conditions to determine how best to allocate portfolios. In addition, Adviser conducts manager research in order to identify the most attractive and suitable securities. We take this approach by working with the client to understand their needs.

Adviser believes in the benefits of diversification through asset allocation. While diversification can help to lower a portfolio's overall volatility (significant price changes), investing always involves a risk of loss that clients should be prepared to bear. Adviser therefore attempts to balance reasonable levels of risk with reasonable levels of return to generate the capital necessary to meet client goals. Individual client risk tolerance and risk capacity are also key factors in the investment planning process.

### **Asset Allocations Not Static**

Depending on the asset allocation approach, and according to your investment needs, assets within your portfolio may periodically be rebalanced or reallocated as recommended by the investment strategy selected for your account. When market returns have caused asset allocations to extend beyond predetermined limits, your portfolio may be rebalanced back to an original target mix. As our economic



outlook evolves, assets within your portfolio may also be reallocated to capture opportunities or manage risk. Investments can go down in value. You can lose some, much or all your invested money. Do not invest money you cannot afford to lose.

## **Item 9: Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a Client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **Registrations with Broker-Dealer and Other Investment Adviser**

As disclosed above, associates providing investment advice on behalf of our firm can also be registered representatives of SPIS. Notwithstanding the fact that principals and associates of our firm can also be registered representatives of SPIS, we are solely responsible for advice rendered and/or services provided in accordance with this Brochure and the agreement entered into by you and our firm.

You are under no obligation to purchase or sell securities and/or insurance products through these related persons in their separate capacities as securities representatives of SPIS and/or insurance agencies. However, if you choose to implement a securities transaction through such individuals the broker/dealer used will be SPIS, and commissions will be earned in addition to any fees paid for advisory services. The commissions could be higher or lower at SPIS than at other broker-dealers.

### **Arrangements with Affiliated Entities**

We are affiliated with Steward Partners Global Advisory LLC ("SPGA"), a licensed insurance agency, through common control and ownership. Therefore, associates providing investment advice on behalf of our firm may be licensed as insurance agents. These associates will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these associates are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Steward Partners Investment Advisory, LLC ("SPIA") and Elan Wealth Management, LLC ("EWM") (collectively referred to as "Affiliated Advisers") are SEC registered investment advisers and affiliates of Steward Partners Investment Solutions, LLC ("SPIS"), a registered investment advisor and broker-dealer. SPIS and Affiliated Advisers are under the same parent company, Steward Partners Holdings, LLC ("SPH"). SPIA and Steward Partners Global Advisory, LLC ("SPGA"), also a wholly owned subsidiary of SPH, and its Affiliated Advisers are affiliates and separately operated. SPGA provides corporate and related services to SPIS and its Affiliated Advisers.

### **Recommendation of Other Advisers**

We can recommend that you use a third-party money manager ("TPMM") based on your needs and suitability. We will receive compensation from the TPMM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third-party adviser. You are not obligated, contractually or otherwise, to use the services of any TPMM we recommend. We do not have any other business relationships with the recommended TPMM(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Description of Our Code of Ethics**

SPIA has adopted an Investment Adviser Code of Ethics (the "Code") and all IARs and "access persons" (as defined under the Investment Advisers Act of 1940, as amended (the "Advisers Act")) are required to understand and follow its provisions. Our Code includes guidelines for professional standards of conduct for associates of our firm. 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 associates of our firm are expected to adhere strictly to these guidelines. Our associates 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 associates with our firm. Clients or prospective Clients can request a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in Client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or associates of our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor our associates shall have priority over your account in the purchase or sale of securities.

## **Item 12: Brokerage Practices**

We recommend the brokerage services of our affiliated entity Steward Partners Investment Solutions, LLC (SPIS). SPIS is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Advisory accounts are custodied with Raymond James & Associates (RJA), a third-party custodian, where SPIS acts in its capacity as an introducing broker-dealer. SPIS acting as a broker-dealer is material to our advisory business because this results in additional forms of compensation to SPIS which are discussed in more detail in this brochure.

