



BENJAMIN F. EDWARDS & Co.

INVESTMENTS *for* GENERATIONS

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ADV Part 2A Firm Brochure

March 31, 2011

This brochure provides information about the qualifications and business practices of Benjamin F. Edwards & Co. (BFEC). If you have any questions about the contents of this brochure, please contact us at 314-726-1600 or e-mail to: ADV@benjaminfedwards.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Benjamin F. Edwards & Co. also is available on the SEC's website at www.adviserinfo.sec.gov.

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Material Changes to Investment Adviser Disclosure Brochure

Following is a summary of the material changes to Benjamin F. Edwards & Company's (BFEC)¹ investment adviser disclosure document since the last annual update of the firm's ADV Part 2 and disclosure brochure dated January 8, 2010.

A complete copy of the updated ADV Part 2A (disclosure brochure) is available on our website www.benjaminfedwards.com. To access online, click on "Important Disclosures" at the bottom of the page, and then select "Investment Advisory Program Disclosures." Alternatively, clients may obtain a copy by contacting their financial consultant, calling BFEC's home office at (314) 726 1600 or requesting one by e-mail to ADV@benjaminfedwards.com.

Relationships with Outside Money Managers

BFEC reported in February 2010 that an individual who is the Chief Executive Officer and Chief Investment Officer for Confluence Investment Management LLC, one of the third-party money managers that is available for clients to select in the Separately Managed Portfolios (Covered & Non-Covered) program and a model provider for the Exchange Traded Fund Portfolios program, became a member of the board of directors and made a private investment in the equity securities of Benjamin Edwards, Inc., the holding company of BFEC. In addition, BFEC reported that a portfolio manager for Confluence Investment Management LLC is a beneficial owner of a trust that owns equity securities of Benjamin Edwards, Inc., the holding company of BFEC.

Administrative Updates

During March 2010, BFEC amended its Form ADV to reflect certain updates that had been made in January 2010 but were not captured in a February 2010 update. These included an administrative correction relating to an estimate of certain advisory billings that inadvertently had not been aligned with the corresponding description of those billings; to reflect that certain of its advisory services are characterized as "financial planning" services; and to reflect that the firm had an affiliated insurance agency.

Transition of Investment Advisory Services

Prior to May 24, 2010, Investment Advisory Services were provided by BFE Asset Management, LLC, an affiliate of BFEC. At that time, the firm's advisory services were consolidated and have since been provided by BFEC.

Retirement Consulting Service, Compensation, Contact Information, and Key Personnel

In October 2010, BFEC added the Retirement Consulting Service program to its Investment Adviser product offering. This program is oriented toward providing advice to institutional retirement plans regarding selection and monitoring of plan investments, education of plan participants, and related services. In addition, BFEC enhanced certain disclosures relating to compensation received from product providers; updated address and contact information due to relocation of the home office; and updated key personnel information.

Benjamin F. Edwards Custom Mutual Fund Portfolios

In January 2011, BFEC added the Benjamin F. Edwards Custom Mutual Fund Portfolios program to its investment advisory product offering. This is a mutual-fund-only advisory program with limited discretion. The financial consultant and client will work together to identify an appropriate investment model. The client retains final decision making authority with respect to the mutual funds used and the percentage allocated to each fund in the model. Limited discretion is granted to the financial consultant to:

- Rebalance the account per the selected rebalancing frequency
- Invest cash deposits
- Sell and reinvest deposits of securities
- Sell funds for fees and requested withdrawals

¹ Throughout this summary, references to BFEC's investment advisory services shall include investment advisory services provided by BFE Asset Management LLC. See paragraph titled, "Transition of Investment Advisory Services" for more information.

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Section headings are keyed to SEC form ADV 2A. If particular sections of the form are not applicable, this document will so state.

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Advisory Business

Benjamin F. Edwards & Company (BFEC) is a registered investment adviser and a broker-dealer. BFEC became registered as a broker-dealer in March of 2009 and, until May 2010, conducted its investment advisory business through an affiliate, BFE Asset Management, LLC. In May 2010, all investment advisory operations and programs of BFE Asset Management transitioned to BFEC, which at that time had become registered as an investment adviser subject to the jurisdiction of the Securities and Exchange Commission.

BFEC's principal owner is its holding company, Benjamin Edwards, Inc., which owns 100% of BFEC.

BFEC's primary advisory service is investment programs that bundle or "wrap" services (investment advice, reporting, trade execution, custody, etc.) together and charges a single fee based on the value of assets under management. Additionally, BFEC offers Financial Planning and Retirement Plan Consulting services. All of these programs are outlined in further detail below.

BFEC does not currently provide portfolio management services other than in connection with its wrap fee programs. BFEC retains a portion the wrap fee as compensation for its services; the remainder is used to compensate third parties, such as Pershing LLC, Lockwood Advisors, and non-affiliated money managers or model providers for wrap services they provide.

As of March 28, 2011, BFEC has \$557,959,468 managed on a discretionary basis and \$57,197,278 managed on a non-discretionary basis.

BFEC sponsors one program in which clients grant partial discretion to the firm in order to facilitate certain routine, administrative transactions. Because clients in that program are ultimately responsible for the selection of securities, BFEC has elected to categorize such assets as non-discretionary.

Wrap Programs

BFEC offers investment services through the following programs:

- **Benjamin F. Edwards Mutual Fund Portfolios**
- **Russell Model Strategies**
- **Benjamin F. Edwards Exchange Traded Fund Portfolios**
- **Benjamin F. Edwards Custom Mutual Fund Portfolios**
- **Benjamin F. Edwards Client Portfolios**
- **Benjamin F. Edwards Private Portfolios**
- **Benjamin F. Edwards Separately Managed Portfolios (Covered and Non-Covered)**
- **Lockwood Asset Allocation Portfolios**
- **Lockwood Investment Strategies**

Services provided as part of the wrap fee for wrap fee based advisory accounts include:

- Access to a BFEC advisor for personal service and financial advice
- Review of suitability based on information provided in advisory agreement, new account form and client interview
- Portfolio management services
- Monthly account statements
- Performance reporting
- Fee billing
- Execution of transactions
- Custody and clearance of securities
- Delivery of required documents, such as mutual fund prospectuses and proxy mailings

Additional services may be provided based on the advisory program selected.

Financial Planning

BFEC provides its clients with two separate financial planning programs, each of which is prepaid on a fixed fee basis.

Financial Review Program The financial review may include an overview of the following:

- Investment objectives
- Net worth
- Cash flow analysis
- College cost and savings estimates
- Asset allocation analysis
- Stock option and restricted stock review
- Concentrated equity guidance

Investment Portfolio Review The investment portfolio review provides an asset allocation analysis that compares the current portfolio with a proposed allocation based upon the investment objectives, the risk tolerance and the time horizon provided by the investor. Part of the portfolio analysis may include an in-depth analysis of the investor's securities such as their equity, bond or mutual fund holdings. This analysis may show historical return, yield, market value, sector breakout, bond rating, yield-to-maturity and percentage that each category comprises of the total portfolio. It may also include an analysis of third-party money managers used by the client.

Retirement Plan Consulting

The Retirement Plan Consulting Program is a service whereby BFEC may, based on a negotiated scope of services, consult with retirement plan administrators, other fiduciaries to retirement plans, plan participants and other parties with respect to any or all of the services below, either on an ad-hoc or ongoing basis. BFEC will not actually manage plan assets as part of the Retirement Plan Consulting Program.

Services to the Plan:

Platform and/or Third-Party Administrator Search BFEC will consult with plan administrators who need to select an investment platform or third-party administrator that can serve the needs of the plan and its participants. Such platform may offer the plan and its administrators the ability to identify investment options to be made available to plan participants, a vehicle for participant enrollment, participant level accounting services and/or other capabilities. Such platform may also offer plan participants the ability to review statements and investment performance, change investment allocations, review communications from the plan and other activities.

Investment Policy Statement (IPS) BFEC will work with the plan and its fiduciaries to develop an appropriate IPS, if one does not currently exist, or to review the continued appropriateness of an existing IPS. BFEC will develop or review an IPS based on the plan's investment philosophy, its overall needs and objectives, as well as legal and other requirements. There can be, of course, no assurance or guarantee that desired investment performance will be achieved.

Investment Options Selection BFEC will work with the plan and its fiduciaries to identify appropriate securities and/or money managers to be offered to the plan participants. The selection of any particular security or money manager for the plan rests with the plan fiduciary. BFEC does not assume responsibility or make assurances for the fiduciary's decision to select or otherwise invest in any particular security or money manager; their investment decisions; the performance of the investment; their compliance with applicable laws and regulations; or other matters within the control of the security or money manager. There can be, of course, no assurance or guarantee that desired investment performance will be achieved or that past performance will be replicated.