It is possible that you will pay higher commissions and/or trading costs than those that are available elsewhere. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

### **Raymond James & Associates Clearing Relationship**

Raymond James & Associates is the clearing firm for Steward Partners Investments Solutions' brokerage business and is a custodial option for its accounts ("Custodian"). RJA offers their broker-dealer clients substantial financial strength and stability, economies of scale, and reliable, state-of-the-art technology. We believe that RJA provides quality execution services for you at competitive prices. As part of this business relationship, SPIS, as broker/dealer, pays RJA various execution and clearing charges and fees in connection with RJA maintaining custody and effecting the purchase and sale of securities for our clients.

For all advisory services programs, our Firm requires that Clients establish brokerage accounts with a designated Custodian. Steward Partners Investments Solutions is also an introducing broker-dealer that provides brokerage services for advisory accounts. During the Account opening process, a Client requests that our Firm open a custodial account for the Client with our Custodian.

**Please Note: Clients are reminded that they are not under any obligation to custody securities at RJA or purchase securities commission products through SPIS and/or SPIA's IARs, and that they are able to purchase such securities commission products through other, non-affiliated broker-dealers or registered representatives.** SPIA has systems in place to review IAR-managed accounts for suitability and best execution practices over the course of the advisory relationship.

RJA has a revenue-sharing arrangement with our affiliated broker-dealer SPIS. According to the terms of the agreement, RJA agrees to pay SPIS a portion of the interest earned on margin debit balances and securities-based lending loan balances in advisory accounts at SPIA. This is a conflict of interest at the firm level since the firm (SPIA) has an incentive to establish margin and/or securities-based loans to earn additional revenue. This conflict is mitigated by disclosing it to you in addition to the fact that SPIA IARs do not receive or otherwise directly share in the interest payments received by SPIA from RJA.

Also, as part of the revenue sharing arrangement, RJA agrees to pay SPIS a portion of the interest earned on credit and cash sweep balances in advisory accounts. Payments from RJA to SPIS are substantial.



This is a conflict of interest at the firm level since the firm (SPIA) has an incentive to have Clients maintain assets in one of the available cash sweep vehicles. In addition to disclosing, it to you, this conflict is further mitigated by the controls around billing on cash balances (see Item 4 for additional information).

SPIS' receipt of these and other revenue streams through its clearing relationship with RJA supports and defrays the costs SPIS has related to the ongoing operational and administrative maintenance of Client accounts and compensates SPIS for the various services it provides in its role as broker-dealer of record.

As part of this business relationship, SPIS, as broker/dealer, pays RJA for various execution and clearing services in connection with RJA, maintaining custody and effecting the purchase and sale of securities for our clients ("Custody Fee"). RJA imposes its Custody Fee based on assets. The Custody Fee decreases based on certain asset thresholds. Under this arrangement, SPIS and its affiliates have a financial incentive to retain assets with RJA to minimize costs.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements with any broker-dealer or custodian.

### **Economic Benefits**

As a registered investment adviser, SPIA has access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firms. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions can be greater than the amounts another broker who did not provide research services or products might charge.

### **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.

### **Directed Brokerage**

We routinely require that you direct our firm to execute transactions through SPIS. As such, we are not always able to achieve the most favorable execution of your transactions and you can pay higher brokerage commissions than you would otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their Clients to direct brokerage.

Associates providing investment advice on behalf of our firm who are registered representatives of SPIS will recommend SPIS to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from SPIS unless SPIS provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through SPIS. It can be the case that SPIS charges higher transactions costs than another broker charges for the same types of services. If transactions are executed through SPIS, these individuals (in their separate capacities as registered representatives of SPIS) will earn commission-based compensation as a result of placing the recommended securities transactions through SPIS. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You are able to utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through SPIS as we recommend. . See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **Block Trades**

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. . In certain cases, each participating account pays an average price per share for all transactions. In the event an order is only

partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each Client's order.

Accounts owned by our firm or associates of our firm are permitted to participate in block trading with your accounts; however, they will not be given preferential treatment.

We do not block trade for non-discretionary accounts. Accordingly, non-discretionary accounts can pay different costs than discretionary accounts pay. If you enter into a non-discretionary arrangement with our firm, we may not be able to buy and sell the same quantities of securities for you and you can pay higher commissions, fees, and/or transaction costs than Clients who enter into discretionary arrangements with our firm.