Investment Options Monitoring BFEC will evaluate the historical performance of the securities and/or money managers available through the plan's platform, comparing various aspects of such performance to benchmarks that are mutually agreed upon. We will rely on data provided by the plan's custodian for the agreed upon time period, and BFEC will not be responsible for the verification of the information supplied by the custodian. Past performance is not indicative of future investment results.

Participant Enrollment BFEC will assist the plan to encourage participation by eligible persons by providing education and assistance as may be mutually agreed upon.

Services to the Participants:

Investor Education

Group Meetings BFEC will be available for group meetings to provide education regarding plan features, investment options, and overall investment strategy. The plan will agree to notify plan participants of the availability of the service; and ensure that each plan participant who uses the service understands that it is intended to be for educational purposes only and not for individualized investment advice, and that any hypothetical or historical investment returns that may be presented is not a guarantee either of future performance or of investment returns that the participant will actually realize.

Individual Meetings BFEC will be available for individual, one-on-one meetings with plan participants to provide access to certain asset allocation models and other investment materials, which are intended to provide the participant the means to (i) assess his/her risk tolerance and investment horizon, (ii) estimate future retirement income needs, and (iii) assess the impact of different asset allocations on retirement income. These one-on-one meetings may be conducted with plan participants via phone or in person. The plan will agree to notify plan participants of the availability of the service; and ensure that each plan participant who uses the service understands that it is intended to be for educational purposes only and not for individualized investment advice, and that any hypothetical or historical investment returns that may be presented is not a guarantee either of future performance or of investment returns that the participant will actually realize. Asset allocation models provided under this service are based on generally accepted investment theories that take into account the historic returns of different asset classes over defined periods of time. Plan participants should understand that any asset allocation models provided under this service are intended to be illustrative only and are not intended to be individualized to the specific needs of any participant. Asset allocation models and investment materials provided under this service are intended to constitute “education” and not individualized “investment advice” and are to be used by plan participants in making their own investment decisions.

Other Services to be Negotiated BFEC is willing to provide other services that may be requested by the plan. Such services will be subject to a separately negotiated scope of work and fee.

***Tailoring of Advisory Programs
and Reasonable Restrictions***

For all wrap advisory programs, BFEC clients select the financial consultant with whom they wish to work. The financial consultant will assess the client’s prior investment experience, financial goals, time horizon, risk tolerance, and investment objectives in order to determine the appropriate program for the client. Clients may request that reasonable restrictions be imposed on the management of their wrap account. Due to the nature of model-based mutual fund and ETF wrap programs, it may be more appropriate for clients who wish to request security specific management restrictions in such programs to participate in other BFEC advisory programs that are not so uniquely positioned.

With respect to Financial Planning, the financial consultant will prepare a tailored assessment and plan that is designed to meet the particular needs of the individual client.

With respect to Retirement Plan Consulting, the financial consultant will determine with the appropriate retirement plan administrator, fiduciary, or other authorized person, the specific consulting services that are needed. BFEC will not provide individualized investment advice to particular plan participants.

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Fees and Compensation

Fees and additional services for each program are as follows:

Benjamin F. Edwards Mutual Fund Portfolios

Benjamin F. Edwards Mutual Fund Portfolios is a discretionary, mutual-fund-only portfolio advisory program. The asset allocation models include a variety of asset types that, together, offer appropriate style diversification (i.e. diversification among large-, mid- and small-cap funds, as well as value vs. growth strategies) to accommodate each investment objective. Clients will work with their financial consultant to determine the asset allocation model most appropriate for their needs. The models developed and used by BFEC are strategic in nature. Changes may occur from time to time to style (sub-category) allocations, but adjustments to the asset allocation (equity vs. fixed income) are expected to be infrequent. The models are designed to provide the investor with broad style diversification. Where appropriate, multiple funds are selected for a style to provide additional diversification.

The annual fee for this advisory service is as follows:

First \$250,000 in assets = 1.50%

Next \$250,000 in assets = 1.25%

Next \$500,000 in assets = 1.00%

Amounts greater than \$1,000,000 = 0.75%

Additional services:

- BFEC shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research on the mutual funds offered in the Benjamin F. Edwards Mutual Fund Portfolios
- Maintenance and trade implementation of the mutual fund models
- Rebalancing of the funds to conform to the investment allocations per the frequency selected and as needed for deposits/withdrawals

Russell Model Strategies

Russell Model Strategies is a discretionary advisory program utilizing mutual funds from only Russell Investments. Russell provides the models and the funds to use within each model. These models allow for well-balanced and diversified portfolios. Clients will work with their financial consultant to determine the asset allocation model most appropriate for their needs.

The annual fee for this advisory service is as follows:

First \$250,000 in assets = 1.50%

Next \$250,000 in assets = 1.25%

Next \$500,000 in assets = 1.00%

Amounts greater than \$1,000,000 = 0.75%

Additional services:

- BFEC shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFEC on the Russell Model Strategies
- Ongoing monitoring, due diligence and research by Russell Investments on the funds and allocations
- Maintenance and trade implementation of the mutual fund models on BFEC's platform
- Rebalancing of the funds to conform to the investment allocations per the frequency selected and as needed for deposits/withdrawals

Benjamin F. Edwards Exchange Traded Fund Portfolios

Benjamin F. Edwards Exchange Traded Fund Portfolios is a discretionary advisory program that utilizes Exchange Traded Funds (ETF) or Exchange Traded Notes (ETN) as the portfolio's investment vehicles. Confluence Investment Management LLC and Laffer Investments will serve as the model providers for this program, and supply the models and recommendations for specific investments within each model. BFEC may modify those recommendations when implementing the program. The Confluence models are style-diversified and cyclical in nature. The Laffer model is a global strategy. Clients will work with their financial consultant to determine the asset allocation model most appropriate for their needs.

The annual fee for this advisory service is as follows:

- First \$250,000 in assets = 2.25%
- Next \$250,000 in assets = 1.75%
- Next \$500,000 in assets = 1.50%
- Amounts greater than \$1,000,000 = 1.25%

Additional services:

- BFEC shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFEC on Confluence Investment Management LLC and Laffer Investments
- Ongoing monitoring, due diligence and research by Confluence Investment Management LLC and Laffer Investments in connection with securities and allocations that they recommend
- Maintenance and trade implementation of the models
- Rebalancing of the securities to conform to the investment allocations and as needed for deposits/withdrawals

Benjamin F. Edwards Custom Mutual Fund Portfolios

Benjamin F. Edwards Custom Mutual Fund Portfolios is a mutual-fund-only advisory program with limited discretion. The financial consultant and client will work together to identify an appropriate investment model. The client retains final decision making authority with respect to the mutual funds used and the percentage allocated to each fund in the model. Limited discretion is granted to the financial consultant to:

- Rebalance the account per the selected rebalancing frequency
- Invest cash deposits
- Sell and reinvest deposits of securities
- Sell funds for fees and requested withdrawals

The financial consultant will monitor the account to ensure it remains consistent with the strategy and make recommendations for changes as needed.

The annual fee for this advisory service is as follows:

- First \$250,000 in assets = 1.50%
- Next \$250,000 in assets = 1.25%
- Next \$500,000 in assets = 1.00%
- Amounts greater than \$1,000,000 = 0.75%

Additional Services:

- Recommendation of customized asset allocation
- Maintenance and trade implementation of the mutual fund model
- Rebalancing of the funds to conform to the investment allocations per the frequency selected and as needed for deposits/withdrawals
- Recommendations by the financial consultant to invest, reinvest, sell or retain mutual funds, if appropriate
- Ongoing monitoring of the account by the financial consultant

Benjamin F. Edwards Client Portfolios

Benjamin F. Edwards Client Portfolios is an advisory program where portfolio management services are provided to the client on a non-discretionary basis for a wrap fee based on the value of the account. As a non-discretionary account the client retains final decision-making authority with respect to all transactions. The financial consultant and client will work together to identify an appropriate investment strategy. The financial consultant will monitor the account to ensure it remains consistent with the strategy and make recommendations as needed.

The fee schedule is as follows:

First \$250,000 = 2.00%

Next \$250,000 = 1.50%

Next \$500,000 = 1.25%

Next \$1,500,000 = 1.00%

Next \$2,500,000 = 0.75%

Amounts greater than \$5,000,000 = 0.65%

Additional Services:

- Recommendation of customized asset allocation
- Recommendations by the financial consultant to invest, reinvest, sell or retain assets, if appropriate
- Ongoing monitoring of the account by the financial consultant
- Advice by the financial consultant on the client's proposed unsolicited transactions

Benjamin F. Edwards Private Portfolios

Benjamin F. Edwards Private Portfolios is an advisory program where portfolio management services are provided to the client on a discretionary basis for a wrap fee based on the value of the account. As a discretionary account, the financial consultant is not required to contact the client prior to each transaction. The financial consultant and client will work together to develop an investment strategy. The financial consultant will monitor the account to ensure it remains consistent with the investment strategy and that the strategy remains appropriate.

The fee schedule is as follows:

First \$250,000 = 2.25%

Next \$250,000 = 1.75%

Next \$500,000 = 1.50%

Next \$1,500,000 = 1.25%

Next \$2,500,000 = 0.85%

Amounts greater than \$5,000,000 = 0.75%

Additional Services:

- Investing, reinvesting, selling or retaining assets at the financial consultant's sole discretion, based on client suitability profile
- Ongoing monitoring and security selection by the financial consultant
- Development of customized asset allocation
- Rebalancing of the securities as needed to conform to the investment allocations and/or for deposits/withdrawals
- Advice by the financial consultant on the client's proposed unsolicited transactions

Benjamin F. Edwards Separately Managed Portfolios (Covered)

The Benjamin F. Edwards Separately Managed Portfolios (Covered) advisory program provides the client with an opportunity to access select third-party money managers that are covered by BFEC ("Covered Managers"), meaning that BFEC conducts initial and ongoing research and due diligence on these managers. To be a covered manager, certain information must be readily available to support BFEC's initial and ongoing due diligence of the money manager, the manager must meet BFEC's qualitative due diligence requirements, and there must be sufficient economic efficiencies including the amount of fees charged by the money manager or the level of interest in the money manager on the part of BFEC clients. BFEC is the sponsor of the program with the money manager serving as the sub-advisor. The client pays one wrap fee that includes the money manager fee. Periodic information regarding the manager and its strategy will be available to BFEC's financial consultants to provide to clients upon request.

The annual fee for this advisory service varies based on the type of securities managed and is as follows:

	Equity/Balanced	Fixed Income
First \$500,000 in assets	2.75%	1.25%
Next \$500,000 in assets	2.25%	1.15%
Next \$1,500,000 in assets	1.75%	1.00%
Amounts greater than \$2,500,000	1.25%	0.85%

Additional services:

- Third-party money manager shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring and due diligence by BFEC on the third-party money managers
- Ongoing monitoring, due diligence and research by third-party money manager on the securities selected
- Proxy voting by third-party manager depending on election made on the client advisory agreement. If client elects the manager to vote the proxies, clients may contact their financial consultant to request information regarding how the proxies were voted.

Benjamin F. Edwards Separately Managed Portfolios (Non-Covered)

The Benjamin F. Edwards Separately Managed Portfolios (Non-Covered) advisory program provides the client with an opportunity to utilize third-party money managers that are available on the platform but are not covered by BFEC ("Non-Covered Managers"), meaning that BFEC performs only minimal ongoing research and due diligence on these managers. A manager may not be covered for a variety of reasons including: not meeting the due diligence standards required by BFEC's Covered Program; lack of ready availability or access to information necessary for BFEC to perform required diligence; or for economic inefficiencies including the amount of fees charged by the money manager; or the level of interest in the money manager on the part of BFEC clients. BFEC is the sponsor of the program with the money manager serving as the sub-advisor. The client pays a wrap fee that excludes the fee charged by the third-party money manager, which is paid separately by the client. The total fee may be more or less than the wrap fee charged by BFEC on Covered Managers depending on the fee charged by the third-party money manager. However, the advisory fee charged by BFEC is less, due to the lower degree of due diligence performed. Unlike the Covered Program, periodic information regarding the manager and its strategy will only be provided if the information is readily available and accessible to BFEC.

The annual fee for this advisory service, excluding the separate money manager's fee which differs among managers, varies based on the type of securities managed and is as follows:

	Equity/Balanced	Fixed Income
First \$500,000 in assets	2.00%	0.75%
Next \$500,000 in assets	1.50%	0.65%
Next \$1,500,000 in assets	1.00%	0.60%
Amounts greater than \$2,500,000	0.75%	0.60%

Additional services:

- Third-party money manager shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Limited ongoing monitoring and due diligence by BFEC on the third-party money managers
- Ongoing monitoring, due diligence and research by third-party money manager on the securities selected
- Proxy voting by third-party manager depending on election made on the client advisory agreement. If client elects the manager to vote the proxies, clients may contact their financial consultant to request information regarding how the proxies were voted.

Lockwood Asset Allocation Portfolios (LAAP)

LAAP is a discretionary, multi-discipline managed portfolio product. BFEC is the sponsor of LAAP, and Lockwood Advisors, Inc. (Lockwood), an affiliate of Pershing LLC., serves as the portfolio manager. As portfolio manager, Lockwood determines the asset allocation strategy and selects investment vehicles for each investment style component of LAAP based on proprietary models. These models may consist of open- and closed-end mutual funds, exchange traded funds and other securities, as determined by Lockwood, at its sole discretion.

The annual fee for this advisory service is as follows:

First \$500,000 in assets = 1.50%

Next \$500,000 in assets = 1.25%

Next \$1,500,000 in assets = 1.00%

Amounts greater than \$2,500,000 = 0.75%

Additional services:

- Lockwood shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFEC on Lockwood
- Ongoing monitoring, due diligence and research by Lockwood on the securities and allocations
- Maintenance and trade implementation of the models
- As needed, rebalancing of the securities to conform to the investment allocations and for deposits/withdrawals
- Proxy voting by portfolio manager, depending on election made on the client advisory agreement. If client elects the manager to vote the proxies, clients may contact their financial consultant to request information regarding how the proxies were voted.

Lockwood Investment Strategies (LIS)

LIS is a discretionary, multi-discipline managed account product housed in a single account with five core models. The five (5) core models span the risk/return spectrum from a current income model to a growth model within the context of a diversified portfolio. If appropriate, a client may also choose from four (4) additional models which include exposure to non-traditional asset classes. BFEC is the sponsor of LIS, and Lockwood Advisors, Inc. (Lockwood), an affiliate of Pershing LLC., serves as the portfolio manager. As portfolio manager, Lockwood determines the asset allocation strategy and selects both sub-managers and specific investment vehicles for each investment style component of LIS based on proprietary modeling strategies, as well as its macroeconomic outlook and investment discipline. These models may consist of stocks, bonds, open- and closed-end mutual funds, exchange traded funds and other securities as determined by Lockwood at its sole discretion.

The annual fee for this advisory service is as follows:

First \$500,000 in assets = 2.50%

Next \$500,000 in assets = 2.00%

Next \$1,500,000 in assets = 1.50%

Next \$2,500,000 in assets = 1.00%

Amounts greater than \$5,000,000 = 0.75%

Additional services:

- Lockwood shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFEC on Lockwood
- Ongoing monitoring, due diligence and research by Lockwood on the securities and allocations
- Maintenance and implementation of the models
- As needed, rebalancing of the securities to conform to the investment allocations and for deposits/withdrawals
- Proxy voting by third-party manager depending on election made on the client advisory agreement. If client elects the manager to vote the proxies, clients may contact their financial consultant to request information regarding how the proxies were voted.

**Additional Information
Regarding Fees for Wrap
Programs**

The fees stated above for each program are negotiable with discounts reviewed and approved by BFEC. See “Compensation” section below for information regarding compensation to portfolio managers/financial consultants.

Clients have the option to purchase investment products that BFEC recommends through other brokers or agents that are not affiliated with BFEC. Participating in wrap fee programs or other advisory programs may cost the client more or less than if the client were to implement his or her selected program separately from BFEC, such as by using a different program sponsor, pursuing the strategy through a brokerage account, or investing directly with the mutual fund family. Some factors that might impact the total cost to a client who implements a program separately from BFEC include the frequency of trading activity; whether a client might be successful in negotiating a lower fee with a sub-advisor; rate of commissions, markups or other transaction-related compensation; or whether account fees, transaction fees or similar charges would be incurred.

Several BFEC advisory programs are primarily oriented to mutual fund models. All of these are wrap fee programs in which transaction costs and sales charges are incorporated into the wrap fee. As a result, BFEC recommends transactions in no-load or load-waived share classes.