### **Item 13: Review of Accounts**

Your IAR will monitor your account on an ongoing basis to identify situations that warrant specific actions be taken or recommended with respect to your investments or overall investment portfolio. Such reviews include, but are not limited to: suitability, performance, asset allocation, change in investment objectives and risk tolerance, and concentrations. In addition, your IAR will provide regular investment advice or investment supervisory services, review your portfolio(s) and communicate with you at least annually, for conformity with the respective portfolios, investment objectives, changes in your financial situation, account performance and any reasonable restrictions to be imposed as to the specific assets or types of securities to be included or excluded from your portfolio(s).

Additional monitoring of accounts is executed by our supervisory personnel located within various offices of our firm. These reviews are conducted on an ongoing and as needed basis and at a minimum are done annually and are designed to ensure that the advisory services provided to you are consistent with your investment needs and objectives.

The individuals conducting reviews will vary from time to time, as personnel join or leave our firm. We will not provide you with additional or regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

### **Item 14: Client Referrals and Other Compensation**

As disclosed under the *Fees and Compensation* section in this brochure, associates providing investment advice on behalf of our firm may be licensed insurance agents and are registered representatives with SPIS. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

Refer to the *Brokerage Practices* section above for benefits we are able to receive resulting from our relationship with your account custodian.

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Promoters) 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 the Promoter's disclosure statement at the time of the referral. If you become a Client, the Promoter that referred you to our firm will receive 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. 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, which we mitigate by disclosing it to you. However, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees can 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 Promoter's compensation is less favorable.

### **Transition Loans**

Steward Partners Global Advisory, LLC, an affiliate of SPIA and SPIS, may provide loans, bonus

payments and production awards to certain SPIA IARs. SPIA's IARs may receive the proceeds of a loan based on their respective trailing 12 months' revenue, generally, upon joining SPIA as an IAR. These compensation arrangements and the restrictive terms and conditions of the loans and any bonus payments incentivize SPIA IARs to remain, and retain Client assets, at SPIA.

### **Strategic Partners**

In addition to commissions or asset-based fees, the firm, receives compensation ("marketing support") from the below categories:

- Packaged Products: certain mutual funds, exchange traded funds (ETFs), variable insurance products, fixed insurance products, direct participation programs, alternative investments, and unit investment trusts (UITs)
- Third-Party Managers: certain third-party money managers offered through accounts custodied away from the Broker-Dealer

The above categories are hereinafter referred to as ("Strategic Partner" or "Strategic Partners"). Strategic Partners are selected, in part, based on the competitiveness of their products, their technology, their customer service and their training capabilities. Strategic Partners have more opportunities than other companies to market and educate our Advisory Representatives on investments and the products they offer. Marketing support payments are typically calculated as a fixed fee. Strategic Partners pay Steward Partners and/or its affiliates, differing amounts of marketing support payments, for which the Strategic Partner receives various benefits. You do not pay more to purchase Strategic Partner investment products through Steward Partners than you would pay to purchase non-partner products or those partner products through another broker-dealer. Additionally, marketing support payments received by our firm and/or its affiliates are not paid to or directed to your Advisory Representative. Nevertheless, a conflict of interest exists, in that your Advisory Representative indirectly benefits from Strategic Partner payments when the money is used to support the costs of product review, marketing or training. This conflict of interest is mitigated by the fact that your Advisory Representative does not receive any additional compensation for selling Strategic Partner products, and that the firm maintains policies and procedures to ensure recommendations are in your best interest.

Our firm will update information regarding Strategic Partners who participate in marketing support arrangements with Steward Partners and/or its affiliates on its website on a regular basis.

For additional information, including specifics on the marketing support amounts, please refer to our Indirect Compensation Disclosure located at <https://www.stewardpartners.com/files/118678/indirect-compensation-disclosure%201-1-2024.pdf>.

From time to time, our firm and/or its affiliates also receives marketing support payments from companies that are not Strategic Partners, generally to cover meetings expenses.

### **Item 15: Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Additionally, we also allow clients to grant authority to their IARs to initiate transfers of funds and securities on the client's behalf, including transfers to third parties, through standing written authorizations or instructions. The SEC has determined that this capability is considered "custody" under Investment Advisers Act rules.