The advisory fees discussed above do not include certain expenses charged by products such as mutual funds, exchange traded funds, or exchange traded notes. Please refer to the product’s prospectus. Some of these expenses, such as investment management fees, are retained by product issuers or their affiliates. Some mutual fund fees, such as fees related to marketing and distribution of the funds (sometimes referred to as “Rule 12b-1 fees”), service fees related to personal services for investors and/or the maintenance of shareholder accounts, and other shareholder servicing fees, are shared with Pershing and/or BFEC. Such fees are typically charged as a percentage of the asset value under management.

Additionally, the wrap fee does not include, and the account will be charged separately for, fees for ancillary services such as returned checks, safekeeping of physical certificates, and asset or wire transfers. The current ancillary fee schedule is outlined below. These fees are subject to change without notice; an updated schedule will be provided upon request and is also available on our public website, www.benjaminfedwards.com.

Check Processing Requests:

- \$10 to place a stop on a check
- \$20 for a returned check
- \$10 for check reorder for ProCash accounts
- \$12 for a copy of a cleared check

Wire Transfers

- \$20 for a wire transfer

Security Transfers

- \$75 per security for physical transfers of securities
- \$75 per account for transfers to other firms
- \$10 per security for Direct Registration transfers

In the event a client deposits securities to initially fund an advisory account that are ineligible, the securities will be sold or transferred into a brokerage account so an advisory fee will not be charged for the position. Clients may elect to leave eligible securities that are not readily liquid in the advisory account in order to receive comprehensive portfolio advice; however, a fee will typically be charged on all assets in the account.

Also portfolio managers providing services to the Advisory Portfolios programs may pay transaction charges including commissions, mark-ups, mark-downs, or spreads which may increase the underlying expenses associated with client transactions, and thus affect the performance of the account.

Money managers associated with three investment advisory programs (Benjamin F. Edwards Separately Managed Portfolios (Covered); Benjamin F. Edwards Separately Managed Portfolios (Non-Covered); and Lockwood Investment Strategies) have the option of executing transactions away from Pershing if they believe it is in the client’s best interests to do so. In such cases, the costs associated with execution of the transactions will be included within the net price paid or received by the customer for the securities that are purchased or sold.

The annual fee for the programs for all advisory wrap accounts is charged quarterly in advance (at the rate of one-fourth of the annual fee detailed in above). The fee is calculated based upon the market value of assets under management at the close of business on the last business day of the previous quarter as determined by Pershing Managed Account Solutions ("PMAS"), an affiliate of the custodian and a service provider to BFEC with respect to a variety of back office services in support our advisory programs. The fee will be deducted from the client's advisory account(s) (or another designated Benjamin F. Edwards brokerage account of the client) with the permission from the client. Adjustments to the fees are made quarterly (for the prior quarter) for flows of money in and out of the managed account.

Clients who join the program mid-quarter will be assessed a prorated fee for the quarter in which they joined. New accounts will be billed from the date the account is opened through the end of the current quarter. The initial fee will be charged at the account opening, paying fees in advance thru the end of the quarter.

In the event the account is terminated mid-quarter, BFEC will refund the prorated portion of the client's pre-paid fees upon termination of the client advisory agreement; however, if an advisory wrap account is terminated within the first 12 months, BFEC reserves the right to refund the client's prepaid fees to BFEC less any reasonable expenses associated with opening, positioning, maintaining and terminating the account.

Financial Planning Fees

The fee for a Financial Review is \$150 and \$100 for an Investment Portfolio Review and may be paid by the client or the financial consultant. The fee is negotiable based upon a variety of factors, including other holdings and accounts with client, prospective future business, totality of the family relationship or other factors that may be pertinent in given cases. This program does not cover the implementation of any financial planning recommendations. Investors are not required to transact business through BFEC or any of its affiliates to implement any of the suggestions contained in the financial planning reports described above. Should a client decide to implement the recommendations through BFEC, the client will pay any applicable charges, including commissions and/or fees, a portion of which would be paid to the client's financial consultant. Payments are made by clients only if a plan is completed and delivered. If a plan is not completed, amounts received from clients are refunded. There are no refunds for completed and delivered plans. We may charge additional fees for updates to the plan, subject to negotiation.

Retirement Planning Fees Consulting Services

Fees for Retirement Planning Consulting Services are generally charged quarterly, in advance, based on a percentage of assets under management by the plan as valued at the end of the calendar quarter. The value of assets under management will ordinarily be determined by reference to the custodian's valuation. If the services agreement is terminated on a date other than the last day of the calendar quarter, BFEC will normally be entitled to a pro rata share of fees based on the actual number of days of the then-current calendar quarter ending on the termination date divided by the total number of days in the calendar quarter. The fee is non-standardized, fully negotiable, and will depend on the number, types, frequency and duration of services provided. Payment terms are also fully negotiable. If limited, one-time services are desired, BFEC is willing to negotiate a fixed fee based on the scope of services to be provided.

Compensation

The following details the portion of the fee that is paid to the portfolio manager of each program:

Benjamin F. Edwards Mutual Fund Portfolios Portfolio manager is not paid a portion of the advisory fee, but instead is a salaried employee of BFEC.

Russell Model Strategies Russell Investments does not receive a portion of the advisory fees, but instead is compensated via the internal expenses of the mutual funds held.

Benjamin F. Edwards Exchange Traded Fund Portfolios Confluence Investment Management is paid 0.25%, and Laffer is paid 0.30%, of assets managed (built into the advisory fee).

Benjamin F. Edwards Custom Mutual Fund Portfolios The financial consultant is paid as described in the following paragraph.

Benjamin F. Edwards Client Portfolios The financial consultant is paid as described in following paragraph.

Benjamin F. Edwards Private Portfolios The financial consultant is paid as described in following paragraph.

Benjamin F. Edwards Separately Managed Portfolios (Covered) Manager fees vary, but range from 0.25% to 0.65% of assets managed (built into the advisory fee).

Benjamin F. Edwards Separately Managed Portfolios (Non-Covered) Manager fees vary, but range from 0.25% to 1.25% of assets under management and are paid in addition to the advisory fee.

Lockwood Asset Allocation Portfolios Lockwood is paid a percentage of assets under management per the following fee schedule (built into the advisory fee):

First \$500,000	0.40%
Next \$500,000	0.35%
Next \$4,000,000	0.30%
Next \$5,000,000	0.25%
Over \$10,000,000	0.20%

Lockwood Asset Allocation Portfolios Lockwood is paid a percentage of assets under management per the following fee schedule (built into the advisory fee):

First \$500,000	0.75%
Next \$500,000	0.55%
Next \$4,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	0.30%

In most cases, financial consultants of BFEC will receive a maximum of 50% of the wrap fees paid by advisory clients to compensate them for services which may include solicitation, shareholder support, advice, order placement and execution, and other services. However, some new financial consultants who transfer to BFEC from another securities firm may temporarily receive a higher payout percentage, typically 80% but, in isolated cases, potentially up to 100%, to compensate them for income disruptions that they may experience during the first year following their transition to BFEC. Financial consultants may be eligible for cash and non-cash compensation including bonuses, recognition trips, and other benefits. Some of these programs may be financed in whole or in part by unaffiliated third parties, including representatives of mutual funds or distributors, which may influence some representatives to favor those funds. The compensation received for a particular advisory portfolio program may be more than what the financial consultant would receive if the client participated in other BFEC advisory portfolio programs or paid separately for investment advice, brokerage, and other services, and hence, may influence the recommendation of a particular advisory portfolio program over other programs or services.

Please see the “Other Financial Industry Activities and Affiliations” section below for information concerning receipt of compensation for the sale of securities or other investment products.

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Performance-Based Fees and Side-By-Side Management

Not applicable; none of BFEC’s supervised persons accept performance-based fees.

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Types of Clients

BFEC provides advice to a wide variety of clients including but not limited to:

- Individuals
- Pension and profit sharing plans
- Trusts, estates and charitable organizations
- Corporations and other business entities
- Public entities and other governmental organizations
- Educational institutions
- Investment clubs
- Foundations and other charitable or fraternal organizations

The minimum account size for each wrap fee program is as follows:

Benjamin F. Edwards Mutual Fund Portfolios \$50,000

Russell Model Strategies \$50,000

Benjamin F. Edwards Exchange Traded Fund Portfolios \$50,000

Benjamin F. Edwards Custom Mutual Fund Portfolios \$50,000

Benjamin F. Edwards Client Portfolios \$50,000

Benjamin F. Edwards Private Portfolios \$50,000

Benjamin F. Edwards Separately Managed Portfolios (Covered and Non-Covered) Varies by manager but most commonly is \$100,000

Lockwood Asset Allocation Portfolios \$50,000

Lockwood Investment Strategies \$250,000

Please note that with respect to “minimum account size” BFEC may, under appropriate circumstances, consider permitting accounts having asset values lower than the indicated minimum account size to participate in the programs. Such circumstances might include, but are not limited to, whether the account is a transfer account, the totality of the relationship with other client accounts, effects of market activity, and anticipated future business.

ADV Part 2A Firm Brochure

Methods of Analysis, Investment Strategies and Risk of Loss

A variety of methods of analysis and investment strategies are utilized by affiliated and non-affiliated portfolio managers in the BFEC sponsored advisory programs. BFEC’s advisory programs employ several methods of analysis, including but not limited to charting, fundamental analysis of a company’s financials and technical analysis of market activity. Within each method of analysis, portfolio managers may employ a variety of time-horizon outlooks, including long-term strategic, intermediate cyclical or short-term tactical.

Regardless of the method of analysis and investment strategy, the investment advisory programs involve investing in securities which contain a risk of loss of principal that the client should be prepared to bear. All securities are subject to risk, and there is no assurance that any investment program or strategy will be successful.

In addition to the risks associated with investing in securities, no method of analysis will always yield positive results. For example, while fundamental analysis might indicate that a particular company is “fairly valued,” market sentiment may nevertheless result in unexpected investment performance. Similarly, while technical analysis or charting might suggest that a particular company presents a good buying opportunity, its financial performance might cause investors to view the security differently. Depending on the portfolio manager, adherents to each method of analysis may look only to the information relevant to his or her method of analysis, to the exclusion of other information.

Investment strategies that employ diversified models may involve investing in multiple market sectors or asset classes. This diversified approach to investing has the potential to take advantage of the fact that different sectors or asset classes often perform in different ways at different times. This characteristic may yield either positive or negative results, depending on particular market conditions, or the overall breadth of the market's impact on multiple asset classes or sectors.

In addition, some particular investment styles focus on particular market sectors or classes of securities and carry additional risks. Even models that are more broadly diversified in their exposure to particular market sectors or asset classes are exposed to the underlying risks associated with those sectors or classes. For example, investors should be aware of the following:

- Equity strategies, including investing in individual companies, equity mutual funds or ETFs, involve investments in common stocks and are subject to the volatility and individual risks associated with those stocks;
- Real estate investment trusts or funds are subject to risks of the specific commercial or housing market in which the assets are invested, as well as interest rate risk;
- Small Cap and Emerging Market securities tend to be more volatile relative to the overall market;
- Bonds may “guarantee” return of principal if held to maturity, but any guarantee remains subject to the credit worthiness of the guarantor and, prior to maturity, the bond remains subject to interest rate, inflation and credit risks;
- Bond funds of all types are subject to the various risks of the underlying fixed income instruments in the fund, and there is no fixed maturity date;
- High Yield bonds expose the investor to investments in lower credit quality securities, and hence, risk of default and higher volatility;
- Tax-Exempt bonds may or may not provide returns higher than the after-tax returns of taxable bonds, so investors should consider their tax bracket and state of residence;
- International/Global/Foreign securities expose the investor to currency risk and political, social and economic risks of the countries in which the securities are domiciled, in addition to the equity or debt nature of the securities involved.

It is not possible to enumerate all possible risks associated with each of the asset classes and market sectors listed above. Clients should feel free to ask their financial consultant to discuss any of these in more detail.

Some models are based on use of mutual funds and/or Exchange Traded Funds (ETFs). These financial instruments are securities that are sold by prospectus. While particular funds in the advisory programs may be selected by the portfolio manager, investors should read the prospectus, and summary prospectus if available, carefully to fully understand the various risks, investment objectives, charges/expenses and other information about the fund company associated with the investment.

Participants in BFEC's wrap-fee advisory programs do not pay additional charges based on the frequency of trading in their account. However, it should be understood that higher-frequency trading strategies may increase the likelihood that tax consequences may be short-term in nature, and result in a higher tax cost and hence, lower net performance.

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Disciplinary Information

BFEC does not have any legal or disciplinary events to report.

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Other Financial Industry Activities and Affiliations

In addition to being a Registered Investment Adviser, BFEC is engaged in a variety of investment-related business activities. BFEC is registered as a broker-dealer and its management persons are registered representatives of the broker-dealer. In addition, BFEC is also a member of the National Futures Association as a Guaranteed Introducing Broker (GIB) and some of its management persons are associated persons of the GIB. BFEC is also licensed as an insurance agency and sells a wide variety of insurance products.

Implementation and execution of transactions in advisory programs are conducted by BFEC as an introducing firm on a fully disclosed basis through its clearing firm, Pershing, LLC, although money managers associated with three investment advisory programs (Benjamin F. Edwards Separately Managed Portfolios (Covered); Benjamin F. Edwards Separately Managed Portfolios (Non-Covered); and Lockwood Investment Strategies) have the option of executing transactions away from Pershing if they believe it is in the client's best interests to do so.

The advisory fees do not include certain expenses charged by products such as mutual funds, exchange traded funds, or exchange traded notes. Some of these expenses, such as investment management fees, are retained by product issuers or their affiliates. Some mutual fund fees, such as fees related to marketing and distribution of the funds (sometimes referred to as "Rule 12b-1 fees"), service fees related to personal services for investors and/or the maintenance of shareholder accounts, and other shareholder servicing fees, are shared with Pershing and/or BFEC. Such fees are typically charged as a percentage of the asset value under management.

BFEC receives payments related to the shared fees described above either directly from mutual fund companies, product vendors or related parties, or indirectly from multi-product platforms that receive payments directly from fund companies, product vendors or related parties. Currently, BFEC receives this type of indirect payment through participation in the FundVest® platform of its clearing firm, Pershing LLC.

BFEC uses the FundVest® platform for the significant operational efficiencies the platform provides to BFEC's investment advisory programs. Funds carried on the FundVest® platform constitute the primary (though not exclusive) universe of mutual funds used in BFEC's Mutual Fund Portfolios, Custom Mutual Fund Portfolios, Client Portfolios and Private Portfolios investment advisory programs. Additionally, BFEC's investment advisory program includes model mutual fund portfolios developed by Russell Funds, which also participates in the FundVest® platform.

It is important to note, however, that BFEC does not treat the universe of funds on the FundVest® platform as constituting a "preferred list" or "recommended list" in the sense that products carried on that platform are necessarily "better" than other products that might be available off-platform. Exceptions for use of non-FundVest® investments in BFEC investment advisory accounts may be made on a case-by-case basis.

BFEC may receive marketing support payments (sometimes referred to as revenue sharing or by similar terms) from a fund's investment adviser or other fund affiliate. Such payments are made for the purpose of compensating BFEC for its marketing and educational efforts associated with sales of the funds. Such payments are typically paid as a percentage of the fund's assets under management with BFEC. BFEC does not receive such payments in connection with all funds.

To the extent BFEC receives any of the payments described above, it may have an incentive to sell those funds over funds that do not make such payments, or which pay less than other funds, rather than based on clients needs. BFEC financial consultants do not receive compensation in connection with such payments for advisory accounts. This information is in this document along with BFEC's Wrap Fee Program Brochure, which is delivered to clients at or prior to entering an investment advisory relationship and is also available on the firm's public website (www.benjaminfedwards.com, see "Important Disclosures").

With respect to the Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios programs, Lockwood will pay BFEC a sponsor fee from the amounts charged to the client for participation in such programs. It is the policy of both affiliates that financial consultants do not receive payments in connection with such sponsor fee.

With respect to Benjamin F. Edwards Separately Managed Portfolios (Covered), the client will pay a single fee that covers charges from Lockwood, its clearing agents and the third-party money manager. Third-party money managers may have provisions in their agreements with BFEC pursuant to which the amount that is billed to BFEC is reduced based on the accumulation of all of its clients' assets under management with the firm. If a third-party money manager reduces its fee under such circumstances, the client will continue to pay the original fee, and BFEC will retain the difference.

An institutional sales representative of Atalanta Sosnoff, one of the third-party money managers that is available for clients to select in the Separately Managed Portfolios (Covered) program, has made a private investment in the equity securities of Benjamin Edwards, Inc., the holding company of BFEC. This individual is not an employee of, and will have no managerial or decision-making role with, BFEC or its affiliates. As part of her professional responsibilities, however, it is anticipated that she will meet with employees of BFEC and its affiliates to promote the services and benefits available by placing investment assets under the management of Atalanta Sosnoff. This individual receives compensation from Atalanta Sosnoff that is based, at least in part, on money management fees paid to Atalanta Sosnoff arising from investments that occur within her sales region through firms such as BFEC.