If you have a question regarding your account statement, or if you do not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

### **Trustee Services**

Associates of our firm are allowed to serve as trustees to certain accounts for which we also provide investment advisory services. In all cases, the persons associated with our firm have been appointed

trustee as a result of a family or personal relationship with the trust grantor and/or beneficiary and not as a result of employment with our firm. Therefore, we are not deemed to have custody over the advisory accounts for which associates of our firm serve as trustee.

## **Item 16: Investment Discretion**

Clients must grant SPIA the authority to exercise discretion on their behalf. Before we can buy or sell securities on your behalf, you must first sign a discretionary management agreement. By granting discretionary authority, you authorize us to implement our investment recommendations directly within your account, including the right to determine:

- Which securities to buy and sell for your account
- When to buy and sell securities for your account
- The amount of securities to buy and sell for your account and
- The third party money managers to be engaged for management of your assets all without obtaining your consent or approval for each transaction

You are able to specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you can specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or impose restrictions or prohibitions of transactions in the securities of a specific industry or security.

### **Non-Discretionary**

If you do not enter into a discretionary arrangement with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

If we are unable to reach you or you are slow to respond to our request, this delay can have an adverse impact on the timing of your trade implementation and we may not achieve the same execution price.

## **Item 17: Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we will offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## **Item 18: Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We have not filed a bankruptcy petition at any time in the past ten years nor do we take physical custody of Client funds or securities, nor serve as trustee or signatory for Client accounts, and we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

## **Item 19: Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20: Additional Information (Privacy Policy)**

### **Privacy Policy**

Securities and investment advisory services offered through Steward Partners Investment Solutions, LLC ("SPIS"), registered broker/dealer, member FINRA/SIPC, and SEC registered investment adviser. Investment Advisory Services may also be offered through Steward Partners Investment Advisory, LLC ("SPIA"), an SEC registered investment adviser. Steward Partners Investment Solutions, LLC, Steward Partners Investment Advisory, LLC, and Steward Partners Global Advisory, LLC are affiliates,

separately operated and subsidiaries of parent company, Steward Partners Holdings, LLC (collectively “Steward Partners”, the “Firm”, we, or us).

Steward Partners considers the privacy of its customers to be of fundamental importance and has established a policy to securely maintain the information shared with the Firm. Except as described in this policy, we do not disclose customer personal information to third parties. Third party disclosures may include sharing information with non-affiliated companies that perform account support services or facilitate customer transactions with Steward Partners. Non-affiliate services can include providing professional, legal, or accounting advice. Use of customer information provided by the Firm to Non-affiliated companies is limited. Non-affiliates cannot use customer information beyond the purpose required and defined by Steward Partners. Additionally, all Non-affiliated companies must maintain the confidentiality of information provided. Upon request from Steward Partners, Non-affiliated companies must return or destroy all confidential information received.

Upon receipt of the customer’s expressed consent, the Firm may also disclose their personal information for the purpose of fulfilling customer instructions. Finally, under limited circumstances, personal information may be disclosed to third parties as permitted by, or to comply with, applicable laws and regulations; for instance, when responding to a subpoena or similar legal process, to protect against fraud and to otherwise cooperate with law enforcement or regulatory authorities or with organizations such as exchanges and clearinghouses.

*You should know that Steward Partners will not sell your personal information.*

Steward Partners restricts access to your nonpublic personal information to authorized employees. Steward Partners maintains physical, electronic and procedural safeguards to guard nonpublic personal information.

As described in this Policy, the Firm will from time to time share personal information with affiliated companies. If you would like more information about the Firm’s Privacy Policy, please write to:

Steward Partners Global Advisory, LLC  
Attn: Compliance Dept.  
15495 SW Sequoia Parkway, Suite #150  
Portland, OR 97224

Or call (844) 801-8268 and ask to speak with the Compliance Department. Please see the following pages for further information regarding the Privacy Policy.



4/1/2023

<b>FACTS</b>	<b>WHAT DOES STEWARD PARTNERS HOLDINGS, LLC DO WITH YOUR PERSONAL INFORMATION?</b>
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect, and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and income</li> <li>• account balances and transaction history</li> <li>• investment history and portfolio values</li> </ul> When you are no longer our customer, we continue to share your information as described in this notice.
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Steward Partners Holdings, LLC chooses to share; and whether you can limit this sharing.