Because of this individual's ownership interest in, and her professional duties involving sales services to, BFEC, a conflict of interest could potentially arise particularly if both firms were to negotiate asset management fees payable to Atalanta Sosnoff that are more favorable than what might otherwise be paid by firms similarly situated with BFEC, or if BFEC were to determine to include or retain Atalanta Sosnoff on the firm's Separately Managed Portfolios (Covered) program under circumstances wherein other money management firms would not be permitted to be included or to remain.

This individual will have no role in negotiating asset management fees payable by BFEC to Atalanta Sosnoff. Further, BFEC and its representatives will not receive any additional or different sales compensation in connection with recommendations to clients concerning Atalanta Sosnoff versus any other money manager under comparable circumstances. In addition, Atalanta Sosnoff and its sales representative will not receive any additional or different compensation in connection with client investments placed with Atalanta Sosnoff through BFEC versus those of any other investment firm similarly situated.

An individual who is the Chief Executive Officer and Chief Investment Officer for Confluence Investment Management LLC, one of the third-party money managers that is available for clients to select in the Separately Managed Portfolios (Covered & Non-Covered) program and a model provider for the Exchange Traded Fund Portfolios program, is a member of the board of directors and has made a private investment in the equity securities of Benjamin Edwards, Inc., the holding company of BFEC.

This individual is not an employee of, and will have no day to day managerial or decision-making role with BFEC or its affiliates; however, as a member of the board of directors, he will be involved in the development of strategy, policy and other important matters affecting Benjamin Edwards, Inc., including its affiliates. As part of his professional responsibilities with Confluence Investment Management LLC, he is involved in making investment decisions concerning portfolios of individual clients. BFEC and its representatives do not receive any additional or different sales compensation in connection with recommendations to clients concerning Confluence Investment Management LLC versus any other money manager under comparable circumstances. In addition, Confluence Investment Management LLC and its CEO/CIO do not receive any additional or different compensation in connection with client investments placed with Confluence Investment Management LLC through BFEC versus those of any other investment firm similarly situated. However, the CEO/CIO is compensated for his service as a board member of Benjamin Edwards, Inc. on the same terms as other board members.

In addition, a portfolio manager for Confluence Investment Management LLC is a beneficial owner of a trust that owns equity securities of Benjamin Edwards, Inc., the holding company of BFEC. This individual is not an employee of, and will have no managerial or decision-making role with, BFEC or its affiliates. As part of his professional responsibilities, however, he is involved in making investment decisions concerning portfolios of individual clients.

BFEC and its representatives do not receive any additional or different sales compensation in connection with recommendations to clients concerning Confluence Investment Management LLC versus any other money manager under comparable circumstances. In addition, Confluence Investment Management LLC and its portfolio manager do not receive any additional or different compensation in connection with client investments placed with Confluence Investment Management LLC through BFEC versus those of any other investment firm similarly situated.

A Senior Executive at Franklin Templeton, one of the mutual fund families utilized in the Mutual Funds Portfolios program, and one of the third-party money managers that is available for clients to select in the Separately Managed Portfolios (Covered) program, has made a private investment in the equity securities of Benjamin Edwards, Inc., the holding company of BFEC. This individual is not an employee of, and will have no managerial or decision-making role with, BFEC or its affiliates.

This individual is a trustee and the chairman of a number of Franklin Templeton funds in which participants in certain BFEC advisory programs invest from time to time. He will have no role in negotiating asset management fees payable by BFEC to Franklin Templeton, and has no direct sales responsibilities with respect to BFEC or its affiliates. Further, BFEC and its representatives will not receive any additional or different sales compensation in connection with recommendations to clients concerning Franklin Templeton versus any other fund company or money manager under comparable circumstances. It should be noted however that BFEC will receive marketing support payments based on a percentage of assets under management see above for more information concerning such payments.

Any potential conflict regarding Franklin Templeton's status on the Separately Managed Portfolios (Covered) program or in the Mutual Fund Portfolios will be resolved by following the same evaluation, criteria and investment committee process used to evaluate other mutual funds and money managers.

BFEC may have a separate brokerage relationship with persons who are also investment advisory clients of BFEC. As an investment adviser, BFEC owes a heightened standard of fiduciary care when providing investment advice to the client than when acting as a broker-dealer. During the course of a brokerage relationship, the broker-dealer may act as principal or agent when effecting transactions with clients and may receive compensation in connection with such transactions. Brokerage and investment advisory accounts are not commingled; transactions in both brokerage and advisory accounts are disclosed or reported to the client.

BFEC employees, including access persons, may participate in any of the advisory programs offered by BFEC and may thus own the same securities owned by advisory clients. In addition, BFEC employees, including financial consultants who are advising clients in the Benjamin F. Edwards Client Portfolios Program and the Benjamin F. Edwards Private Portfolios Program, may engage in transactions alongside clients, including purchasing securities that they are advising clients to sell, and selling securities that they are advising clients to purchase. In most cases, such "contrary" transactions are limited to special circumstances, such as to pay for educational, medical or unanticipated significant expenses; however, the firm may permit other transactions.

The Manager of Advisory Services receives compensation as an Investment Adviser Representative for some clients.

Code of Ethics BFEC has adopted an ethics policy that applies to all associated persons of the firm. The policy requires all associated persons of BFEC to conduct themselves according to the highest ethical standards, in accordance with the firm's culture and in accordance with the fiduciary obligation we owe to our clients. The policy further requires all associated persons of the firm to adhere to applicable securities laws, regulations and rules. The policy further requires all associated persons to be vigilant with respect to any actual or potential conflict of interest that could affect one's judgment or decision-making.

Access Persons Certain categories of associated persons are considered under the policy to be "access persons" within the meaning of Rule 204A-1 of the Investment Adviser's Act of 1940. Access persons are required to maintain their securities accounts at BFEC, unless an exception is specifically approved in writing. In addition, no access person is permitted to invest in any private placement or initial public offering (IPO) unless an exception is specifically approved in writing in advance. Access persons also are required to periodically disclose all securities accounts and holdings other than with respect to accounts held at BFEC. Access persons are further required to periodically disclose all securities transactions other than with respect to accounts held at BFEC. Access persons are permitted to participate in the same advisory programs that are offered to public clients on the same terms.

It should be noted that access persons servicing clients who are participating in the Benjamin F. Edwards Client Portfolios program or the Benjamin F. Edwards Private Portfolios program may engage in equity or fixed income transactions contrary to those of their clients (e.g., may sell a stock that is being purchased for clients). In such situations, a conflict of interest could arise if a financial consultant engages in transactions on behalf of clients that would benefit the financial consultant, such as when he or she might purchase a large quantity of securities for clients, potentially causing the price of those securities to increase, and then sells his or her own securities. BFEC addresses this situation by limiting such transactions to situations involving unanticipated extraordinary expenses, transactions necessary to fund large purchases (such as a car or home), or purchase transactions contrary to unsolicited client sell orders. In appropriate circumstances, the firm may approve other contrary transactions upon individual review.

In addition, a financial consultant servicing clients who are participating in those programs may engage in equity or fixed income transactions that they simultaneously or subsequently recommend to clients (i.e., may purchase or sell a stock at the same time a client is purchasing or selling). In such situations, the larger quantity of securities being purchased or sold could impact on the price clients receive. Depending on market conditions, this could have either a positive or negative impact. BFEC addresses this situation by generally requiring a financial consultant to receive the "worst" price of the trading day as compared with the prices received by his or her clients.

Review and Oversight of Securities Holdings and Transactions Accounts, holdings and transactions are required to be supervised by the access persons' immediate supervisory principal. Oversight of such reviews is to be conducted by the Compliance Department.

Requirement to Report Violations of Ethics Policy All associated persons are required to report violations of the ethics policy to the Compliance Department. If such report is made to a Compliance employee other than the Chief Compliance Officer, such Compliance employee must ensure the violation is brought to the attention of the Chief Compliance Officer.

Provision of Policy to Access Persons Requirement to Certify Receipt of Ethics Policy: The ethics policy must be provided to all associated persons, who must certify having received it. Periodic recertification may be required by the Compliance Department with respect to receiving any amendments of the policy.

A copy of BFEC's Code of Ethics will be provided to the client or prospective client upon request.

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Brokerage Practices

As noted previously above, Benjamin F. Edwards & Company (BFEC) is a registered investment adviser and a broker-dealer. BFEC introduces all of its equity orders to its clearing firm, Pershing LLC, subject to Pershing's duty of best execution; however, money managers associated with three investment advisory programs (Benjamin F. Edwards Separately Managed Portfolios (Covered); Benjamin F. Edwards Separately Managed Portfolios (Non-Covered); and Lockwood Investment Strategies) have the option of executing transactions away from Pershing if they believe it is in the client's best interests to do so. BFEC may execute fixed income transactions directly with firms other than Pershing, although Pershing will clear, settle and report those trades, as applicable, on BFEC's behalf.

BFEC receives no soft-dollar compensation, and all transaction costs are included as part of the client's wrap fee.

No client referrals are received as a result of selecting or recommending a broker-dealer.

Under normal circumstances, purchase or sale orders of the same security being traded at the same time for more than one discretionary account will be combined by the portfolio manager for the accounts involved. Orders will normally not be combined for transactions involving nondiscretionary accounts.

There are no additional direct costs to the client for combining or not combining orders. Indirectly, it is sometimes possible to obtain better prices for larger quantities of securities and, in situations where orders are not combined, clients would not realize the potential benefit of any such price advantage.

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Review of Accounts

Frequency and depth of reviews depend upon the program; details for each program are as follows:

Benjamin F. Edwards Mutual Fund Portfolios At account opening, client documents are reviewed for consistency, suitability criteria and model selection. Reviews are performed by the Branch Office Manager or an appropriately designated sales principal, as well as a designated home office representative – Advisory Portfolios Specialist.

Rebalancing will be implemented by Pershing Managed Account Solutions (PMAS) in accordance with a servicing agreement with BFEC. The account will be rebalanced to more closely align with the model's target asset and fund allocation percentages on a periodic basis selected by the client in the advisory agreement. The default will be semi-annually, but annually is also an option. In addition, the account will be rebalanced when deposits and withdrawals occur unless, in the judgment of PMAS, the amount involved would not have a meaningful impact on the strategy.

Quarterly, the performance of the mutual funds used in the models will be reviewed by BFEC's Manager of Advisory Services to ensure continued adherence to BFEC's qualitative standards. In addition, a review will be conducted as needed by BFEC based on potentially significant developments that may affect the operations or management of the fund (e.g., change of fund manager, corporate reorganizations, etc.). Adjustments will be made as needed to individual accounts based on the outcomes of the reviews.

Russell Model Strategies At account opening, client documents are reviewed for consistency, suitability criteria and model selection. Reviews are performed by the Branch Office Manager or an appropriately designated sales principal, as well as a designated home office representative – Advisory Portfolios Specialist.

Rebalancing will be implemented by PMAS in accordance with a servicing agreement with BFEC. The account will be rebalanced to more closely align with the model's target asset and fund allocation percentages on a periodic basis selected by the client in the advisory agreement. The default will be semi-annually, but annually is also an option. In addition, the account will be rebalanced when deposits and withdrawals occur unless, in the judgment of PMAS, the amount involved would not have a meaningful impact on the strategy.

The models for the Russell Model Strategies are implemented per the recommendations of Russell Investments. Quarterly, the performance of the Russell Model Strategies will be reviewed by BFEC's Manager of Advisory Services to ensure continued adherence to BFEC's qualitative standards.

Russell will monitor the allocations and funds used in the models. BFEC will be notified of any changes to the model strategies. Adjustments will be made as needed to individual accounts based on the changes to the models.

Benjamin F. Edwards Exchange Traded Fund Portfolios At account opening, client documents are reviewed for consistency, suitability criteria and model selection. Reviews are performed by the Branch Office Manager or an appropriately designated sales principal, as well as a designated home office representative – Advisory Portfolios Specialist.

The models for the ETF Portfolios are provided by Laffer Investments and Confluence Investment Management LLC. Quarterly, the performance of Laffer and Confluence will be reviewed by BFEC's Manager of Advisory Services to ensure continued adherence to BFEC's qualitative standards.

Confluence will review the allocations and ETFs used in their models on a quarterly basis. Laffer reviews the allocations and ETFs used in their models on an ongoing basis. BFEC will be notified of any changes to the model strategies. Rebalancing may occur as needed to individual accounts based on the changes to and the strategy for the models, taking into account advice received from the model providers. Rebalancing will be implemented by PMAS in accordance with a servicing agreement with BFEC. In addition, the account will automatically be rebalanced when deposits and withdrawals occur unless, in the judgment of PMAS, the amount involved would not have a meaningful impact on the strategy.

Both Confluence and Laffer are engaged in a business in which they provide models to firms such as BFEC, as well as manage accounts independently of BFEC on a fiduciary basis.

With respect to the ETF models provided by Confluence, Confluence will not provide BFEC with changes to its models until after such changes are first implemented in its own clients' accounts. As a result, changes to Confluence's models that are implemented in BFEC client accounts will take place after the changes in Confluence's accounts, and the performance in BFEC's accounts will differ from those managed directly by Confluence. It is possible that Confluence's prior transactions could increase the price of ETFs that BFEC's clients might have to pay for purchases, or reduce the proceeds that might be obtained in connection with sales.

With respect to the ETF models provided by Laffer, Laffer will provide BFEC with changes to its models before implementing the changes in their own clients' accounts. As a result, changes to BFEC accounts may take place prior to, after or simultaneously with the changes in Laffer's accounts. As a result, the performance results of the BFEC accounts will differ from those managed by Laffer.

Benjamin F. Edwards Custom Mutual Fund Portfolios At account opening, client documents are reviewed for consistency, suitability criteria and model selection. Reviews are performed by the Branch Office Manager or an appropriately designated sales principal, as well as a designated home office representative, – Manager Advisory Services or delegate.

Rebalancing will be implemented by BFEC. The account will be rebalanced to more closely align with the account's target asset and fund allocation percentages on a periodic basis selected by the client. The default will be semi-annually, but annually is also an option. It is possible that other rebalancing options may be approved after consultation between the client and BFEC. In addition, the account will be rebalanced when deposits and withdrawals occur unless, in the judgment of BFEC, the amount involved would not have a meaningful impact on the strategy.

At least annually, the Branch Office Manager will ensure that the financial consultant conducts a review of the client's overall progress with respect to the account and will discuss with the financial consultant as needed. During these reviews, the client's general financial circumstances and desire for any reasonable investment restrictions will be assessed, and recommendations as to adjustments to the client's investment strategy will be made as necessary.

During the life of the account, the Branch Office Manager and Home Office Principals will monitor accounts to ensure activity is suitable and that the account is properly administered. Various reviews will be performed on a daily, monthly, quarterly or annual basis. In addition, ad hoc reviews will be performed as needed.

Benjamin F. Edwards Client Portfolios At account opening, client documents are reviewed for consistency, suitability criteria and investment selection. Reviews are performed by the Branch Office Manager or an appropriately designated sales principal, as well as a designated home office representative, – Manager, Client & Private Portfolios Supervision.

At least annually, the Branch Office Manager will ensure that the financial consultant conducts a review of the client's overall progress with respect to the account and will discuss with the financial consultant as needed. During these reviews, the client's general financial circumstances and desire for any reasonable investment restrictions will be assessed, and recommendations as to adjustments to the client's investment strategy will be made as necessary.

During the life of the account, the Branch Office Manager and Home Office Principals will monitor accounts to ensure activity is suitable and that the account is properly administered. Various reviews will be performed on a daily, monthly, quarterly or annual basis. In addition, ad hoc reviews will be performed as needed.

Benjamin F. Edwards Private Portfolios At account opening, client documents are reviewed for consistency, suitability criteria and investment selection. Reviews are performed by the Branch Office Manager or an appropriately designated sales principal, as well as a designated home office representative, – Manager, Client & Private Portfolios Supervision.

At least annually, the Branch Office Manager will ensure that the financial consultant conducts a review of the client's overall progress with respect to the account and will discuss with the financial consultant as needed. During these reviews the client's general financial circumstances will be assessed and adjustments to the client's investment strategy, including any reasonable restrictions, will be made as necessary.

During the life of the account, the Branch Office Manager and Home Office Principals will monitor accounts to ensure activity is suitable and that the account is properly administered. Various reviews will be performed on a daily, monthly, quarterly or annual basis. In addition, ad hoc reviews will be performed as needed.

Benjamin F. Edwards Separately Managed Portfolios At account opening, client documents are reviewed for consistency, suitability criteria and model selection. Reviews are performed by the Branch Office Manager or an appropriately designated sales principal, as well as a designated home office representative, -- Advisory Portfolios Specialist.