<b>Reasons we can share your personal information</b>	<b>Does Steward Partners Share?</b>	<b>Can You Limit This Sharing?</b>
<b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> – to offer our products and services to you	No	No
<b>For joint marketing with other financial companies</b>	No	No
<b>For our affiliates' everyday business purposes</b> – information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> – information about your creditworthiness	No	No
<b>For our affiliates to market to you</b>	No	N/A
<b>For non-affiliates to market to you</b>	No	N/A
<b>For advisors who leave Steward Partners</b> —if you have a Steward Partners advisor servicing your account(s) who leaves Steward Partners to join another financial institution, the advisor may retain copies of your personal information so that they can continue to serve you at the new firm. In doing so, your advisor may share your information with the new firm but is otherwise required to keep confidential the personal information obtained from you while the advisor was affiliated with Steward Partners, and they may use it only to service your account(s). Please note: Certain states require affirmative consent to allow sharing. See below for more on your rights under state law.	Yes	Yes
<b>Questions</b>	Call (844) 801-8268 or go to <a href="http://www.stewardpartners.com">www.stewardpartners.com</a>	



## Who we are?

### Who is providing this notice?

Steward Partners Holdings, LLC and its family of companies:  
Steward Partners Investment Solutions, LLC, Member FINRA/SIPC  
Steward Partners Investment Advisory, LLC  
Steward Partners Global Advisory, LLC

## What we do?

### How does Steward Partners Holdings protect my personal information?

To protect personal information from unauthorized access and use, the Firm uses security measures that comply with Federal law. These measures include cybersecurity, physical, electronic, and procedural safeguards along with secured access to Firm facilities. Steward Partners assesses current risks to design specific safeguards that protect customer information and have processes in place to deal with information security incidents if they occur.

### How does Steward Partners Holdings collect my personal information?

Steward Partners collects personal information, for example, when customers:

- open an account or perform transactions
- pay for securities transactions or request money be sent
- write a check or use a debit card

The Firm also collects personal information from others, such as credit bureaus, affiliates, or other companies.

### Why can't I limit all sharing?

Federal law gives customers the right to limit only:

- sharing for affiliates' everyday business purposes—information concerning creditworthiness
- affiliates from using personal information for marketing
- sharing for non-affiliates to conduct marketing campaigns

State laws and individual companies may limit sharing further.

### What happens when I limit sharing for an account I hold jointly with someone else?

Limit sharing choices will apply to everyone on an account.

## Definitions

### Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- Steward Partners affiliate(s) include companies with a common corporate identity of Steward Partners Holdings, LLC, such as Steward Partners Global Advisory, LLC, Steward Partners Investments Solutions, LLC and Steward Partners Investment Advisory, LLC.

### Non-affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- Steward Partners Holdings, LLC does not share with non-affiliates for the purposes of marketing.

### Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to customers.

- Steward Partners Holdings, LLC does not allow this activity.

## Other important information

Customers may have other privacy protections under applicable state laws including those for California and Nevada residents. To the extent the state laws apply, we will comply with them when we share information about you, and in some cases may be limited by the customer.

**Vermont:** In accordance with Vermont law, the Firm will not disclose information about creditworthiness to affiliates and will not disclose personal information, financial information, credit report, or health information to nonaffiliated third parties for marketing purposes, other than as permitted by Vermont law, unless expressly authorized by the customer to make those disclosures. Additional information concerning the Firm's Privacy Policies can be found at [www.stewardpartners.com](http://www.stewardpartners.com) or call (844) 801-8268.

**California Residents:** In accordance with California law, the Firm will not share information collected about customers with companies outside of Steward Partners Holdings, LLC, unless the law allows. For example, Steward Partners may share information with customer consent, to service customer accounts. The Firm will limit sharing among our companies to the extent required by California law. For additional information regarding customer rights, please refer to the privacy notice for California residents.

**Nevada Residents:** Pursuant to Nevada law, the Firm is providing this notice, which applies to accounts with Nevada mailing addresses, to inform customers that they may elect to be placed on the Firm's internal "do not call" list. If you would like to be placed on the list, please let Steward Partners know by simply calling us at (844) 801-8268. Customers may also contact the Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington Avenue, Suite 3900, Las Vegas, Nevada 89101 Telephone: (702) 486-3132 Email [BCPINFO@ag.state.nv.us](mailto:BCPINFO@ag.state.nv.us).