Quarterly, the third-party money managers in the Benjamin F. Edwards Separately Managed Portfolios program will be reviewed by BFEC's Manager of Advisory Services to ensure continued adherence to BFEC's qualitative and performance standards. Both covered and non covered managers will be reviewed; however, a higher level of ongoing research and due diligence is applied to the covered managers.

In addition, a review will be conducted as needed by BFEC's Manager of Advisory Services based on potentially significant developments that may affect the operations or management of the portfolios (e.g., change of Portfolio Manager, corporate reorganizations, etc.).

Adjustments will be made to the managers' status in the program as needed, and individual accounts will be addressed accordingly based on the outcomes of the reviews.

Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios At account opening, client documents are reviewed for consistency, suitability criteria and model selection. Reviews are performed by the Branch Office Manager or an appropriately designated sales principal, as well as a designated home office representative, Advisory Portfolios Specialist.

The accounts are rebalanced periodically to reflect market changes and to maintain compliance with Lockwood's strategy-specific guidelines. This may occur as a result of deposits, withdrawals or market movement. Rebalancing will be implemented by Lockwood.

The strategies for the Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios are managed by Lockwood. Quarterly, the performance of Lockwood will be reviewed by BFEC's Manager of Advisory Services to ensure continued adherence to BFEC's qualitative standards.

Lockwood will review the allocations and securities used in their models on an ongoing basis. Adjustments will be made as needed to individual accounts based on the changes to the models.

Retirement Plan Consulting Program Reviews provided for the Retirement Plan Consulting Program will be performed by the financial consultant. Frequency and content of review is dependent on the negotiated scope of services established for each client.

Financial Planning The Financial Review and Investment Portfolio Review financial planning programs are designed by their nature to provide a one-time assessment of, and recommendations concerning, a client's financial situation. As such, it is not anticipated that there will be any ongoing or periodic review of individual financial plans following delivery of the plan to the client.

Client Reports

Clients who participate in wrap fee advisory accounts will receive the following reports:

Written (or, if elected by the client, electronic) account statements will be provided to clients at least quarterly through the firm's asset custodian, Pershing, LLC, identifying the amount of funds of each security in the account at the end of the period and setting forth all transactions in the account during that period.

Written performance reports will be provided to clients on a quarterly basis through PMAS identifying since inception, year-to-date, and current quarter values and returns, benchmark returns, summary of gains/losses for realized and unrealized losses and a detailed report of year to date realized gains and losses.

Clients who participate in BFEC's Financial Planning programs will receive a one-time written financial plan, and will not receive recurring updates or supplemental reports.

Clients who participate in BFEC's Retirement Plan Consulting Services program generally negotiate a tailored scope of services. Depending on the services that are desired, written reports may be prepared, customized or developed for the client to address their particular needs.

ADV Part 2A Firm Brochure

Client Referrals and Other Compensation

Financial consultants of BFEC will receive a percentage of the wrap fees paid by advisory clients to compensate them for solicitation, shareholder support, advice, order placement and execution, and other services. In addition, financial consultants may be eligible for cash and non-cash compensation including bonuses, recognition trips and other benefits. Some of these programs may be financed in whole or in part by unaffiliated third parties, including representatives of mutual funds or distributors, which may influence some representatives to favor those funds. See the prior sections entitled "Fees and Compensation" and "Other Financial Industry Activities and Affiliations" for more details regarding compensation and conflicts of interests.

BFEC does not currently compensate non-affiliated third parties for client referrals.

ADV Part 2A Firm Brochure

Custody

BFEC utilizes Pershing, LLC as its custodian; hence, Pershing will be the custodian for all wrap fee advisory accounts. Pershing is a qualified custodian and will provide clients with account statements at least quarterly. These statements identify the positions in the account at the end of the statement period, as well as all transactions in the account during the statement period. Clients should review these statements carefully.

Clients will also receive quarterly performance reports for their account. These reports are produced by PMAS and distributed by a third-party vendor on behalf of BFEC. These are not statements; however clients are encouraged to compare the information on these reports versus the information on their statements.

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Investment Discretion

BFEC has discretionary authority with respect to the following advisory programs:

- Benjamin F. Edwards Mutual Fund Portfolios
- Russell Model Strategies
- Benjamin F. Edwards ETF Portfolios
- Benjamin F. Edwards Private Portfolios

Such discretion applies to all aspects of account transactions, including the securities, quantity, price and timing of securities to be bought and sold.

With respect to Separately Managed Portfolios (Covered and Non-Covered), an unaffiliated third-party money manager selected by the client has discretionary authority to determine securities and the amount of securities to be bought and sold.

Lockwood Advisors has discretion with respect to the Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios programs. Such discretion applies to all aspects of account transactions, including the securities, quantity, price and timing of securities to be bought and sold.

Benjamin F. Edwards Custom Mutual Fund Portfolios is a mutual-fund-only advisory program with limited discretion. The financial consultant and client will work together to identify an appropriate investment model. The client retains final decision-making authority with respect to the mutual funds used and the percentage allocated to each fund in the model. Limited discretion is granted to the financial consultant to:

- Rebalance the account per the selected rebalancing frequency
- Invest cash deposits
- Sell and reinvest deposits of securities
- Sell funds for fees and requested withdrawals

Benjamin F. Edwards Client Portfolios is a non-discretionary advisory program.

In all of the discretionary programs above, the nature of the discretion is identified and granted by the client via the advisory agreement executed for each account.

Clients may request reasonable restrictions on the management of their discretionary accounts. Such restrictions may include imposition of limitations or preferences concerning transactions in certain securities, frequency of rebalancing, tax-loss selling, frequency of distributions and similar matters.

With respect to security-specific restrictions in the Benjamin F. Edwards Private Portfolios program, such restrictions are individually negotiated between the client and financial consultant. With respect to all other programs involving transactions in individual equity securities, clients may request security-specific restrictions on those equities based on the following categories: Alcohol, Cosmetic, Defense/Military/ Weapons, Entertainment, Foreign Securities, Gambling, Finance, Trucking, Meat Products, Nuclear Power, Oil Stocks, Textiles, Drugs, Tobacco, Public Utilities, Paper/Forest Products, and Healthcare/Medical Industries.

With respect to model based mutual fund and ETF wrap programs, BFEC will entertain requests for reasonable restrictions on the management of the account; however, if a client wishes to make a request concerning restrictions based on specific securities, it may be more appropriate for the client to participate in other BFEC advisory programs that are not so uniquely positioned.

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Voting Client Securities

For most advisory programs, BFEC will not normally vote on matters requiring shareholder voting in connection with the securities held in a client's account, or with respect to certain legal actions involving securities including, for example, voting of proxies, mergers, bankruptcies or restructuring, class actions, or similar matters. See specific advisory program descriptions above, as some outside managers will vote proxies on behalf of clients. Clients will receive proxy notices from the firm's custodian, Pershing LLC. In the limited circumstances where a client may hold securities directly with an issuer, proxy notices will be sent by the issuer.

Notwithstanding the foregoing, upon request of the client, BFEC may be able to provide limited advice regarding proxy voting, mergers, bankruptcies or restructuring, class actions, or similar matters, except under the following circumstances:

- No advice will be given if it is on behalf of any person soliciting proxies or on behalf of a participant in a matter relating to the election or removal of directors;
- No advice will be given if the firm holds, including in nominee name, 5% or more of the securities that are the subject of a proxy vote;
- No advice will be given with respect to matters involving foreign private issuers, including American Depositary Receipts (ADRs);
- No advice will be given if BFEC does not have the resources upon which to form a reasonable basis for the advice to be given;
- No advice will be given if prohibited by law or regulation; and
- No advice will be given if BFEC believes that a conflict of interest may exist that might materially affect the judgment required to properly render such advice, or if BFEC believes in its judgment that other factors are present which do not make the rendering of such advice to be prudent.

With respect to Benjamin F. Edwards Separately Managed Portfolios (Covered and Non-Covered), Lockwood Asset Allocation Portfolios, and Lockwood Investment Strategies, clients may contact their financial consultant to request information regarding how managers in those programs voted their proxies.

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Financial Information

BFEC does not foresee any financial condition that would impair our ability to meet contractual commitments to clients.

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Requirements for State-Registered Advisers

Not applicable; BFEC is registered at the federal level with the SEC as an Investment Adviser, and has made appropriate notice filings to various states as required. Please note that references to BFEC as being "registered" is not intended to reflect that the firm or its representatives have special skills or training; it is used only to reflect the status of the firm with respect to Section 203 of the Investment Advisers Act of 1940.